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CHARTER LEGISLATION

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ON PAGE 2

WASHINGTON POST  
28 August 1980

### Correction

An article yesterday about a House bill to outlaw disclosure of the names of CIA operatives working abroad incorrectly stated the position of Rep. Harold L. Volkmer (D-Mo.). Of the six Democrats on a House Judiciary subcommittee considering the bill, Volkmer was the only one to vote against limiting the proposed penalties to past and present government officials.

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ON PAGE A 5

THE WASHINGTON POST  
27 August 1980

# Panel Votes to Soften Bill on Disclosing Agent Names

By George Lardner Jr.  
Washington Post Staff Writer

Acting in the face of a Republican boycott, a House Judiciary subcommittee yesterday moved to eliminate the most controversial provisions of a bill that would make it a crime to disclose the names of CIA operatives working abroad.

By a vote of 5 to 1, the subcommittee on constitutional rights decided to outlaw such disclosures by present and past government officials, but not by outsiders, such as journalists.

Rep. Robert F. Drinan (D-Mass.), who proposed the change, said it would avoid the "constitutional pitfalls" of the more sweeping measure approved in recent weeks by both the House and Senate Intelligence committees.

"Betrayal of trust is what needs to be punished," he said in urging that the bill be restricted to present and past government officials who learn the identity of covert agents by virtue of their official positions.

The broader bill approved by the Intelligence committees was aimed in large measure at anti-CIA periodicals such as the Covert Action Information Bulletin, which regularly prints the names of CIA operatives in order to impede their work.

To outlaw such publications, however, the bill would allow the prosecution of any journalist—even one relying on unclassified information such as old State Department Biographic Registers—if the government could show an intent to impair or impede U.S. foreign intelligence activities.

Rep. Don Edwards (D-Calif.), the chairman of the Judiciary subcommittee on constitutional rights, said this would make it a crime, for example, to try to head off a CIA assassination attempt by disclosing the names of the agents involved in the scheme.

"We're doing our best to bring out a constitutional bill," he said after yesterday's vote. He said the measure would be brought before the full House Judiciary Committee next week.

Of the subcommittee's six Democrats, only Rep. Harold L. Volkmer (D-Mo.) voted to limit the bill to past and present government officials. The three Republicans on the panel stayed away from the meeting, apparently in hopes of preventing it from obtaining a quorum.

The bill was referred to the Judiciary Committee because the Intelligence Committee version would also outlaw the disclosure of any agents or informers of the FBI's counterintelligence or counterterrorist units. The

Judiciary Committee has legislative jurisdiction over the FBI.

Edwards said he knew of no evidence that FBI agents or sources are in peril, and he criticized the House Intelligence Committee for adding them to the bill "as a kind of afterthought." The subcommittee voted to take them out, again by a 5-to-1 vote, with Volkmer dissenting.

"The FBI has only a handful of employees who operate covertly outside the United States," Edwards said. He said FBI officials have acknowledged that no harm has befallen any of the bureau's agents or sources because of journalistic disclosures.

The broader versions approved by the House and Senate Intelligence committees were rushed through after a July 4 attack on the home of the CIA station chief in Jamaica. His name had just been disclosed by the co-editor of the Covert Action Information Bulletin, Louis Wolf. Wolf has contended that the attack was staged to gain sympathy for the agency, but that view has little support on Capitol Hill.

"This bill has a steamroller behind it," Edwards said after his subcommittee reported out the limited version. "It has a lot of momentum. Some say it's approaching hysteria."

Among those pushing for the

broader bill is House Majority Leader Jim Wright (D-Tex.), who told Edwards in a letter Monday that he considered it "of vital importance." He urged Edwards to report out the Intelligence Committee version "without amendment" in order to ensure enactment before Congress adjourns.

"The purpose and the need for this legislation was made painfully clear once again by the July 4 machine-gunning of the home of a member of our embassy staff in Jamaica," Wright said. "The 96th Congress may be justly accused of dereliction if it fails to complete action on this bill."



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ON PAGE **A-13**

NEW YORK TIMES  
27 AUGUST 1980

## Panel Softens Proposed Bill on Identifying Agents

By CHARLES MOHR  
Special to The New York Times

WASHINGTON, Aug. 26 — Liberal members of a House subcommittee that is reviewing proposed intelligence legislation today recommended the deletion of its most controversial provisions, those that make it a crime for private persons, including journalists, to identify covert intelligence agents or informers.

The "agents identities protection" bill has already been approved by the House Select Committee on Intelligence and, in slightly different form, by the Senate Intelligence Committee. Under the bill, identifying covert agents of United States intelligence agencies or informants for the Federal Bureau of Investigation would be a criminal offense.

The subcommittee on civil and constitutional rights of the House Judiciary Committee was able to review the bill on "sequential reference" because it created a new criminal statute, a matter that normally would fall under Judiciary Committee jurisdiction.

If the Judiciary Committee upholds the subcommittee action, the full House will

have to decide whether to accept or reject the softening amendment.

The Democratic Majority Leader of the House, Representative Jim Wright of Texas, had urged the subcommittee in writing not to amend the bill because it might delay its being brought to the floor of the House. He had hoped to be able to suspend House rules and achieve its speedy passage.

Mr. Wright said in a letter to the subcommittee chairman, Don Edwards, Democrat of California, that "the 96th Congress may be justly accused of dereliction if it fails to complete action on this bill."

But Representative Edwards said that he agreed with civil liberties organizations that the agent identities bill was "clearly unconstitutional," and he and four of his Democratic colleagues, Robert W. Kastenmeier of Wisconsin, John F. Seiberling of Ohio, Elizabeth Holtzman of Brooklyn and Robert F. Drinan of Massachusetts, prevailed.

Harold L. Volkmer, Democrat of Missouri, voted against the changes but in favor of reporting the bill to the full Judiciary Committee, which will consider it next week.

There has been no serious controversy over provisions of the bills that would

make it a crime for a Government official or former official who had authorized access to classified information to reveal the identity of intelligence agents.

The provision affecting private citizens grew out of the anger of many members of Congress, including some on the two intelligence committees, over the Washington newsletter, Covert Action Information Bulletin, which has printed the names of what it says are Central Intelligence Agency officers who operate under so-called "shallow embassy cover" in foreign posts, posing as ordinary diplomats.

The bulletin's staff says it uses simple methods to decipher terminological fictions and false titles in unclassified biographical registers to deduce this information.

Representative Edwards said after today's subcommittee meeting that it was not certain that the stringent provisions of the intelligence committee bill could be blocked in a showdown on the House floor. "There is a lot of momentum behind the bill, almost hysteria," he commented.

Some civil libertarians and journalists have voiced the fear that the original bills are so broadly drawn that it might become a crime to reveal that a foreign head of government had acted in concert with the C.I.A. since he would be a "source" or "covert agent."

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THE WASHINGTON POST  
27 August 1980



ARTICLE APPEARED  
ON PAGE 45THE WASHINGTON POST  
27 August 1980

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By George Lardner Jr.  
Washington Post Staff Writer

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8 August 1980

## We need some secrecy

The House Foreign Affairs Committee has voted 14-10 to give the President substantial leeway in keeping undercover CIA operations quiet.

Proponents of the change in a measure setting forth some ground rules on who should know about secret operations would give the President the right to withhold information even from leaders of congressional intelligence committees for two reasons:

"To meet extraordinary circumstances affecting the vital interest of the United States" or "to avoid unreasonable risk to the safety of personnel or methods employed."

American intelligence activity, we understand, is hurting badly from leaks, new controls and persons "blowing the cover" of agents with impunity.

All that could hardly happen at a worse time in a world of intrigue with factions from the Middle East and parts of Africa advancing their nefarious causes by terrorism.

We feel that U.S. intelligence needs help and that what the Foreign Affairs Committee approved is a step toward getting it. We urge both houses of Congress to go along with such or similar legislation.

SACRAMENTO UNION (CA)  
5 AUGUST 1980

## No detailed charter Wanted: aggressive intelligence agency

Perhaps some of us take a great deal of comfort in hearing Defense Secretary Harold Brown tell us that we are second to none in military power. Perhaps some of us believe him. And perhaps a few of us realize what a comedown "second to none" is over just a few years ago.

But are there any of us today who believe that the decline in American power versus that of the Soviet Union has helped the cause of peace? Unfortunately, there are a few among us who, against all historical evidence, believe that the weaker we are the safer we are. Fortunately, most of us do not attribute to others altruistic qualities that they have never before demonstrated but which would suddenly be triggered by American helplessness.

We have yet to be hornswoiggled by those who advocate unilateral disarmament. But we have come pretty close to it. With our propensity for international optimism, we denuded ourselves of a first-rate army and an adequate intelligence service immediately after World War II.

**HISTORICALLY, THE UNITED STATES** has been suspicious of intelligence agents. The only times we have submitted ourselves to counter-intelligence have been during wars. George Washington had spies, Abraham Lincoln had spies, as did Woodrow Wilson and Franklin Roosevelt. But when World War II ended, President Harry S. Truman killed the Office of Strategic Services. And one secretary of war refused to have spies about him because "gentlemen don't open other people's mail."

We share the private citizen's abhorrence of letter-openers and keyhole-peepers, but we do not see how the essential protection of individual liberty should interfere with an aggressive intelligence agency, except in some lawyers' briefs.

We believe that a people can remain free while employing a diligent secret service. Indeed, we will have to learn to accommodate a Central Intelligence Agency whose mistakes have inspired the recriminations we are dealing with today.

**WE ARE A DEFINITE** minority in the world — free, capitalistic and prosperous. Our only influence on the world, moreover, appears to be declining. We have lost much of our ability to influence events on a level less subtle than war through our confusion at home.

We play a shrinking role in Southeast Asia; the Russians have taken over our old bases and our influence in Indochina; we are mere observers in Central America — an isthmus of turmoil we cannot ignore.

We exist in an unfriendly world. We do need intelligence of the other fellow's intentions. It is hoped that we will act honorably on the basis of that intelligence.

**IT IS AN ENDURING** problem of democracy that we are faced with currently: that is, how we handle our CIA AND FBI. The Dilemma: How do we preserve the ideals of the nation without denying those privileges to those who would seek to destroy us? A free society must by definition always stand in peril of being destroyed by its guarantees of freedom.

It would therefore seem that a free society stands in great need of a sensitive intelligence service to alert it to any threats to freedom. Unfortunately, we have stripped the CIA

of much of its effectiveness through a misguided belief that the watchdog is a greater threat to the homeowner than the burglar.

Congress is looking again at the role of the CIA in the United States. Some congressmen would have the United States adopt a detailed charter to spell out what the CIA could or could not do. Others favor a revision of the present rules in order to cut back on the number of senators and representatives the CIA must report to about sensitive missions.

**THE MOST RECENT** action in Congress indicates an awareness of the need for secrecy in intelligence operations. The House Foreign Affairs Committee voted last Thursday to give the president considerable leeway in keeping undercover CIA operations quiet. The president would be allowed to ignore rules on advance notice of operations if he thinks the leaders of congressional intelligence committees should not be told because of extraordinary circumstances.

The question comes down to: Whom do you trust? Congress is the major source of leaks. Congressmen survive by leaks. The president is the chief executive elected by all the people. Ultimately, he is the one person who must answer for the foibles of the CIA.

Therefore, a return to the legislation which created the CIA in 1947 — amended where necessary to select new situations — appears to be the best solution. We do not believe that the CIA should be put under a detailed charter which attempts to spell out all the do's and don'ts of an intelligence service.

2 August 1980

## Crying Wolf?

TO STOP THE Central Intelligence Agency from interfering "in the internal affairs of independent nations," Louis Wolf has been publishing a bulletin which purports to print CIA secrets and to name CIA agents.

Today, some members of Congress want to stop Louis Wolf and the others in his pack from using the First Amendment to campaign against covert operations and operatives overseas.

The legislators' concern with protecting U.S. agents is understandable. So is their anger, considering that the house of an American diplomat in Jamaica was assaulted last month only two days after Wolf's newsletter claimed the official was a CIA station chief.

If speculating about agency work and agents' identities can be dangerous business, so can laws made in haste — especially when they're trying to draw a fine line around constitutionally-protected expression. Unfortunately, Congress is not taking the necessary care in its rush for legislative action.

The bill in the Senate, for example, would make it a crime to disclose an agent's

identity "in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States." The House bill goes even farther, covering domestic operations by the Federal Bureau of Investigation.

WELL INTENDED or not, laws based on intentions open citizens and their head-bones to government guesswork and criminal liability. Also open to question is a law which rests on "impairing or impeding" government work: What some people perceive as obstructing federal efforts can be seen by others as exercising their constitutional right to speak and write, to debate and criticize Washington and its policies.

Not all kinds of expression are protected by the Constitution. Yelling "fire" in a crowded theater for mischief's sake is not. Neither is setting up people for assassination by fingering them — rightly or wrongly — as undercover agents.

When it comes to this legislation, however, it's not yelling "fire" or crying "wolf" to point out how dangerous it can be if Congress acts irresponsibly.

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NEW YORK TIMES  
26 AUGUST 1980

## U.S., Rebutting Columnist, Sees a Soviet Threat in Iran

By RICHARD BURT  
Special to The New York Times

WASHINGTON, Aug. 25 — Defense Department intelligence specialists have concluded that an American military assault against Iran would probably lead the Soviet Union to send forces into the country, Government officials said today.

The officials cited the intelligence assessment to discredit reports last week that the Carter Administration was actively contemplating a military strike against Iran in mid-October. The reports,

prepared by Jack Anderson, the syndicated columnist, were denied by the White House and the Pentagon.

Officials said the Pentagon's Defense Intelligence Agency was asked to examine how the Soviet Union was likely to respond to American military actions against Iran. The agency, they said, concluded that although Moscow was unlikely to react to a small-scale rescue operation such as the one attempted in April, there was a good chance it would respond to a major assault by moving forces into northern Iran.

In a similar study, the Central Intelligence Agency was said by one official to have taken "a more relaxed attitude" toward the prospects for Soviet military intervention, but it, too, is reported to have concluded that this possibility could not be ruled out.

The findings of the two agencies are said by officials to have led President Carter and his senior aides to rule out military action against Iran, barring a significant worsening in the treatment of the hostages.

In five columns last week, Mr. Ander-

son charged that Mr. Carter "was rushing ahead with plans to invade Iran" in order "to save himself from almost certain defeat" in the November Presidential election.

### A War Game in June

Mr. Anderson said several "jigsaw pieces" suggested that a large action against Iran was being prepared. He said these included a decision by Mr. Carter in February to have a surveillance satellite positioned over Iran, the movement of a squadron of F-4 fighters and about 500 support personnel to Egypt, the installation of "ultrasecret" communications equipment in Egypt and the deployment of six container ships full of military equipment to the Indian Ocean.

Officials said that after the hostages were seized in November, several contingency plans were drawn up for strikes against Iran, including attacks against the country's oil installations. They reported, however, that since the rescue attempt these contingency plans had received only passing attention.

Some officials suggested that Mr. Anderson might have obtained details of a Pentagon "war game" in June known as Positive Leap. In the exercise, senior military commanders are said to have tested the capacity of American air, naval and ground forces to intervene promptly in a conflict in Iran.

While denying that any military move against Iran was being prepared, one defense aide said that some senior military officers had expressed concern that Mr. Carter could be tempted to order a military show of force before November to strengthen his domestic political standing.

At the State Department, officials reacted cautiously to an announcement today by the militants at the American Embassy in Teheran that any military move against Iran could result in the death of the hostages. State Department officials speculated that the statement was provoked, in part, by the Anderson articles.

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ON PAGE B-15

WASHINGTON POST  
26 August 1980

**JACK ANDERSON**

## Israel Helped Disguise Iran Raid Signals

There was a moment of high danger last April as American commandos, huddled in helicopters, rattled toward Iran. Hundreds of miles away, Israeli intelligence specialists were routinely monitoring radio communications. They picked up some suspicious transmissions and easily detected the hostage rescue operation.

Acting quickly, they began sending out confusing signals to disguise the telltale U.S. transmissions. Incredibly, the Americans had overlooked this elementary precaution. But fortunately, the Israelis covered for them, or the ill-fated mission might have fared even worse.

This has been reported by a Pentagon evaluation team in their secret findings. The report speculates that the Soviets, their surveillance capabilities unmatched, must have detected the signals. But thanks to the Israelis, the Soviets may not have interpreted them correctly.

The Pentagon planners also seemed not to anticipate that anything would go wrong during the rescue attempt, though it was a mission of mind-numbing complexity and split-second timing. So when the unexpected happened, as another top-secret report to Sen. John Tower (R-Tex.) makes clear, the commanders of the operation had no pre-planned responses ready.

Worse yet, there was such poor overall coordination that unit commanders made individual, sometimes contradictory, decisions. And when the officers on the scene sought guidance from the Pentagon on handling the unexpected developments, the top brass in Washington passed the buck right back to them.

"[It is] clear that there was very little

planning for unexpected contingencies," the report to Tower states. "What do you do if you hit bad weather? What do you do if there is an emergency involving fire? What do you do if Iranians intervene? What do you do if you get down to five aircraft at Desert Site One? What do you do if some Iranians who observe the mission escape?"

All of these accidents — and more — happened. Yet no coordinated responses had been planned. Adding to the potential for confusion, the Senate report contends, was the fact that each unit commander — in charge of helicopters, transport planes and ground troops — "felt responsible for his part of the action and operated in isolation except when the force was married up for rehearsals."

The report explains: "Historically, it has been unwise to so fragment command. In this case, no one at Desert Site [One] was responsible for making decisions. The man who was, was in the White House, thousands of miles from the scene of the action."

The weather over the Iranian desert — the unusual "suspended dust" phenomenon — and the reactions to it illustrate the weaknesses in the rescue mission command setup.

The lead C130 transport was the first aircraft to hit the suspended dust fog, but though the planes were engulfed in it for 45 minutes, the commander "elected not to report" the unusual condition. When the Marine helicopters hit the dust, the flight leader landed briefly and reported to the Pentagon.

He was "not provided any guidance," the report notes. "The [Pentagon] asked, 'What are you going to do?' Since the other aircraft had not turned

back, the flight leader decided to go on." It was a hairy experience, flying blind, but six Marine choppers made it to Desert Site One.

There was similar lack of coordination in the matter of radio silence and radar avoidance. The Marine copter pilots were "very worried about going too high to get out of the weather, out of fear of being 'painted' by Iranian radar and thus compromising the mission," the report notes. But the "Air Force was much more relaxed, and flew all the way at a higher altitude."

Likewise, the Marines maintained strict radio silence, even in the extreme danger of the dust fog. But when the first C130 landed, the impact broke its non-interceptible radio. The Air Force pilot then "went ahead to report his arrival on an open network, thus possibly compromising the mission, even though another secure radio was available at the site," the report states.

**Spoiling the Spoils** — Win or lose in November, Jimmy Carter appears determined to leave his mark on the upper echelons of Washington bureaucracy — and leave few political spoils for a victorious Ronald Reagan.

A flood of presidential appointments to vacancies on various regulatory and advisory commissions has issued from the White House in recent months. If the Senate OKs them all, the agencies will be loaded with Carter people for years to come. Some figures: In May of 1980 Carter submitted 217 nominations, compared to just 42 in May of 1979; in June and July, he sent 379 nominations, compared to 220 in that period last year.

The president is also "piggybacking" many longterm nominations on short-term appointments to fill unexpired terms.

ARTICLE APPEARED  
ON PAGE 7BOSTON GLOBE  
25 AUGUST 1980

# Iran claims **bishopric** hid spy network

United Press International

LONDON — Iranian officials say they have broken a spy network headquartered in the Anglican bishopric in Isfahan in western Iran that was financed by \$500 million from the United States and equipped with more than 600 pounds of explosives, Tehran Radio reported yesterday.

"At present, several members of this network who are foreign nation-

als have been arrested along with their Iranian collaborators," the radio said in a broadcast monitored by the BBC in London.

No further details on the arrests, including nationalities, were given.

It was not immediately clear how the network was alleged to have operated, nor what its purpose would have been, though the word "coup" was mentioned in the broadcast.

The attack appeared to be indirectly aimed at the British, one of the targets of Iran since several Iranians were arrested in London demonstrations.

On the political front, Hashemi Rafsanjani, speaker of the Majlis (parliament), announced on Tehran Radio that the new Cabinet would be introduced possibly next Tuesday.

The Majlis has been charged by Iranian strongman Ayatollah Ruhollah Khomeini with deciding the fate of America's 52 hostages, now in day 295 of their captivity, once a government is formed.

Tehran Radio, in releasing more details on the alleged spy network, said it was discovered "following ex-

tensive investigations" in Isfahan, Iran's third largest city, 210 miles south of Tehran.

Documents, including Iranian military secrets, were seized at the bishopric along with the explosives, which were to be "distributed to a number of army personnel and the leaders of the Bahai sect," the broadcast said.

The US payment of \$500 million was indicated in the seized documents, the radio said.

Tehran Radio also reported the head of the army revolutionary court issued a warning that anyone with information about a recent coup attempt against Khomeini must cooperate by giving authorities the information by Sept. 1 or "they, too, will be prosecuted."

Several persons, including many in the military, have been executed since the alleged coup attempt.

Pars news agency, quoted by Tehran Radio, also reported that the three Western provinces of Kermanshahan, Kordestan and Ilam are under orders to participate in blackout drills because "there is a faint possibility of an intrusion into Iranian airspace."

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ON PAGE A-1

WASHINGTON POST  
24 AUGUST 1980

# Over-Secretive Planning Seen as Downfall of Raid

By George C. Wilson

Washington Post Staff Writer

Excessive secrecy may have doomed the attempt last April to rescue American hostages from Iran, a military review panel said yesterday in a report portraying a badly flawed operation.

Although panel Chairman James L. Holloway, a retired admiral and former chief of naval operations, told a Pentagon news conference that the rescue plan "probably represented the plan with the best chance of success," the report puts this assessment in question.

The Joint Chiefs of Staff were so obsessed with keeping the plan secret, for example, that they never wrote it down or subjected it to the traditional "murder boards" (panels of critics) for review.

Also, radio communications among the eight helicopters on the mission and between the helicopters and the C130 transport planes carrying the mission commanders, were so restricted that the helicopter pilots did not receive vital information that might have saved the mission.

The picture of a desperate night of mistakes and confusion emerges from the report as it describes the scene at Desert One, the mission's rendezvous point in the Iranian desert April 24-25. It was there that eight servicemen were killed when a helicopter collided with one of the C130s during the process of aborting the rescue attempt.

Long before the mission was close to being launched, the report says, the plans and rehearsals were so fragmented to maintain secrecy that cohesion and coordination became early casualties.

Much of the nation's intelligence community was frozen out of the planning, again in the interest of secrecy, and weather experts seldom had a chance to educate the helicopter pilots about the dust clouds and other bad conditions they might run into in the back country of Iran.

With secrecy keeping so many people out of the know, the Joint Chiefs of Staff became judge and jury for the plan they designed, approved and recommended to President Carter for execution.

The mission was aborted because only five of the eight helicopters which flew from the aircraft carrier Nimitz to the first rendezvous point were capable of flying on to the mountain hideaway that same night. The plan called for at least six RH53 choppers taking off from Desert One.

The military review panel, comprised of Holloway and five generals from the Army, Air Force and Marine Corps, said the rescue plan should have provided for an initial force of 10 helicopters. C130 planes should have flown ahead of them to guide them to the rendezvous spot and pass along weather information, the panel said.

Army Maj. Gen. James Vaught was the overall mission commander. Holloway at the news conference declined to pass judgment on Vaught's performance. Later the Pentagon issued a statement in Holloway's name saying that there was nobody more experienced and competent than Vaught to run the mission.

Holloway said his group's report addressed only the military issue of the first stage of the rescue operation.

"Quite frankly, we were apprehensive that the critical tone which this resulted in could be misinterpreted as an indictment of the able and brave men who planned and executed this operation. . . . We encountered not a shred of evidence of culpable neglect or incompetence."

The panel recommended, however, that the Joint Chiefs establish a standing counterterrorist joint task force, comprised of specialists from the four services, to provide a permanent source of expertise for planning such operations as the rescue mission.

Also, to provide a more critical look at future plans before they are implemented, the Holloway group recommended that the chiefs appoint a five-to-seven-member advisory panel of experienced military officers, both active and retired.

Pentagon spokesman Thomas B. Ross announced yesterday that both recommendations have been approved. Defense Secretary Harold Brown, he said, will establish a counterterrorist task force under a single command, and the chiefs will submit their plans to an oversight group.

Key findings of the Holloway group:

- **Lack of review.** A recommendation to establish a special review group for the rescue plan was rejected early on in the interests of secrecy. As a consequence planners, in effect, reviewed and critiqued their own product for feasibility and soundness as they went along.

"On the three occasions" when the Joint Chiefs of Staff were briefed on the status and content of the plan, there had been no intervening scrub-down or murder board of the planning product.

"Further," to keep the plan secret, the Joint Chiefs of Staff were acting in essence as their own action officers and were denying themselves the staffing support they normally enjoy when reviewing plans of a less sensitive nature.

"In sum, this meant that the hostage rescue plan was never subjected to rigorous testing and evaluation by qualified, independent observers and monitors short of the Joint Chiefs of Staff themselves."

"No final plan for the rescue operations was ever published prior to the mission execution. A written plan to supplement oral briefings to the Joint Chiefs of Staff would have provided them a document to study and review in the privacy of their own offices, which might have sharpened their understanding of details and led to more incisive questions."

## • Intelligence community input

"The group believes that intelligence community assets could have been pulled together more quickly and effectively. . . . Some of these officers felt their initial effectiveness may have been impaired somewhat by not being told more about the true nature of the operation from the beginning."

## • Uncoordinated training

"Thoroughly integrated training exercises of the joint task force for the final plan were not conducted." The joint task force commander, as part of the super-secrecy, imposed "decentralized command supervision of training and evaluation. . . . Thorough, integrated rehearsals would have developed precision and speed in execution, increased inter-unit coordination, suggested necessary changes and resolved problem areas," although this would have increased the chance of leaks.

The crews of the C130 transports which were to meet at Desert One on April 24 did not critique each other face to face after training together, but were largely dependent on less-effective communications. The Holloway group said there should have been an overall commander to coordinate the training better.

"Operational readiness of the force would have benefited from a full-dress rehearsal and command and control weaknesses would probably have surfaced and been ironed out."

CONTINUED

• **Flawed command and control.** "Command and control was excellent at the upper echelons, but became more tenuous and fragile at intermediate levels. . . ."

• **Number of helicopters.** The plan kept changing as it was tailored to new information about the hostage situation in Iran. One change was the need to provide more airlift at Desert One than had been contemplated when eight RH53 helicopters were deemed enough.

"The review group concluded that additional helicopters and crews would have reduced the risk of abort due to mechanical failure, were operationally feasible and could have been made available until quite late in the planning evolution. . . . An unconstrained planner would more than likely have initially required at least 10 helicopters under joint task force control rule, 11 under the most likely case and up to 12 using peacetime historical data."

Aside from secrecy considerations, "no operational or logistic factor prohibited launching 11 from Nimitz and continuing beyond the halfway point to Desert One with 10 helicopters. . . . In retrospect, it appears that on balance an increase in the helicopter force was warranted. However, such an increase would not itself guarantee success."

• **Weather predictions.** The joint task force planning the rescue mission

had been given a table, showing "by location and month, the frequency of suspended dust occurrences" over Iran. "Helicopter pilots, however, were surprised when they encountered the dust, were unprepared to accurately assess its impact on their flight and stated that they were not advised of the phenomenon. C130 pilots were also unaware of the possibility of encountering suspended dust. . . ."

"The traditional relationship between pilots and weather forecasters was severed. This was done to enhance secrecy of the operation."

As it turned out, the two dust clouds the eight helicopters flew into after leaving the Nimitz at twilight proved disastrous. One helicopter, caught in a dust storm of unknown size to the pilot, turned back to the Nimitz. He said later he would have kept going if he knew his helicopter was the crucial sixth one for continuing the mission and that there was clear flying beyond the dust cloud.

• **Excessive secrecy on communications.** "The pilot of helicopter number five"—the one which returned to the Nimitz—"lacked certain knowledge vital to reaching an informed decision to proceed or abort. . . . Failure to pass this vital information back to the carrier and support bases and rebroadcast it via secure high frequency was the result of a very restrictive communications doctrine related to the overriding concern for operations security. However, there were ways to pass the information to C130s and helicopters enroute that would have small likelihood of compromising the mission. . . ."

"The group concludes that restricted communications flow within the task force denied information essential to reach informed decisions. The additional information might have prompted helicopter number five to continue on to Desert One. One more flyable helicopter would have enabled the mission to proceed."

• **Night at Desert One.** "Perhaps because the scope and complexity of Desert One was not replicated in a full dress rehearsal, the plan for this desert rendezvous was soft. There was no identifiable command post for the on-scene commander; a staff and runners were not anticipated; backup res-

cue radios were not available until the third C130 arrived; and, lastly, key personnel and those with critical functions were not identified on the scene for ease of recognition. . . . Pilots told the Holloway group afterward that "in some cases, they did not know or recognize the authority of those giving orders at Desert One. . . ."

"Instructions to evacuate the helicopters and board the C130s had to be questioned to determine the identity of those giving the orders to establish their proper authority. . . ."

• **Failure to destroy secret information.** After all the emphasis on secrecy in planning the rescue, the helicopters abandoned on the desert floor when the mission was aborted contained top-secret information about the operation which the Iranians captured and exploited for propaganda purposes.

The Holloway group said the failure to destroy the secret material "reflects unfavorably on the performance of the personnel involved." The group also decried the "lack of destruct capability" at Desert One, meaning explosives to blow up secret maps, codes and sensitive equipment.

Serving with Holloway on the review group, which convened in May, were Army Lt. Gen. Samuel V. Wilson (ret.), former head of the Defense Intelligence Agency; Air Force Lt. Gen. Leroy J. Manor (ret.), who planned the attempt to rescue American prisoners from North Vietnam's Son Tay prison camp in 1970; Maj. Gen. James C. Smith, Army training director; Maj. Gen. John L. Piotrowski, deputy commander for air defense at the Tactical Air Command; and Maj. Gen. Alfred M. Gray Jr., director of the Marines' development center at Quantico, Va.

BALTIMORE NEWS AMERICAN  
22 AUGUST 1980**JACK ANDERSON****An invasion would bolster  
Carter's sagging ratings**

■ *This is the fifth in a series of controversial columns by Jack Anderson which claim that President Carter has developed a secret plan to invade Iran on the eve of the election. The White House denies the existence of such a plan.*

Jimmy Carter studies the polls the way gypsies read tea leaves. The secret soundings of his favorite pollster, Pat Caddell, go directly to the president for his personal scrutiny. These polls show a national crisis would produce a rally-round-the flag reaction, which would boost his re-election prospects.

This is the real reason, in the opinion of insiders, that Carter has ordered preparations for a limited invasion of Iran in October. There are three stops along the road to invasion where he could pause, reconsider and turn back. He has already passed the first stop; the military forces are now moving into position.

The best evidence that Carter's motives are political can be found in the polls that guide him. Sources with access to Caddell's polls say they show (1) that international events have a strong impact on the public; (2) that the reaction is almost immediate; (3) that the holding of American hostages in Iran has stirred deeper emotions than any foreign policy issue in recent times and (4) that the hostage issue is so volatile it could explode in the president's face.

Even more to the point, the polls show there's nothing like a grave, protracted, international crisis to lift a president's approval rating.

Carter entered the White House in January, 1977, with a 71 percent approval rating. This slid to 51 percent after the Bert Lance scandal, then plummeted to 28 percent by the time he signed the SALT II treaty in June 1979.

But five months later, the Iranian hotheads stormed the U.S. Embassy and seized the hostages. There was disturbing evidence that Carter's mishandling of the shah of Iran had been the direct cause of the hostage capture. Yet the polls registered an immediate jump in Carter's popularity from 31 percent to 38 percent.

Then the Soviets invaded Afghanistan, and a wave of patriotism swept Carter's approval rating up to 61 percent. Slowly, he began to slip again until in July his standing with the public sank lower than any president in modern times.

Yet there was a surprising, if brief, upward spurt in his rating after the hostage rescue attempt. Although the mission was botched, Carter's display of manhood brought him sudden, new approval. The polls show that Americans are eager, as one source told my associate Dale Van Atta, to prove their country "is not the gutless wonder the Iranians think it is."

A John Wayne-style assault on Iran, the polls indicate, would make Carter an overnight hero. Even a routine success in foreign affairs, according to one study, would increase his rating by 12.5 percentage points.

The electorate, said one expert, "is particularly volatile now and responsive to new events." The effect of the Iranian and Afghanistan crises boosted Carter's popularity about eight percentage points higher than previous presidents had registered in 30 similar cases, dating back to 1938.

These statistics had more to do with Carter's decision to attack Iran than any other development, insiders believe.

■ *Jack Anderson is a syndicated investigative reporter.*

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BILLYGATE

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ON PAGE A-12

NEW YORK TIMES  
27 AUGUST 1980

## Georgia Concern Investigated

Special to The New York Times

WASHINGTON, Aug. 26 — Senate investigators for the Special Judiciary Subcommittee investigating Billy Carter returned to Georgia today to interview officials of Gold Kist Inc., the company that has leased the Carter peanut warehouse, according to sources close to the inquiry.

The officials said that the staff aides were attempting to determine whether Gold Kist, an Atlanta-based farmers' cooperative, had any contact with agents or officials of the Libyan Government. The sources said that the subcommittee had issued a subpoena for the company's telephone records.

One official close to the investigation said that the company was mentioned in yesterday's five-hour, private briefing for subcommittee members on the intelligence aspects of the Billy Carter affair.

Senator Strom Thurmond, Republican of South Carolina and vice chairman of the subcommittee, asked Billy Carter about his connections with Gold Kist when the President's brother testified before the panel last Thursday. Mr. Carter told the panel that he had stopped managing the warehouse soon after it was placed in a blind trust under the supervision of Charles Kirbo in 1977.



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WASHINGTON POST  
- 26 August 1980

# Billy Probers Study Intelligence Data On Libyan Effort to Gain U.S. Influence

By George Lardner Jr.  
Washington Post Staff Writer

The Senate subcommittee investigating Billy Carter met in closed session yesterday to pore over top-secret intelligence reports concerning Libya's efforts to gain influence in the United States.

Chairman Birch Bayh (D-Ind.) told reporters after the 4½-hour meeting that some of the information resulting from U.S. surveillance dealt directly with President Carter's brother, but he refused to say how extensively.

Subcommittee investigators, Bayh indicated, will now attempt to collate the Libyan strategy with various telephone calls and other incidents that have come to light during the inquiry into Billy Carter's dealings with the revolutionary Libyan regime.

Sen. Strom Thurmond (R-S.C.), the subcommittee's vice chairman, said

he had not been aware until yesterday's briefing of some of the details gleaned by U.S. intelligence agencies.

Bayh said he had already been briefed on the reports as chairman of the Senate Intelligence Committee, which collected the documentation. He confirmed that "some of that intelligence information is very relevant to our inquiry."

Speaking guardedly after the meeting, Bayh said that much of what was discussed has already been made public, but he was constrained by fears of disclosing the manner in which it was collected. He said some of the "sources and methods" were very sensitive and could be easily jeopardized.

FBI officials testified during the executive session on "the strategy of the Libyans as far as terrorism is concerned," both in this country and elsewhere, Bayh said. He said too much talk about U.S. surveillance and counterintelligence efforts could lead "to

an inability to protect ourselves" against such terrorism.

U.S. intelligence reports apparently provided the Justice Department with the first hint of Libya's payments to Billy Carter, which totaled \$220,000 by the time he was forced to register as a foreign agent for the Arab government in July.

White House national security adviser Zbigniew Brzezinski also learned from U.S. intelligence reports last spring of Billy Carter's efforts to serve as a Libyan oil broker with the Charter Oil Co. of Jacksonville, Fla.

In response to questions from reporters, Thurmond said he believed the evidence would show that Billy Carter "was interested" in the C130 military air transports that Libya has been trying to obtain, but Bayh emphasized that that interest on Billy Carter's part was not reflected in the intelligence reports discussed yesterday.

Carter is to appear today before a federal grand jury in Manhattan to tell what—if anything—he knows about a friend's State Department briefing on the government's decision to block the sale of the C130s to Libya.

For a year the grand jury has been investigating the tangled affairs of long-time fugitive financier Robert L. Vesco.

The briefing, which was arranged by a White House aide, was given to Henry R. (Randy) Coleman, Billy Carter's friend and business associate, in October 1979, a month before Coleman accompanied Carter to Libya.

Morris Draper, deputy assistant secretary of state, was reported to have told Coleman that Libya was considered a radical nation and probably would misuse the planes.

The grand jury inquiry covers allegations that the Libyans were trying to involve Billy Carter in a scheme masterminded by Vesco to obtain the release of eight transport planes, now parked at a Georgia airstrip.

The material presented at yesterday's closed subcommittee session here included reports from the CIA, the FBI, the National Security Agency, the State Department, and the National Security Council.

Bayh said public hearings would resume next week with testimony from Justice Department officials.

ARTICLE APPEARED  
ON PAGE 7NEW YORK DAILY NEWS  
26 August 1980

# Tell probers how U.S. got goods on Billy

By HARRISON RAINIE

Washington (News Bureau)—The special Senate panel investigating Billy Carter went into closed session today to hear from intelligence experts about how the government learned of Billy's business deals with Libya and whether the Justice Department handled the information properly.

William Miller, the staff director of the Senate Intelligence Committee, briefed the Billy probers about information handed over to his committee by the White House and the Justice Department. The intelligence data was not given directly to the special Senate subcommittee probing Billy because it is classified and because such information only goes to Capitol Hill through congressional intelligence panels.

Two key pieces of evidence on Billy's dealings with the Libyans were picked up by U.S. intelligence agencies, and it was their disclosure that prompted Billy to register as a paid foreign agent for the radical Arab nation.

In late March this year, Billy's closest friend and business associate, Henry R. Coleman, was in Libya negotiating for a \$500,000 loan for Billy and for a 100,000-barrel-a-day oil deal that could net the First Brother and his friends handsome commissions.

COLEMAN SENT an international telex to Billy from Tripoli describing how the oil negotiations were going, and this was picked up by American intelligence operatives. On March 31, CIA director Stansfield Turner told national security adviser Zbigniew Brzezinski that Billy was trying to set up an agreement between the Libyans and an American firm, the Charter Oil Company.

Brzezinski phoned Billy with the warning that he should not embarrass the President or the administration by continuing his negotiations, but Billy told the committee last week that he advised Brzezinski to "mind his own business."

Within the next few weeks, electronic intercept operations of a supersecret American intelligence agency picked up more evidence that Billy was trying to get a "loan" from the Libyans. The intelligence agency chief took the information directly to Attorney General Benjamin Civiletti in mid-April.

ARTICLE APPEARED  
ON PAGE A-1WASHINGTON STAR (GREEN LINE)  
26 AUGUST 1980

## Billy Involved In Libyan Plans, Senators Told

By Roberta Hornig  
Washington Star Staff Writer

The Senate committee investigating Billy Carter emerged from a five-hour, closed intelligence briefing yesterday and indicated that the president's brother was somehow involved in a broad Libyan scheme to influence U.S. foreign policy.

But under intense questioning, panel members — sworn to secrecy — refused to disclose exactly what they had been told by representatives of U.S. intelligence agencies.

Asked if Billy Carter was the principal subject of the briefings, Committee Chairman Birch Bayh, D-Ind., said, "Some of that intelligence information is very relevant to what we are doing." He added that it involved some information not yet made public.

Asked if he had learned anything that he did not already know, committee Vice Chairman Strom Thurmond, R-S.C., said, "I would say yes."

Bayh would only discuss the briefings in general terms, saying that they involved "the strategy of the Libyans as far as terrorism is concerned... and some steps taken to influence the policy of this nation."

Queried about whether Billy Carter was involved in terrorist activities, he said, "Absolutely no."

But when pressed on whether the president's brother was involved in a push by the Libyans to influence policy, Bayh reported that in this area the briefings were "pivotal."

"Billy Carter is involved," he said.

Bayh said that the briefing materials had to remain secret because "the material contains information that was collected by very secretive means and through very secretive methods."

He said any revelations could hamper U.S. intelligence regarding Libya.

The Senate panel was briefed by the staff of the Senate Intelligence Committee and by FBI agents. The documents disclosed to them were collected by the CIA, the National Security Agency, the FBI, the State Department and the National Security Council.

The U.S. government apparently learned that Billy Carter had taken \$220,000 from the Libyans — he insists it is part of a \$500,000 loan he was negotiating — through intelligence sources.

Bayh said that nothing learned yesterday indicated in any way that the White House or any other member of the Carter administration had used any of this information to protect Billy Carter.

The committee, which heard two days of testimony last week from Billy Carter, plans no sessions this week.

It is scheduled to hear top Justice Department officials — including Attorney General Benjamin Civiletti — next Thursday and Friday.

Another key Justice witness will be Joel Lisker, whose written memoranda to the investigating committee directly conflict with what Billy Carter told them last week.

For example, Lisker says in a memo that Billy Carter told him in

an interview last June that the first payment he took from the Libyans last December — for \$20,000 — was not a loan but a repayment for expenses he incurred in entertaining Libyans.

Two weeks from now the panel plans to call White House officials, who are expected to include President Carter's national security adviser, Zbigniew Brzezinski. Bayh said that unless new evidence is turned up, he hopes that will end the committee's hearings.

Billy Carter is scheduled to testify today in New York on what — if anything — he knows about a friend's State Department briefing on the government's decision to block a sale of military transport planes to Libya.

The president's brother is scheduled to be questioned by a federal grand jury about the briefing in a probe of the tangled affairs of longtime fugitive financier Robert L. Vesco.

The briefing, which was arranged by a White House aide, was given to Henry R. "Randy" Coleman, Billy Carter's friend and business associate, in October 1979, a month before Coleman accompanied Carter on a trip to Libya.

Morris Draper, deputy assistant secretary of state, was reported to have told Coleman that Libya was considered a radical nation and probably would misuse the transport planes.

The grand jury inquiry covers allegations that the Libyans were trying to involve Billy Carter in a scheme masterminded by Vesco to obtain the release of eight C-130 military transport planes.

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AM-BILLY 1STLD-PICKUP4THGRAF 8-25(BAYH COMMENTS ON BRIEFING)BY ED ROGERS

WASHINGTON (UPI) -- A SENATE PANEL MONDAY RECEIVED AN INTELLIGENCE BRIEFING ON HOW THE RADICAL LIBYAN REGIME THAT BEFRIENDED BILLY CARTER ALSO SOUGHT TO INFLUENCE U.S. POLICY, ITS CHAIRMAN SAID.

SEN. BIRCH BAYH, D-IND., TOLD REPORTERS FOLLOWING A FIVE-HOUR CLOSED MEETING IN A SECRET CAPITOL HOLL LOCATION THAT THE BRIEFING INVOLVED REPORTS RECEIVED FROM THE JUSTICE AND STATE DEPARTMENTS AND A NUMBER OF INTELLIGENCE AGENCIES, INCLUDING THE NATIONAL SECURITY COUNCIL, CIA, AND FBI.

"BASICALLY, IT CONCERNED LIBYAN INVOLVEMENT IN THIS COUNTRY," BAYH SAID. HE SAID IT ALSO INCLUDED LIBYA'S SUPPORT OF WORLDWIDE ACTS OF TERRORISM, BUT MADE IT CLEAR, "I'M NOT LINKING BILLY CARTER TO THE TERRORISM."

SEN. STROM THURMOND, R-S.C., VICE CHAIRMAN OF THE SPECIAL SUBCOMMITTEE LOOKING INTO BILLY CARTER TIES TO LIBYA, SAID THE BRIEFING "CONCERNED STEPS LIBYA HAS TAKEN TO INFLUENCE THE POLICY OF THIS NATION," BUT DECLINED TO ELABORATE.

THE BRIEFINGS WERE CONDUCTED BY SENATE INTELLIGENCE COMMITTEE STAFF MEMBERS, BUT FBI AGENTS BRIEFED THE LAWMAKERS ON A CLOSELY RELATED MATTER, BAYH SAID.

BAYH SAID THE NAME OF FUGITIVE FINANCIER ROBERT VESCO CAME UP, BUT THAT THE INTELLIGENCE REPORTS SHOWED NO LINK BETWEEN VESCO AND BILLY CARTER.

BAYH AND THURMOND SAID THE REPORTS WERE "VERY SENSITIVE."

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25 AUGUST 1980

## Billy Probers Try to Resolve Discrepancies

Senate investigators probing Billy Carter's Libyan connection were scheduled to go behind closed doors today with intelligence officials to try to unravel discrepancies between the testimony of the president's brother and what federal investigators say he told them earlier this year.

"I think he's lying," said Sen. Dennis DeConcini, D-Ariz., last night of Billy Carter's sworn testimony, which disagreed in some aspects with what he was alleged to have told federal investigators earlier this year on his Libyan ties.

In his testimony, Billy Carter's memory was different from that of Joel Lisker, chief of the Justice Department's foreign agent registration division.

Last night by telephone, Lisker indicated through his wife that he had not lied in his version of what Billy Carter had told him and that he was prepared to tell the Senate investigating committee his version after the panel returns following its Labor Day recess.

"I think he's lying. I think there are some discrepancies we have to go into further," DeConcini said last night.

The Arizona senator said that what bothered him were discrepancies in Billy Carter's testimony involving his answers to questions of whether he had tried to influence U.S. foreign policy in his role as a Libyan agent — a role for which he had to register with the Justice Department. At the time he admitted receiving \$220,000 of a \$500,000 loan from Libya.

Billy Carter has insisted that the money was part of a loan he requested to help pay debts, particularly to the Internal Revenue Service.

But his testimony left some senators baffled about whether the \$220,000 was indeed part of the \$500,000 he was attempting to get from Libya or was a payment for services rendered.

Billy Carter's testimony directly contradicted that of Lisker, which was reported to the committee via memorandum. He said that Billy Carter told him that at least \$20,000 of the money was payment for his activities on behalf of Libya.

Lisker could not be reached on the discrepancies between his statement and Billy Carter's version.

But Lisker's wife indicated last night that Lisker was prepared to stick to his version when the investigating subcommittee spoke with him — after the Senate returns from its Labor Day recess, sometime next week.

Billy Carter testified for two days before the committee last week. At first he said that the \$20,000 in question and a later check for \$200,000 were both advances on the \$500,000 loan. The next day he said he could not remember precisely what he told Lisker about the \$20,000.

He said he went to the interviews with Lisker alone and without having spoken to a lawyer. He said he did not "prepare my memory prior to these interviews as I would do with an attorney."

Billy Carter told the panel that "my reflections (sic) of my statements as to the two interviews (with Lisker) may not be entirely accurately clear."

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U. S. NEWS & WORLD REPORT  
1 SEPTEMBER 1980

## Radical Arabs Take Aim at Latin America

**In a bid to scuttle Mideast peace talks, Washington's foes are out to make friends and influence governments on the doorstep of the U.S.**

A determined drive is under way by radical Arab states and the Palestine Liberation Organization to spread their influence in Latin America.

From Brazil to Central America to Caribbean nations, Iraq, Libya and Algeria—plus the PLO—are wielding their oil-based power as a weapon against the United States and Israel.

American analysts view the growing penetration of Latin America by Arab radicals as a dangerous catalyst for increased instability in the region and eventual emergence there of national policies hostile to U.S. interests.

U.S. intelligence experts first spotted the Mideast intrusion into Latin America in mid-1979, during the final weeks of the Sandinista drive to overthrow Nicaraguan dictator Anastasio Somoza.

Until then, Cuba, Venezuela and Panama had been the principal arms suppliers for the Marxist-led guerrilla forces. But just before the Sandinistas launched their final offensive, large shipments of weapons arrived from Libya and Algeria.

Only after they seized power did Sandinista officials disclose that many of their guerrillas had been trained at PLO bases in Jordan. They also admitted that Sandinistas had fought with the PLO against the Army of King Hussein in Jordan in September, 1970, and had participated in hijacking airliners in Europe and the Middle East.

**"Warmongering" charge.** PLO leader Yassir Arafat got a hero's welcome when he arrived in Nicaragua in late July for the first anniversary celebration of the Sandinista victory. Formal diplomatic relations were established between the PLO and Nicaragua. A joint statement denounced Washington's Mideast policy, Egyptian-Israeli talks and U.S. "warmongering."

Now the PLO has offered weapons and training to leftist forces in civil-war-torn El Salvador, where a U.S.-backed reform junta is battling guerrillas of both the left and right.

U.S. analysts say two major reasons lie behind the decision by radical Arabs to step up activity in Latin America:

1. To recruit fresh support for the PLO's campaign to achieve an independent Palestinian homeland on Arab land now occupied by Israel.

2. To become more closely identified with demands by Third World nations for economic and social changes.

Brazil is a prime Arab target. Not only must it import 85 percent of the oil needed to run its economy, but it is anxious to increase export markets in the Middle East.

Iraq, which supplies Brazil with more than 40 percent of its oil imports, is particularly insistent that the PLO be permitted to open an office in the country. But the Brazilian government, aware of the PLO's contacts with local leftist groups and reluctant to alarm the nation's large Jewish community, so far has resisted pressure.

Nevertheless, Brazil has moved clos-

Argentina and Peru joined the U.S. in basing their embassies in Israel in Tel Aviv instead of in disputed Jerusalem.

But much of the rest of Latin America now is expected to shift quarters to Tel Aviv after the United Nations Security Council voted 14 to 0 on August 20—the U.S. abstained—to censure Israel for officially declaring Jerusalem, including the Arab sector, its capital.

Radical Arab activity is especially intense in the Caribbean. Arab missions crisscross the former British island colonies, with side trips down to Guyana and Suriname on the South American continent. The Prime Ministers of Jamaica, Grenada and Guyana have visited the Mideast seeking Arab money.

**Libyan aid.** Prime Minister Michael Manley of Jamaica, trying to cope with a bankrupt economy and mounting political woes, keeps his country going with a

50-million-dollar loan from Libya. An additional 50 million is said to be on the way. Kuwait, Iraq and the Organization of Petroleum Exporting Countries have promised Manley another 20 million dollars.

Impoverished Grenada has signed cooperative agreements with Algeria. Prime Minister Maurice Bishop, a disciple of Cuba's Fidel Castro, also has been promised 10 million dollars in loans from Libya and 4 million from Iraq.

Guyana's Forbes Burnham is looking to the Mideast as well as to the World Bank for money to ease his country's serious economic problems. Iraq already has given Burn-

ham a 30-million-dollar development loan. Libya is helping with a 10-million-dollar balance-of-payments loan and participation in a project to build an oil refinery.

Burnham, however, still refuses to permit the Palestinians to open an office in Georgetown, Guyana's capital.

Solid indication of the growing success of the campaign by radical Arab nations for influence in Latin America came in another U.N. vote on July 29, when the General Assembly approved a resolution calling for an Israeli withdrawal from occupied Arab land and for establishment of a Palestinian state.

The U.S., arguing that the resolution would undercut Mideast peace talks, appealed for its rejection. In Latin America, only Guatemala and the Dominican Republic voted with Washington. □



PLO's Arafat receives hero's welcome from Nicaraguan leaders on anniversary of the Sandinista victory.

er to Iraqi policies. It has declared the PLO the "sole legitimate representative of the Palestinian people" and allows an Arafat aide to function as if he were an accredited diplomat.

Other Latin American countries also are under Arab pressure. But they, too, are wary of allowing the PLO to operate freely for fear that the Palestinians could become a threat to their own internal security. Until now, PLO offices have been set up only in Cuba, Nicaragua, Mexico and Peru.

Mexico limits PLO representation to one person who has not been granted diplomatic status. Peru authorized the PLO office in 1979. Latin experts believe permission was granted in return for an Arab agreement to make Lima the headquarters of Arlabank, an investment bank financed by Arab and Latin American capital.

Until recently, only Mexico, Brazil,

By CARL J. MILDAIL

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WASHINGTON POST  
25 AUGUST 1980

*Andrew Young*

## Jamaican Rumblings

It's campaign time in Jamaica, and elections there are rough.

Families and friends divide. Violence, bloodshed and even death erupt amid the emotions of the contest for power. Against this turbulent background it is reassuring to note that Jamaica has weathered eight democratic elections since 1944, and seems always to return to its more relaxed tropical demeanor once the vote is in and the victor determined.

In the meantime, the Jamaican press, radio and television flail away, often in scurrilous fashion, celebrating freedom at the expense of truth. And once again the United States, the powerful neighbor to the north, has become a prime campaign target. The issue this time is destabilization.

I do not believe that the U.S. government has been involved in attempts to destabilize Jamaica. But the question as to whether the allegations of destabilization are simple campaign rhetoric or unwarranted paranoia obscures the point, because a case can be made that there is outside interference in this diverse island nation.

Throughout the Caribbean area, for instance, there exists an underground network of narcotics and gambling interests that can find its way into Jamaican politics.

There has also been a recent infiltration of powerful and sophisticated weaponry, as evidenced in a recent attack on a bus carrying enthusiasts of the People's National Party from a campaign rally. Prime Minister Michael Manley, leader of the PNP, told me during a recent trip to the United States, "The power of the bullets ripped away the entire side of the bus. This was powerful stuff that can't be bought in Jamaica."

Manley's party activists insist that if the present pattern of violence and killings is not the work of governments, then it must be the design of ardent right-wingers, funneling money and weapons to local thugs associated with the opposition.

The questions about destabilization may never be resolved, but the U.S. influence on Jamaican affairs will remain an issue.

The American difficulties with Jamaica began with Henry Kissinger in 1975. When Kissinger launched his propaganda campaign against Cuban intervention in Africa, he sought Manley's support as one of the Third World's leading spokesmen. Manley, in turn, expressed concern about Kissinger's complicity with South Africa in the invasion of Angola, and subsequently adopted a position held by most of black Africa that the Cubans were assisting African liberation.

The tension between the Jamaican and U.S. governments subsided for a period with the elec-

tion of Jimmy Carter, but the present obsession of this administration with Cuba and Manley's friendship with Fidel Castro doesn't contribute to good relations.

The administration's Caribbean analysts got themselves somewhat bent out of shape over Manley's speech at the non-aligned summit in Havana last year. They are now convinced that Manley is losing control of his party to more "radical" elements of U.S.-educated intellectuals. Of all this, Manley says, "I just happen to be a friend of Castro's. I'm certain that he views me as a fuzzy liberal. I'm a Democratic Socialist and he is a firm Communist, and that is an essential difference."

In 1972, Michael Manley, son of one of Jamaica's founding fathers, Sir Norman Manley, was elected prime minister. Manley assumed leadership of a nation whose population was rigidly divided along class lines, and was overwhelmingly poor and young. Jamaica also found itself inflamed by a black power rhetoric imported from the United States and a romantic Marxism from Cuba.

Manley launched a series of reforms in an attempt to bridge these conflicts and fulfill some of the democratic socialist ideals he had acquired at the London School of Economics. Public schools were opened to all, health services were extended and minimum wage laws for domestic and farm workers were enacted. Jamaica's masses began to get a piece of the action.

In the midst of the current election campaign, Jamaica is beset by inflation that exacerbates the problem, eats away at the economy and threatens the further development of social services and improvement of living standards.

Edward Seaga, the leader of the opposition Jamaica Labor Party, pledges to revitalize the economy by renewing the confidence of American and British investors. But with a world recession under way, it is hard to imagine his getting more support from these sources than Jamaica is now receiving in private investments from Norway, West Germany and Canada.

The polls and press have counted Manley and his party out, but these are the instruments of the middle and upper classes. The Jamaican populace is predominantly poor and working class and, from the bottom up, the progress over the last 10 years has been more significant than the suffering. Poverty has always been there, but the poor are not going to give up their progress and their hope without a good Jamaican fight.

The outcome of this struggle will redefine this island nation's identity and set its course for the next five years.

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SAN DIEGO UNION  
8 August 1980

# Soviet Combat Brigade Stages Cuba Exercise, Pentagon Source Says

By L. EDGAR PRINA

Copley News Service

WASHINGTON — The Soviet combat brigade in Cuba has carried out its first full-scale combined arms exercise since the storm over its presence on the Caribbean island produced a mini-crisis for President Carter last year.

This was reported yesterday to Copley News Service by a highly placed Pentagon source, who said U.S. intelligence had confirmed that the 2,000 to 3,000 Russian troops had engaged in infantry-artillery-tank maneuvers in a training area near Lourdes, Cuba, last month.

"The brigade had been assuming a rather low profile until this exercise," the source said.

"Perhaps the Kremlin felt Mr. Carter was so preoccupied with presidential election politics that he wouldn't make a fuss over it."

Neither the White House nor the Pentagon has made any public statement about the brigade's maneuvers, although the event took place at least two weeks ago.

Late last summer, Mr. Carter reluctantly admitted that U.S. intelligence had detected the presence of the Soviet combat brigade in Cuba and said, in a prepared statement, "We consider (it) to be a very a serious matter and this status quo is not acceptable."

However, after diplomatic pressure failed to persuade the Soviets to withdraw the combat troops, Mr. Carter told a nationwide television audience the "Soviet Union does not admit the unit in question is a combat unit" and had informed him the brigade has only a training mission and "can do nothing more" than that.

"These assurances have been given to me from the highest levels of the Soviet government," he said. "Although we have persuasive evidence the unit has been a combat brigade, the Soviet statements about the future non-combat status of the unit are significant."

The combined arms exercise by

the full brigade brings into question the validity of these Kremlin assurances to the President and as to how "significant" they are.

Last summer, the White House denied, in response to inquiries from Sen. Richard Stone, D-Fla., and the press, any knowledge of organized Soviet troop units in Cuba, although leaked U.S. intelligence reports indicated there was considerable evidence that such units were, indeed, stationed there.

Then, late in July, the CIA's National Intelligence Daily, a publication which goes to about 300 top government officials and intelligence experts, said it had confirmed the brigade's presence.

Copley News Service broke this story Aug. 30 and the next night, Sen. Frank Church, D-Idaho, after being informed by the State Department, made what amounted to an official announcement of the event. Church is chairman of the Senate Foreign Relations Committee.

Adm. Stansfield Turner, director of Central Intelligence, told the Association of Former Intelligence Officers last Oct. 6 that the Soviet brigade consists of three infantry battalions, a tank battalion and artillery, anti-aircraft and anti-tank elements.

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"STEALTH"

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ARTICLE APPEARED  
ON PAGE 2WASHINGTON POST  
28 August 1980

## Recipient of Leak On 'Stealth' Calls It a Political Move

The editor of a military affairs magazine told a House panel yesterday that a story about the Pentagon's recently disclosed "Stealth" breakthrough was leaked to him by a high-level Defense Department official.

Benjamin Schemmer, editor of the Armed Forces Journal, told the House Armed Services subcommittee on investigations that he felt the action was "a directed leak for political purposes because I can think of no reason why this story should be made known at this time." He also termed the action "totally irresponsible."

Defense Secretary Harold Brown announced last Friday that the United States had achieved a major technological breakthrough, dubbed "Stealth," that would prevent Soviet radar or other sensors from spotting American aircraft until it was too late to knock them down.

Schemmer said after the hearing that he was briefed by a "senior defense official," whom he declined to name, at least two days before the full House and Senate Armed Services committees were informed of the project. Committee members "were sworn to ultra-secrecy while the magazine was at press," he said later.

There had been leaks in other publications about some details of the project, Schemmer said he was given the impression that the Defense Department "wanted the story out because of previous leaks about Stealth."

ARTICLE APPEARED  
ON PAGE 4.

CHRISTIAN SCIENCE MONITOR  
25 August 1980

# 'Stealth' plane: a secret that's been out since 1976

By Stephen Webbe  
Staff correspondent of  
The Christian Science Monitor

Washington

The Carter administration's disclosure that it has developed aircraft capable of streaking unobserved through Soviet air defenses was as politically motivated as it was unwise, claims Ronald Reagan's senior defense adviser, William Van Cleave.

"I think it essentially compromises whatever prospects of success the program might have," Dr. Van Cleave declares.

In confirming Aug. 22 that "supersecret" "Stealth" aircraft have developed a near-invincibility to existing air-defense systems, Defense Secretary Harold Brown blamed regrettable press and television leaks for the need to make the announcement now.

"I think it is a fair question as to who started those leaks in the first place," retorts Van Cleave, director of the defense and strategic studies program at the University of Southern California.

"Stealth" rumors have been rife in Washington for the last few weeks. The authoritative magazine *Aviation Week & Space Technology* referred to the "advanced technology Stealth bomber" in its Aug. 11 issue, and *Armed Forces Journal* reported Aug. 22 that the United States has been test-flying several versions of "virtually invisible new aircraft for over two years," a story that CBS had earlier picked up on its evening news.

Calling it "a major technological advance," the defense secretary claimed that so-called "Stealth" technology now enables the US to build manned and unmanned aircraft that cannot be intercepted by existing air defense systems. "We have demonstrated to our satisfaction that the technology works," he added.

The secretary declined to comment on reports that three of the new aircraft have crashed.

According to *Armed Forces Journal*, the Stealth aircraft are virtually invulnerable to air defense radar and infrared, electronic, and acoustical detection. While only fighters have been tested so far (supposedly at Nellis Air Force Base, Nev.) a strategic bomber is being designed, the magazine added.

Dr. Van Cleave contends that the administration has revealed the Stealth program now to counter criticism of President Carter's "poor defense record" and specifically his cancellation of the B-1 bomber.

In his view, a bomber "that might emerge from this technology is still a decade off," and he brands the defense secretary's announcement of the Stealth technology "highly premature," asserting that its effectiveness "has yet to be demonstrated." He notes, moreover, that the project was launched under the Ford administration and observes: "President Ford certainly didn't divulge it."

It would be hard to overestimate the military utility of aircraft that are virtually undetectable to radar.

Ever since Britain used a rudimentary form of the technology to great effect during the Battle of Britain, radar has posed an increasingly serious threat to attacking aircraft.

"Subsequent to World War II, defensive missiles — both ground-launched and air-launched — were married with radar fire-control systems," explains William Perry, undersecretary of defense for research and engineering. "This substantially increased the effectiveness of air-defense systems."

Currently, US aircraft rely on a combination of electronic countermeasures and low flying — through so-called "ground clutter," where radar cannot distinguish between them and other signals.

But the Soviet Air Defense Command poses a formidable challenge to assaulting aircraft.

With 10,000 surface-to-air missiles and 2,600 interceptor aircraft, it represents the largest air-defense system in the world. Its effectiveness was demonstrated in 1960 when a SA-1 missile shot down Francis Gary Powers's U-2 spy plane at a height of 65,000 feet.

According to Dr. Perry, a chief architect of the Stealth program, the Soviet Union continues to place heavy emphasis on air-defense missiles to offset US advantages in air power.

"They have built thousands of surface-to-air missile systems. They employ radars with high power and monopulse tracking circuits, which are very difficult to jam. And in the last few years they have developed air-to-air missiles guided by 'look-down' radars, which are capable of tracking aircraft flying in 'ground clutter,'" Perry says.

Hence, Stealth technology — which, says Perry, does not involve "a single technical approach, but rather a complex synthesis of many." More he will not reveal.

According to *Armed Forces Journal*, the deception techniques involve the special shaping or contouring of aircraft; the use of nonmetallic materials that give a weak or undetectable radar return; infrared shielding of engine exhausts; special paints to absorb, deflect, and shroud radar signals; and electronic countermeasures to generate false returns.

While unwilling to discuss any of the techniques that render Stealth aircraft all but undetectable, Perry notes that "this technology — theoretically, at least — could be applied to any military vehicle which can be attacked by radar-directed fire."

Both Brown and Perry insist that the Stealth program was shrouded in the deepest secrecy until they revealed it Aug. 22. Perry even maintains that its very existence was classified information.

In fact, that existence was far from secret. On July 23, 1976, readers of *Aerospace Daily* were informed that Clarence L. (Kelly) Johnson, "the nation's premier aircraft designer" and architect of the U-2 and SR-71 spy planes, was building "a new 12,000-pound, one-man Stealth aircraft" at the Lockheed plant in Burbank, Calif.

The magazine claimed that the \$90 million program, sponsored by the Defense Advanced Research Projects Agency, was designed "to reduce aircraft visibility — optical, acoustic, and radar signatures — through new technology."

Lockheed spokesman Dave Crowther declined to comment when asked whether the company is involved in the Stealth program. Johnson, a stickler for secrecy in such matters, has so far not commented on the disclosure of the program.

Whether or not the Soviets have begun devising countermeasures to combat the ghost-like Stealth machines is uncertain. If they were subscribing to *Aerospace Daily* four years ago, they may have a head start. At the least, Brown's announcement may not have overly surprised them.

CONTINUED



**Soviet anti-aircraft missiles: the strategy is to offset US advantages in air power**

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MISCELLANEOUS

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ATLANTIC MONTHLY  
September 1980

# IS THERE A RUSSIAN ENERGY CRISIS?

by Marshall I. Goldman

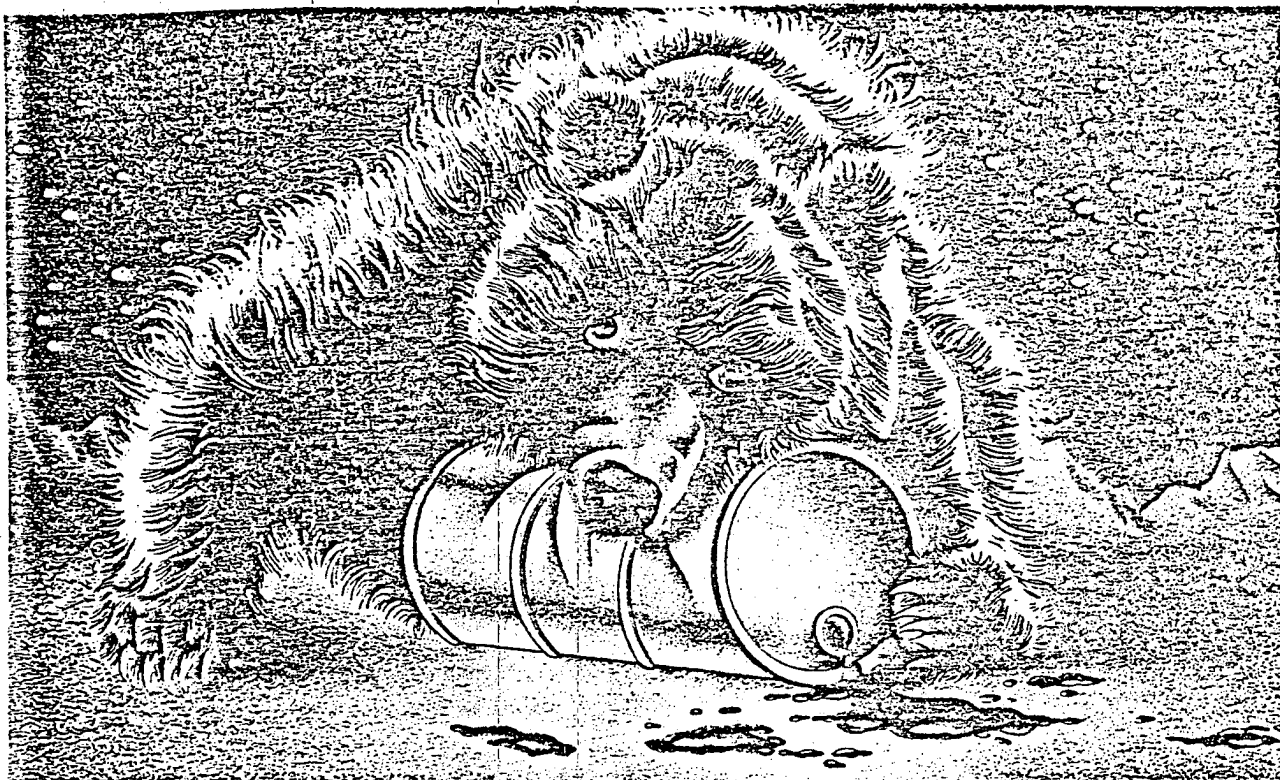
Despite predictions of impending shortages, the Soviet Union remains for the moment the world's largest producer of petroleum. A slackening of the flow of oil would have serious consequences—not only for Russia but for the Western democracies.

Energy has become the cause of more and more of our problems. Given a widely circulated CIA report (*The International Energy Situation—The Outlook to 1985*) about the coming shortage of petroleum in the Soviet Union, it was only natural that many attributed the Soviet invasion of Afghanistan to the Soviet need to secure its energy supplies from Afghanistan and the Persian Gulf. If Soviet petroleum output should fall as drastically as the CIA predicts, by the mid-1980s the Soviet Union and its East European allies will be forced to look outside their own borders for large quantities of petroleum. Under the circumstances, it would seem only natural for the Soviet Union to ensure its outside sources of supply, if need be by force. But there is reason to question the findings of the 1977 CIA report and to analyze its impact.

Designed for President Carter's energy message in April 1977, the CIA analysis indicated that, because of increasing demand for energy and diminishing sources of supply, the Soviet Union and its East European allies would become net importers of 3.5 to 4.5 million barrels a day (mbd) of oil by 1985. This would be

preceded by a sudden drop in Soviet petroleum output that might begin as early as 1978 or 1979. Since the Soviet Union in 1977 was a net exporter of 1.5 mbd (plus another 1.5 mbd to Eastern Europe), that would mean that noncommunist world petroleum suppliers would be required to come up with a net increase of 5 to 6 mbd of new petroleum to satisfy not only Eastern Europe and the Soviet Union, but also the former customers of the USSR who would soon have to look elsewhere for their supplies. To appreciate the overall quantity involved, remember that total production in Saudi Arabia in 1977 was 9.2 mbd. Net American imports amounted to 8.5 mbd. Where would such new quantities come from?

As difficult as the fall in Soviet oil production would be for the rest of the world, it would pose even greater problems for the Soviet Union. Most of us, for example, are unaware that the world's largest producer of petroleum is not the United States or Saudi Arabia, but the Soviet Union. Nor, for that matter, are we aware that after the overthrow of the shah, the Soviet Union became the world's second largest exporter of petroleum, second only to Saudi Arabia. Not surprisingly, therefore, since 1977, petroleum exports to the hard currency countries have generated over 50 percent of all Soviet export earnings. Thus, technically, the Soviet Union is a one-crop economy, at least in its dealings with the Organization for Economic Cooperation and Development (OECD) countries. Petroleum is the Soviet Union's coffee, a surprising circumstance, given that the USSR is usually thought of as the world's second largest industrial power. Consequently, a sharp falloff in Soviet petroleum production would mean that the hard currency earning capacity of the Soviet Union would be slashed in half.



Given the commanding role of petroleum in the Soviet economy in 1977, what led the CIA to predict such a radical reversal in the Soviet Union's oil producing capabilities? Based on a careful engineering analysis, the CIA discovered that the Soviets were having difficulty sustaining output in many of their older producing wells. To restore pressure in these wells, Soviet engineers had been injecting water into their oil fields. While this technique had proven successful in the Volga-Ural region, the main source of Soviet petroleum in the 1960s and early 1970s, it did not produce the same results in the newer West Siberian fields. Whereas it had taken eighteen years for the water content of the extracted liquid to rise to 10 percent in the Volga-Ural Basin, in the important West Siberian fields, the water cut reached 10 percent in but three years. Were this trend to continue, the Soviets would soon find themselves in the water, not the petroleum, business. Indeed, water already constituted 50 percent of the output of some wells. Consequently, the CIA analysts concluded that petroleum production in West Siberia would peak sooner than had originally been anticipated. This would be a serious loss since the West Siberian fields account for more than one half of total Soviet production.

These difficulties were compounded by the Soviet failure to discover large new producing fields comparable to those being depleted. In addition, the Soviets had been overpumping many of their existing wells and therefore not achieving the maximum efficient rate of recovery. While that might mean higher output in the short run, in the long run the Soviets would be unable to extract as much from their wells as they might have had they used more conservative techniques. Such wasteful practices characterized not only the way they produced petroleum but the way they consumed it.

**T**raditionally, it has been assumed that only capitalism leads to the wasteful production and consumption of raw materials. For example, it is readily conceded that at one time drilling by individual prospectors and private property holders led to overdrilling and overpumping. Each property holder greedily sank as many wells as he could in an effort to

pump as much petroleum as possible from the common reservoir contained beneath his property and that of his neighbors. He realized he had to do this before his neighbors did the same thing to him. This lack of cooperation and coordination resulted in output below the full potential. Ultimately such evident waste led to the creation of mechanisms such as the Texas Railroad Commission, which instituted a more orderly and coordinated extraction procedure. By contrast, because there are no private property holders in the USSR, the Soviets have never had to worry about such uncoordinated drilling. But they have their own unique difficulties. The Soviets also overpump their fields, because of the nature of the Soviet planning system. The Soviet field operator does not compete against his neighbors, he competes against the plan. Since his salary is dependent on fulfilling or overfulfilling his target, he is interested in extracting as much as he can from his field to meet his one-year or five-year plan.

The planning system induces other inappropriate practices. For example, like that of most managers in the USSR, the performance of Soviet geologists is judged by how well they fulfill their quantitative targets—in this instance, meters drilled. The result is predictable. Soviet geologists have become adept at drilling the largest number of meters possible. Unfortunately, that seldom coincides with finding petroleum. Rationally enough, Soviet drillers pick up their drills and move elsewhere the minute that drilling progress begins to slow. But petroleum is not always found near the surface. In one area of Kazakhstan, the most highly paid prospectors were those who found no petroleum.

The Soviet pricing system has also contributed to inefficiency. The wholesale domestic price of Soviet petroleum had not been increased since 1967, and even by 1967 terms, it was underpriced. For example, the Soviets did not make any allowance in their domestic price for the interest cost of the capital involved in the extraction process. Nor did they include most of the geological costs. (They did include depreciation.)

Such serious underpricing has been the source of considerable misallocation of resources. The low wholesale price stimulates industrial consumption. To Soviet managers, petroleum appears a cheap commodity, especially in comparison to scarce labor, whose price has been rising. Therefore, they strive to increase their petroleum allotments. The effect is the same as if

petroleum usage were subsidized. Consequently, industry has tended to be unconcerned with conservation.

Waste was also encouraged by the "val" system, wherein the planner set the manager's targets in terms of the ruble value of the enterprise's gross output. No consideration is given to net output. To win his bonus, the manager sought to produce as high a ruble value output as he could. Since the value of the final output was determined by the sum of all the inputs, Soviet managers soon discovered that one way to increase the value of their gross output was to make sure they utilized very expensive inputs. Again, this was a disincentive to conserve. Inevitably large and usually wasteful quantities of petroleum would be utilized. Similarly, this helps explain why Soviet machinery is unusually heavy, why Soviet engines require more metal per unit of engine power than most other engines in the world, and why the Soviets require more fuel per kilowatt hour of electricity generated or per ton of steel smelted.

Finally, understated prices made it more difficult to attract the investment and foreign currency funds needed for adequate development of Soviet energy resources. Although Soviet capital resources are normally allocated on the basis of physical allocation specifications rather than on an open market, those allocation authorizations are very much influenced by the profitability record of each enterprise. The profitability record in turn is determined by prices. Thus, the fact that the Soviet wholesale price of energy had been held constant at 1967 levels inevitably meant a fall in the profitability of Soviet energy production enterprises, in several instances even a loss. Moreover, profitability will continue to fall as Soviet geologists find it necessary to push further north and east into increasingly costly, remote, and hostile sites in their search for new energy-producing areas.

Just how important energy price increases are is dramatically reflected by the profit-to-capital ratio of the various energy-producing enterprises. In 1965, before wholesale prices were increased, the profit rate of the petroleum-producing enterprise was 5.4 percent. The comparable rate for the natural gas producer was 9.3 percent. Coal mines were actually operating at losses of 17 percent and required a subsidy. After the 1967 price increases, oil and natural gas profit rates rose to 27.8 percent and 64.5 percent respectively, and coal showed a profit-to-capital ratio of 7.3 percent. By 1978, however, with prices fixed but costs rising, those rates had fallen to 11 percent for petroleum, 17.8 percent for natural gas, and coal was again being produced at a loss of 3.2 percent. If Soviet prices had kept pace with world energy prices, clearly the profit rates would have been much higher.

The continued fall in profit rates since the late 1960s

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Marshall I. Goldman is an economist who teaches at Wellesley and Harvard. Versions of this essay will appear in two forthcoming books, *The Enigma of Soviet Petroleum: Half-Full or Half-Empty?* and *Energy and Security*, a report of Harvard's Energy and Security Research Project.

has meant that the State Planning Committee (GOSPLAN), which allocates investment funds, has been more and more reluctant to increase the flow of resources to the Soviet energy-producing sector. Based on the official data, it appeared to GOSPLAN that the energy ministries were not using their existing capital resources effectively. Naturally this stance was vigorously contested by officials in the energy ministries such as those in the Ministry of the Petroleum Industry. Pointing to the rising world price and the critical role of petroleum for the Soviet balance of trade, they argued that their potential profitability was much higher than that dictated by official prices and indicated by the official data. They reportedly pleaded with GOSPLAN, GOSBANK, and the Ministry of Finance for an increased allotment of ruble and hard currency investment funds for their industry.

Yet it was too much to expect that Soviet planners would completely disregard main operating indicators in deciding on allocation of investment resources. Thus, foreign exchange for the Soviet petroleum industry was generally limited to such relatively small purchases as pipe, drill bits, and submersible pumps (to remove the ever-increasing percentage of water). Officials in GOSPLAN, GOSBANK, and the Ministry of Finance refused to fund multimillion-dollar allocations for the purchase of such new capital projects as a drill bit plant. Negotiations with American and French manufacturers to build such a plant had begun as early as 1973. But while the minister of the petroleum industry was prepared to sign a contract, GOSPLAN would not allocate the funds.

It is true that USSR factories produce more drill bits per year than American factories, but they have only two varieties. In contrast, American factories produce as many as 600 varieties. American product differentiation reflects the fact that differing sites require different bits. The Soviet drill bits also wear out faster and are less effective, so that more time is spent in replacing worn-out bits than in drilling. In addition, the use of the turbo drill, the main drilling process in the USSR, limits Soviet drilling efforts to depths of not more than 2000 meters. Soviet well casing pipe is of such poor quality that it is extremely difficult to use other techniques to drill much beyond such depths. Consequently, petroleum or gas deposits in the 3000- to 5000-meter range are literally beyond the reach of most Soviet drilling teams.

**G**iven all the obstacles to increased energy output and to conservation in the USSR, it is clear that there is considerable substance underlying the warnings by the CIA. But there are major omissions in the report. The first thing to note is

that the CIA does not expect the Soviets will find major new petroleum reserves in time to be of use. Yet, since the Soviet Union is such a vast country, and since Soviet prospecting technology is so outmoded, much of the USSR remains inadequately explored. But if new reserves are found, could they be brought on stream by the mid-1980s? Some argue that, even if such finds were made, it would not be possible to bring these new reserves into production until the late 1980s. However, that ignores the experience of the North Sea developers who brought their oil to market in just five to seven years' time. Moreover, despite encouraging reports of reserve potential in deep regions of the Caspian Sea, not to mention the Pacific and Arctic oceans, the initial CIA report does not mention possible offshore deposits. It also pays scant attention to some of the promising onshore regions of East Siberia, an area once thought to be the main source of future supplies, at least until the West Siberian deposits were discovered. Similarly, no allowance is made for the discovery of oil at depths greater than those previously drilled. Yet there is reason to believe that once they gain increased access to Western drilling technology, the Soviets will be able to accelerate their exploration efforts. This will mean the Soviets can drill faster and deeper, not only facilitating their efforts to find new fields, but also making it possible for them to drill beneath already producing gas fields, where geologists expect to find petroleum.

True, access to many of these untapped deposits depends on the use of foreign technology. To the extent that the post-Afghanistan embargo on the sale of U.S. technology, including petroleum technology, hampers Soviet efforts, the CIA may prove to be right. But few argue that the United States has a monopoly over more than a small fraction of such technology. When the U.S. government took too long to issue a license for the export of an American gas lift system (a form of secondary recovery that would obviate the need to rely so heavily on water injection), the Soviets shifted their contract to a French firm. Similarly, the French were apparently prepared to take on the construction of a drill bit plant if the U.S. ultimately refused to issue a license. Thus, purchase of what is already available outside the United States could make it possible for the Soviets to improve their geological exploration, their drilling (in terms of both speed and depth), and their exploration of what seems to be already depleted reserves.

Gradually the Soviets have come to appreciate their need for foreign technology, and are willing to permit foreign firms to participate in joint ventures on Soviet territory. Some of these ventures, in which the foreign partner bears most of the costs, are at an advanced stage. A Japanese-American-Soviet team has already

found petroleum and gas off the shore of Sakhalin, and a Canadian firm has been drilling in the Soviet north for some time. The fact that the Soviets have agreed to such joint ventures, and are considering more after having banned them from Soviet territory since the 1940s, shows how far they are now prepared to go to acquire oil-drilling technology.

The Soviets are also beginning to focus on conservation. Some foreigners have argued that, since the Soviet automotive stock is so much smaller than ours, they do not have much fat to cut. But these critics overlook the enormous waste of energy that exists in Soviet industry. It will not be easy to reduce energy usage in Soviet industry, but the potential is there. The CIA itself has shown that by stressing conservation the Soviet Union has already been able to reduce the ratio between energy growth and GNP growth.

A fall in the energy growth/GNP ratio also means that the Soviet Union will have less need to increase petroleum production. The sharp rise in world energy prices since early 1979 has had much the same effect. The Soviet Union has been able to increase its hard currency export earnings without having to increase petroleum exports. In fact, based on preliminary data for the first half of 1979, it appears that its hard currency earnings rose by almost 20 percent even though petroleum exports to the OECD countries (except Finland) were reduced by almost 30 percent. The reason is the 50 percent increase in the price of petroleum. In addition to increasing its hard currency earnings, the Soviet Union has been able to divert petroleum originally put aside for hard currency exports not only for domestic use but for shipment to Eastern Europe. In other words, even if production falls slightly, the Soviet Union may still be able to satisfy its own and its allies' needs for petroleum.

**T**he CIA tends to underplay the Soviet ability to substitute other sources of energy for petroleum. While coal production has faltered so that the Soviets have been unable to increase their usage of coal as much as they originally planned, they have nonetheless been successful in instituting increased use of natural gas and atomic energy. Whatever the ultimate size of Soviet petroleum reserves, there is no dispute about the size of Soviet natural gas reserves—about 40 percent of all the natural gas reserves in the world. This gas is increasingly being substituted for petroleum as a source of energy at home and in Eastern Europe. It is true that until the overthrow of the shah, the Soviet Union imported about 9.4 billion cubic meters of natural gas a year from Iran and about 2.5 billion cubic meters from Afghanistan. But these supplies were intended mainly

for the southern regions of the USSR that border Iran and Afghanistan. It made sense for those areas to use nearby foreign supplies rather than divert Soviet natural gas that could be sold at the higher prices prevailing in Western Europe. Moreover, Soviet gas imports totaled less than one third of all Soviet exports in 1977, an amount equal to only about 3 percent of total production of Soviet natural gas. With the opening of the Orenburg pipeline to Eastern Europe in 1979, and its additional export capacity of 28 billion cubic meters, the ratio of imports of natural gas to Soviet exports should become even smaller.

Soviet gas has become an important source of energy for the Soviet Union's allies in Eastern Europe as well. They too are beginning to substitute gas for oil. In Hungary, for example, the extra Soviet gas coming from the Orenburg pipeline provides the energy equivalent of about 25 percent of Hungary's petroleum imports from the Soviet Union.

Nuclear energy has also become an energy substitute for both the Soviet Union and Eastern Europe. Unlike the United States, where the future of nuclear energy is uncertain, in the Soviet Union the only uncertainty about the increased use of nuclear energy is why the United States is so hesitant. The Soviets are rushing completion on an assembly plant that would mass-produce nuclear power reactors. They are helping the Czechs to build a similar plant. When completed, each of these plants will produce as many as eight one-million-kilowatt units a year. As Professor Harvey Brooks of Harvard University points out, sixteen of these reactors will displace almost .5 mbd of petroleum a year. Of course, not all Soviet electric power stations are fueled with petroleum. Nonetheless, if the Soviets are able to set up the reactors as planned, within ten years from the time these power stations are operating, they will more than make up for the 4.5 mbd shortfall in petroleum imports predicted by the CIA. As of now, the Soviets still have a way to go, but they are determined to substitute nuclear power for petroleum and natural gas in fueling electricity. In 1979, nuclear energy constituted 4 percent of all the electricity generated, but the Soviets hope that soon 10 percent of all the electricity generated in the European part of the Soviet Union will be produced by nuclear reactors. During the tenth Five Year Plan, ending in 1980, the Soviets expect that nuclear reactors will be the source of as much as one third of the increase in the electrical generating capacity in the European part of the Soviet Union. Similar efforts are being pressed in Eastern Europe. In addition, the Soviets are building nuclear plants on the border, so that their output can be sent directly to East European consumers.

The Soviets believe that reactor safety is not a serious concern. Indeed, some reactors are being built

close to the city centers of Gorky and Voronezh in order to supply steam heat as well as electricity. Soviet scientists are more concerned with the disposal of waste than with reactor operation. This attitude may reflect the fact that the reported nuclear accident that took place in 1957-1958 may have been the result of an explosion that dispersed nuclear wastes stored underground.

Even the president of the Soviet Academy of Sciences, Anatoly Alexandrov, professes to be mystified over the American reaction to safety matters and especially to the mishap at Three Mile Island. As he saw it, the fuss "had nothing to do with safety. . . the actual reason behind the whole fight over nuclear construction is entirely different. The development of large nuclear power stations could endanger the profits of the fuel-producing monopolies." By implication, there is no such problem in the USSR. In addition, Soviet scientists would not build such plants if they were not safe, and so by definition there is nothing to worry about. What might not be safe is a public protest over the safety of nuclear energy.

However significant the CIA's neglect of Soviet potential may have been, perhaps the most bittersweet omission was the failure of the Agency to allow for the impact of its own report. Soviet officials and scholars tend to give more weight to Western analyses of Soviet problems than to their own analyses. Some Soviet scholars, such as academician A. E. Krylov, have been warning since at least 1976 of virtually the same kinds of energy problems the CIA wrote about a year later. Indeed, even officials in the Ministry of the Petroleum Industry had tried to press their needs on GOSPLAN, GOSBANK, and the Ministry of Finance, but without much success. Consequently, the appearance of the CIA energy report in April 1977 was apparently the answer to the minister of the petroleum industry's prayers. However ambiguous the Soviet Union's own data may have been, the CIA report was clear. It did not matter that the Soviet Union was at the time the largest producer in the world; according to the CIA, it was approaching an energy crisis. Armed with the CIA's reports, Soviet petroleum officials immediately rushed off to GOSPLAN, and by the end of the year, GOSPLAN and GOSBANK suddenly began to respond. First the Ministry of the Petroleum Industry got its \$144 million in hard currency for its drill bit plant. In quick succession funds were also authorized for \$226 million for gas lift equipment to replace the water injection secondary recovery process, and new efforts and funds were authorized for offshore drilling and joint ventures.

Given that the Soviets do have some reasonable chance of coping with their problems, why did the CIA focus only on what seems to be a worst-case scenario in its April 1977 report? Some have been so unkind as to suggest that the CIA may have been seeking to divert attention from the fact that the Soviet Union had only the year before become the world's largest producer of petroleum. It is unlikely that was the CIA's intention. Yet there is no doubt that, as a result of the CIA report, people around the world are today more aware of the Soviet Union's petroleum problems than of its strengths.

Others have hinted that the CIA timed the release of this report to add urgency to President Carter's energy message. That, too, is unfair. In fact, it turns out that CIA analysts in April 1977 were only repeating what they had been writing and predicting publicly since 1970. For over seven years they had been warning that Soviet exports of petroleum would fall off by about 1975. When exports continued to increase, the prediction was changed to 1976 and then to 1978. Similarly, it was predicted that production would drop in 1978. When that too appeared premature, the expected downturn was pushed off until 1979 and then 1980.

Whether or not the CIA analysts prove to be correct, there is no doubt that if the Soviet Union solves its energy problems, it will thus increase not only its economic but its military strength. Therefore, a good case can be made for doing everything we can to hamper Soviet economic development and hold back petroleum technology. But will such an embargo work? Remember that today little petroleum technology is under the exclusive control of the United States. Thus, when the U.S. government took its time in deciding whether or not to license the export of the \$226 million gas lift equipment, the Soviets simply but decisively switched their order to a French company. Similarly, in 1980, when a historic contract for a joint drilling venture in the Caspian Sea was about to be signed by the Soviets and two American companies, a French company immediately stepped in with an offer after the U.S.-Soviet arrangement was postponed because of the invasion of Afghanistan. More and more we have less and less control over the sale of such technology.

But even if we did have such a monopoly, is it in our own interest to see the Soviet Union run out of petroleum? An equally good case can be made that we should do everything we can to facilitate the development of Soviet petroleum and other energy resources. Presumably, if the Soviets are able to satisfy their own energy needs, they will have less need to compete either militarily or economically with the rest of the world for the petroleum resources of the Middle East. Moreover, the more petroleum produced in the world,

the better off energy importers such as Japan, Western Europe, and the United States will be. Certainly the USSR will never be considered a politically reliable supplier, but is it any less reliable than countries such as Iraq, Libya, and Iran?

It appears unlikely that the invasion of Afghanistan was predicated in any large part on an attempt to secure future energy supplies for the USSR. This is not to deny that the Soviet Union might like to generate a threat to the assured flow of Persian Gulf oil to Western Europe, Japan, and the United States, a threat that would counter threats to its vital interests in other areas. But given the production potential for petroleum in the Soviet Union, it seems unlikely that the USSR decided to invade Afghanistan primarily to position itself to grab Iranian oil. Admittedly, the East Europeans are in a much more difficult situation and would probably like more assured access to Middle Eastern oil. But since the Soviet Union will probably be able to continue satisfying 90 percent of the East Europeans' petroleum requirements for some time to come, the need to satisfy the East Europeans was hardly enough reason for the USSR to invade Afghanistan, especially given the relatively minor quantities of oil consumed by Eastern Europe.

Those who predict that the Soviet Union and Eastern Europe will need enormous quantities of imported oil tend to discount the economic and geological solutions that are available to the Soviets. There is no doubt that the Soviets have some serious problems, but that doesn't mean that there are no solutions short of military aggression. Ultimately the Soviets will have to reform their underlying planning and incentive system. They have resisted that, but there are signs that they may be willing to tamper with the planning process in order to bring about more effective utilization of their energy resources. Among other measures, changes have been proposed in the way geological exploration is

conducted. The Soviets are even redesigning the incentive system so that geologists will be rewarded for finding petroleum, not merely for digging holes. Along the same lines, responsibility for offshore drilling has been consolidated under the control of the Ministry of Gas in the hope that with one ministry in charge instead of the three that were previously, there will finally be some offshore exploration.

Heightened efficiency was also very much in mind when an overall planning reform was introduced in July 1979. Under the new planning mechanism, much less emphasis is to be devoted to increasing gross output, or "val." Instead, the key targets will be spelled out in terms of what the Soviets call net normative output. This is comparable to what we would call value added. Premiums will henceforth be based on the extra value added to production. Unlike the situation before the reform, if a manager wants to be rewarded, he will now have to conserve, not squander, his material inputs. Reinforcing this emphasis on conservation, the Soviets are also discussing the need for a wholesale price hike in raw materials such as petroleum, natural gas, and coal. With higher prices, Soviet managers will be stimulated to increase production and diminish consumption; most important, they should find it easier to win increased allocation of investment funds, both domestic and foreign.

There is no denying that the Soviet Union has a long way to go, nor will they be able to solve all their shortcomings overnight. Nonetheless, they have started to bestir themselves, and we in the United States should not be too patronizing. After all, our efforts at increased conservation, exploration, research, and production leave much to be desired. Nor have we had the courage to adjust energy prices to world levels. Maybe someone can persuade the KGB to write a report about our energy problems. □



ARTICLE APPEARED  
ON PAGE A-9.

WASHINGTON POST  
28 August 1980

# Code Researchers Fear

## NSA's Control

By Philip J. Hilts

Washington Post Staff Writer

The National Science Foundation, in cooperation with the National Security Agency, plans to withhold certain funds for research in cryptography—the science of codes.

The move has raised fears in academic circles that eventually all financial support for such work will be taken over by the intelligence agency.

Such a development, many believe, would effectively place control of this field in the hands of the intelligence agency, with the result that much research important to society could end up locked in the so-called "dark chambers" of NSA.

Until recent years, cryptography was of interest almost exclusively to military and intelligence agencies.

But now, with the society clicking steadily toward electronic storage and communication of practically all kinds of information, the science has become critical for business and home computer systems, as a means of guarding their privacy.

The situation has been complicated by the fact that the best work on cryptography in recent years—new codes that are in practical terms truly unbreakable—has been done by university researchers, not by intelligence agency cryptographers.

Ever since the unbreakable codes were openly published in 1977 by scientists such as Leonard Adleman and Ronald Rivest at MIT, the NSA has made it clear through a number of incidents that it would like to have more control over cryptographic research.

It was a grant proposal by Adleman to NSF that precipitated the latest round of controversy.

NSF has recently reached an agreement with NSA to cooperate in the giving of cryptography grants—a common arrangement for NSF when it knows that other agencies are interested in a particular subject. Under such an agreement, NSF may pay for some of the work and pass other parts of it along to the second agency for support.

Two weeks ago, Adleman was told by NSF that part of his proposal would be funded and part would not, but that NSA was interested in picking up the unfunded part. This was quickly confirmed by NSA.

"I understand that the mission of the NSA might include bringing cryptography research under its control to a degree," Adleman said. "I can see the predatory animal as noble in its own way. At the same time, I don't like being the prey."

He feels it is important that his and other researchers' work be openly available to science and the public, unless the government can prove some overriding need of national security. He is afraid that the NSA, because of its mission, would be unlikely to decide the question fairly.

When NSA feels national security may be threatened, it can bar researchers who work for it from publishing their papers.

"The NSF has been strongly in favor of academic freedom in the past, and I am afraid that they may be not advocating that position strongly enough in this case allowing the NSA to have their way too much," Adleman said.

Adleman said he was surprised to find that a proposal he sent to NSF now was under consideration for funding by NSA, and he was unnerved because he and other university cryptography researchers "have been skirmishing with the NSA for three years now. That has had a chilling effect on us," he said.

He said that a letter was once received by a meeting of the researchers, telling them that their work or public discussion of it might violate the law. The letter was from a man in Bethesda who did not identify himself, but Adleman says he later found out that the man worked for NSA.

MIT also told Adleman to stop sending out reprints of his most popular cryptography paper until lawyers could determine if it might make him liable for prosecution.

The NSA also in the past three years slapped a secrecy classification on the work of George DaVida at the University of Wisconsin when he applied for a patent on one bit of cryptographic work.

The NSF has had for some time a panel working on the issue of academic freedom versus national security and how such situations might be handled, but that panel has not been able to devise a policy to guide NSF on cooperation with NSA.

Kent Curtis, head of the computer sciences division of NSF, said that the action NSF took would be normal in any other case and sharing grants saves NSF much needed money. But the case is made special because of the possibility that the NSA might put security classifications on any work that scientists might do for them.

"This situation is a clash of valid national security interests and the need and interest of the public to know about and use cryptographic research," Curtis said.



ARTICLE APPEARED  
ON PAGE A-10.

WASHINGTON POST  
28 August 1980

# Indian Ocean Bases Plan Hits Snag

## U.S. Officials Differ on Somalia

By George C. Wilson

Washington Post Staff Writer

The first significant congressional obstacle to President Carter's plan for fielding a quick-reaction force in the Indian Ocean theater has emerged from a dispute over Somali troops in Ethiopia's Ogaden.

The Central Intelligence Agency, in what some members considered a direct contradiction of State Department assurances, told a secret session of the House Foreign Affairs Africa subcommittee that elements of three Somali regular battalions were still in the Ogaden.

The CIA, sources said, also told the subcommittee on Tuesday that from 800 to 1,000 Somali regulars were serving as "volunteers" with the insurgents trying to annex the Ogaden to Somalia.

Although Chairman Stephen J. Solarz (D-N.Y.) would not confirm those estimates, he told The Washington Post yesterday that there was indeed "a sharp difference" between what the State Department had told his subcommittee in public and what the agency had said in secret about the Somali troop presence in the Ogaden.

This discrepancy, he said, triggered the drafting of a letter to Secretary of State Edmund S. Muskie setting forth subcommittee fears about entering into a military relationship with Somalia in exchange for American use of its ports of Berbera and Mogadishu on the Horn of Africa.

The Africa subcommittee can protest, but not stop, the Carter administration's plan to reprogram \$20 million in fiscal 1980 funds to start selling

U.S. weapons to Somalia as part of the ports deal.

Another \$20 million in credits for weapons would be extended to Somalia in fiscal 1981, and undisclosed amounts in future years under the recently negotiated agreement. Also, the United States would spend \$11 million improving the Berbera and Mogadishu ports under the deal.

Since the House subcommittee is a key congressional review panel for administration policies in Africa, its opposition to the Somalia military agreements could mark the beginning of a wider congressional challenge to the blueprint for the Rapid Deployment Force.

The Rapid Deployment Force is a combination of existing Army, Navy, Air Force and Marine units that will be trained to respond quickly in various-sized task forces to trouble spots around the world. The oil-rich Persian Gulf is the prime focus of contingency planning at the moment.

The Pentagon views Somalia's ports of Berbera and Mogadishu as vital stopping-off points for the U.S. Navy in peacetime and crucially needed launching pads for American forces in times of crisis in the Indian Ocean theater.

But Solarz and his subcommittee allies are challenging the wisdom of getting the United States entangled through military agreements with a country like Somalia, which is fighting an on-again, off-again war with its neighbor, Ethiopia.

[Somalia's Defense Ministry reported yesterday that Ethiopian army forces, backed by air strikes, invaded northwestern Somalia. The ministry said heavy fighting was under way along a 27-mile-wide front. The report could not be immediately confirmed. Washington sources were skeptical that the operation was as big as the ministry claimed, but acknowledged their own information was skimpy.]

Once the United States links itself militarily with Somalia, Solarz contended yesterday, United States leaders will find themselves confronted with this dilemma whenever the Somali-Ethiopian conflict heats up:

"Stand by and do nothing, and be accused of abandoning another friend; do something and get involved in a regional conflict."

The Carter administration itself has debated those poles of the argument in past conflicts in Africa: Soviet-financed Cubans in Ethiopia are particularly vexing to some administration leaders looking for a way to combat Soviet influence in Africa.

Richard M. Moose, assistant secretary of state for African affairs, had tried to reassure the House Africa subcommittee on Tuesday that Somalia was no longer seeking a military solution to the Ogaden conflict, but a political one.

Asked repeatedly by Solarz whether there was any significant number of Somali regular troops still in the Ogaden, Moose said: "I do not believe there is any significant body of Somali forces in the Ogaden... I doubt there are any Somali battalions. It's very possible there are Somali patrols."

Shortly after Moose gave those and other assurances of Somalia's good intentions, the subcommittee went into executive session to hear the CIA's estimate of Somali troop presence in the Ogaden. Although the estimates were hedged, subcommittee members emerged with the conviction they had heard two conflicting reports.

Solarz predicted yesterday that the majority of his eight-member subcommittee would sign the letter to Muskie opposing the start of arms sales to Somalia and other military links.

The Pentagon has also signed an agreement with Kenya to allow U.S. use of the port of Mombasa; another arrangement the subcommittee will review.

ARTICLE APPEARED  
ON PAGE A15THE WASHINGTON POST  
27 August 1980*Rowland Evans and Robert Novak*

# The Other Face of Carter's Defense Policy

While publicly taking a tough election-campaign stance on defense, President Carter has privately ordered a delay in one of the most sensitive areas of national policy: an overdue increase in the production of nuclear explosives for warheads to power America's expanding arsenal.

In response to Ronald Reagan's tough rhetoric, the president has given maximum publicity to the new "Stealth" aircraft and the new nuclear targeting policy to show progress against Soviet power. The delay over expanding nuclear fuel production suggests procrastination in hopes that the Soviet threat will somehow ease. That raises questions about how much the Carter team's view of the Kremlin really has changed.

This other face of the administration's defense policy also points to an election-year political dilemma. The delay in nuclear explosives production betrays a fear that expanded production would antagonize the anti-nuclear and environmental lobbies. But the delay itself generates fear about the reaction of defense-oriented congressmen.

That second fear was reflected in a "top secret" directive on Aug. 7 signed by Zbigniew Brzezinski, Carter's na-

tional security adviser. The tip-off was this instruction: "All responses to press inquiries about special nuclear materials should be low-key and limited."

Brzezinski's memorandum went to the secretaries of state and defense, the CIA director and the Joint Chiefs of Staff. It informed them that "a formal... decision" to expand nuclear fuel production will be "deferred" until an international conference on nuclear proliferation in Geneva has ended. That will not be for weeks.

The decision to delay means the detentists have won the backstage debate between them and the defense community, a debate waged in Congress and within the administration. Their victory means in essence that there is a high probability of running out of nuclear explosives for the new weapons systems. The administration is authorizing rifles but not the bullets they can fire.

The "bullets" necessary were spelled out last spring in a classified document written by the Joint Chiefs of Staff for Secretary of Defense Harold Brown, setting production targets for new weapons-grade materials. These targets were required by Carter's recent decisions to build the MX mobile missile and the Tri-

dent II submarine-launched missile and—most important—to put warheads on new nuclear weapons for Europe to compete with existing Soviet systems.

"Carter has approved these new systems with much fanfare," one defense expert told us, "but the delay in new production of weapons-grade fuel does not give the Joint Chiefs a Chinaman's chance in hell to put warheads on them."

In its report on the authorization bill for the production of warhead fuels last May, the House Armed Services Committee said that Carter was planning major new nuclear weapons for which there would be no explosives. "Is there a commitment to a nuclear weapons program?" the committee asked.

Pentagon officials have tried to argue this case in congressional testimony short of publicly breaking with the White House. On June 18, James P. Wade, Brown's assistant for atomic energy, testified cautiously that "additional resources" are needed.

Congress has been unsuccessfully pressing Carter for several years to gear nuclear plants in Hanford and Richland, Wash., for production of modern, weapons-grade nuclear fuel. But when, after months of procrastination, Carter finally took the lead in modernizing NATO nuclear weapons and ordered full-speed on the MX and Trident missiles, defense-oriented congressmen believed the impasse was broken.

Brzezinski's directive makes clear they were wrong. It revealed that a July 24 session of the Presidential Review Committee formally decided to defer new production facilities.

The directive went on to warn that "responses to press inquiries... should be low-key and limited to the following points": present production is "adequate for the near term"; "long-term requirements are under review but are difficult to predict"; if higher production is needed, "appropriate programs will be requested."

In yet another gesture to politics, the directive orders that all responses to congressional inquiries "should be cleared" by the Defense and Energy departments, the NSC and the Office of Management and Budget. Having put the development of "Stealth" on the network news, Jimmy Carter wants to keep his other defense face shrouded from public view.

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ARTICLE APPEARED  
ON PAGE A-1NEW YORK TIMES  
27 AUGUST 1980

## Science Foundation's Aid Denied For Sensitive Research on Codes

By JOHN NOBLE WILFORD

The National Science Foundation has agreed, in an arrangement with the National Security Agency, to withhold funds for part of an academic research project in cryptography in a move that scientists fear is a step toward giving the secret intelligence agency control over advanced computer encoding research, whether military or civilian.

The intelligence agency said that it wanted to finance the research project, and probably other such efforts, because of the national security implications of making and breaking codes. Many scientists viewed this latest development in the long-simmering conflict between the agency and the scientific community as a potential infringement of academic freedom.

### Question of Computer Privacy

In more practical terms, concerned scientists contend, the action raises the specter of military and intelligence intrusion in the increasingly sensitive matter of how to protect individual privacy and private business secrets, given the growing use of computers for storing, processing and transferring data.

If independent cryptographic research is not supported and its results disseminated, these scientists contend, it will be hard to insure that medical, tax, banking and other private information is encoded

adequately to secure it from theft and unauthorized inspection.

The issue flared in scientific circles two weeks ago, when Leonard Adleman, a computer scientist at the Massachusetts Institute of Technology and the University of Southern California, learned that the National Science Foundation had passed his research proposal on to the National Security Agency, which then approached him with a promise of eventually providing funds. The issue received wider attention through a report in this week's issue of the journal Science.

Dr. Adleman said in an interview yesterday that he was reluctant to work under the aegis of the security agency if it meant that the results would be classified as secret and never made available to the public.

Both Dr. Adleman and Ronald Rivest of M.I.T. are working on one of the most fundamental questions of computer mathematics: What makes computation problems easy or difficult almost to the brink of impossibility? Knowing some of the answers would help scientists develop codes that were more and more difficult to crack.

Dr. Rivest's research is also being considered for support by the security agency. He said that he would feel "more comfortable" working with the science foundation and that besides, M.I.T. had a policy against allowing faculty members to do classified research on the campus.

"If this means that two agencies, not one, will be supporting this kind of research and scientists will have a free choice of which funding to receive, then I'm not greatly concerned," Dr. Rivest said in an interview. "But if N.S.F. is abandoning research in this area, then I'm greatly concerned."

Vice Adm. Bobby Inman, director of the security agency, said in an interview that he understood the "instinctive objections" of many scientists to working for an intelligence operation and that he was attempting to develop a "dialogue" out of which some acceptable arrangements could come.

The National Security Agency has primary responsibility for the collection of intelligence information through the electronic monitoring of ground and satellite communications throughout the world. Until a few years ago, it and other intelligence and military organizations had a

virtual monopoly on cryptographic research, which was conducted in "dark chambers," as the saying goes, by in-house scientists.

Three years ago, Admiral Inman said, "our people got nervous about all the new work going on in the academic world." This was when the agency first sought to suppress some developments and to consider commissioning outside research projects, with the first attempt being made in the case of Dr. Adleman.

The National Science Foundation is the Government's primary conduit for financing basic research and is virtually the only source of support for basic mathematics studies such as those involved in cryptography. A foundation spokesman described the latest conflict a "complex situation" involving the foundation's responsibilities to science and to the "real needs" of national security.

Admiral Inman said that he had reached an agreement with Richard Atkinson, who until recently was the science foundation director, for the foundation to send all of its cryptography proposals routinely to the security agency for scientific review with an eye to possible support by the agency. The recent proposals by Dr. Adleman and Dr. Rivest were the first to attract the security agency's serious interest.

### Prepublication Review Suggested

The admiral said that he planned to ask Congress for authorization to support such research in the next fiscal year. As he explained it, the agency's plan is to provide grants of money for promising research by outside scientists, let them pursue the work as they ordinarily would and then have them present their results for review before publication.

He said that experts other than agency members would participate in the review. Any aspects of the results that were deemed sensitive would be classified secret, but anything else could be published. Moreover, Admiral Inman said, the scientist could then choose whether he wanted to continue work that happened to be classified as secret or to bow out and let someone else do it.

As Received

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AFAM-AFGHAN-EMBARGO

WASHINGTON, AUG 26, REUTER - INTELLIGENCE REPORTS SHOW THE SOVIET UNION IS SUFFERING FROM THE U.S. GRAIN EMBARGO AND THE U.S. GOVERNMENT INTENDS TO KEEP THAT EMBARGO IN PLACE, WHITE HOUSE OFFICIALS SAID TODAY.

THE OFFICIALS TOLD REUTERS THAT INTELLIGENCE ESTIMATES SHOW THAT RUSSIA'S MEAT PRODUCTION HAD DROPPED SIGNIFICANTLY SINCE PRESIDENT CARTER ORDERED THE EMBARGO IN RETALIATION FOR THE SOVIET INTERVENTION IN AFGHANISTAN.

THE EMBARGO TOOK EFFECT IN JANUARY AND CUT OFF 17 MILLION TONS OF GRAINS, MOSTLY LIVESTOCK FEED GRAINS; THE RUSSIANS HAD ANTICIPATED IMPORTING FROM THE UNITED STATES.

THE WHITE HOUSE OFFICIALS SAID THE RUSSIANS HAD ALSO BEEN LESS SUCCESSFUL THAN THEY CLAIM IN BUYING REPLACEMENT STOCKS FROM OTHER NATIONS.

ON TOP OF THAT, THEY SAID, U.S. INTELLIGENCE NOW PROJECTS THAT THIS YEAR'S SOVIET GRAIN HARVEST WILL BE ONLY AROUND 200 MILLION TONS INSTEAD OF THE 210 MILLION FORECAST EARLIER.

"ALL THIS ADDS UP TO ONE THING: THE EMBARGO IS GOING TO STAY," ONE WHITE HOUSE OFFICIAL SAID.

MANY U.S. ECONOMIC GROUPS AND POLITICIANS HAVE CRITICIZED THE EMBARGO AND URGED THAT IT BE CANCELLED.

REUTER 1838 ND

ARTICLE APPEARED  
ON PAGE A-2

WASHINGTON POST  
24 AUGUST 1980

# Reagan's Foreign Affairs Adviser a Pro on Policy, Trade

By Spencer Rich  
Washington Post Staff Writer

When Datsun chief Takashi Ishihara came to the United States two years ago to explore investment opportunities for the giant auto firm, the man who took him around Capitol Hill to meet such notables as Senate Republican Leader Howard H. Baker Jr. (Tenn.) and House Speaker Thomas P. O'Neill (D-Mass.) was Richard V. Allen, a business consultant to Datsun.

That visit, commemorated in a photo of Allen, Baker, Ishihara and other smiling Datsun officials, underscores an important point about Allen, the 44-year-old former Nixon administration official who is the key foreign-affairs adviser to Ronald Reagan and a prime possibility to become the president's national security affairs adviser in a Reagan administration.

In recent administrations, security affairs advisers and secretaries of state have tended to be scholars of high reputation like Henry A. Kissinger and Zbigniew Brzezinski or skilled negotiators like superlawyers Cyrus R. Vance and William Rogers.

Allen, however, has a different background. He began as an academic, wrote or edited (sometimes with others) five books on communism (none in the last 10 years). He worked on strategic problems at the Hoover Institution and the Georgetown Center for Strategic and International Studies. He served at the National Security Council and then as a key White House aide on trade matters during two separate stints in the Nixon administration.

But his reputation as a scholar doesn't begin to match that of Kissinger or Brzezinski, and he never received a Ph.D.

In between his White House jobs and for the past eight years, he's moved out of the scholarly world to a much different one: that of the international business consultant, crisscrossing Atlantic and Pacific to consult with Japanese or Portuguese clients, to look into business opportunities in Taiwan, to explore investment policies in Angola and Mozambique. His firm's name here is Potomac International Corp.

In Washington, where the daily bread of politics is rumor, unsubstantiated stories have clustered about Allen.

In the interests of clarification, Allen in an interview commented on a number of such rumors. He denied each one as "preposterous," "a lie" or "categorically untrue" and gave these specific responses:

- "No, I did not" encourage and "absolutely did not" indicate that Nixon approved "covert signals to the South Vietnamese to go slow in 1968 peace negotiations, lest a peace agreement help the Democrats beat candidate Nixon in the presidential election."

- "I do not work for the CIA—period! Never."

- He hasn't any special link to Taiwan, but he has explored business possibilities there and visited there.

- A story that he was somehow involved when Israelis made off with five French gunboats on Christmas Day 1969 is "preposterous."

- In the Nixon White House, he was asked to head up a unit that later became known as "the Plumbers." But at the time the job involved nothing more than declassification of historical documents, the unit wasn't called the Plumbers, he turned down the job, and he wasn't involved in any way in its later activities.

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FORTH WORTH STAR-TELEGRAM (TEXAS)  
10 August 1980

## ***Soviets raise arms effort, report says***

By DAVID TIPTON

Star-Telegram Foreign Editor

If you wonder, and perhaps scoff, when this nation's military leaders express concern about the state of preparedness of our armed forces, consider this:



TIPTON

The Soviet Union now is devoting 12 to 14 percent of its gross national product to military purposes, with spending rising 4 or 5 percent a year, a recent CIA study indicates.

That compares with a United States defense outlay of 5.3 percent of gross national product, and the Carter administration has promised a 5 percent growth rate.

The GNP percentage figures indicate the priority each country gives to its military machine, and some independent analysts think the Soviet priority is even higher than the CIA calculates, with perhaps as much as 20 percent of GNP going for military spending.

The Soviet economy floundered in the doldrums in 1978-79, but that fact caused no cut-back in military spending, and the lot of the average Soviet citizen improved very little. Per capita consumption increased only 2 percent in the past two years, compared with the military's 4 or 5 percent.

The CIA study points out that the relatively high military growth reflects the fact that Soviet defense programs have great momentum as well as powerful political and bureaucratic support. The defense sector continued to confiscate a large share of the economy's best scientific, technical and managerial talent and large amounts of high-quality materials components and equipment.

The CIA report also said approximately half of Soviet military funding in the past two years went for procurement of new equipment and major spare parts and for construction of new facilities. Military research, development, testing and evaluation got another fourth of the defense pot, and the Soviet soldier, whose pay is parsimonious, to say the least, split the other fourth with operations and maintenance needs.

LITCHFIELD NEWS-HERALD (ILL.)  
8 August 1980

## Poos scoops CIA

Bob Poos, Hillsboro native and now managing editor of "Soldier of Fortune" magazine, recently took part in what his publisher claims is a scoop of the Central Intelligence Agency.

The publisher, Robert K. Brown, explained in a publisher's note in the September issue of the magazine that Poos flew to Seoul, Korea, to meet author Galen L. Geer and take possession of some 5.45 mm rounds for the Soviet AKS-74 assault rifle. The weapon is a type of rifle issued to elite Soviet units instead of the AK-47 that is used in Vietnam and other third world countries. The Colt M-16 is the American assault rifle.

Geer got 30 rounds along with some other military items from Afghanistan. He and an English photographer traveled for 11 days in Paktia province southeast of Kabul with Pathan tribesmen.

Poos went to Korea on other story assignments and held part of the rounds while Geer went through customs. Twenty-three rounds were seized by Customs. They were later returned. Geer and Brown flew to Washington where they turned two of the rounds over to the Defense Intelligence Agency. Poos brought the rest of the rounds into the country after picking up more stories for his magazine, he told News-Herald reporters Thursday.

In an advance October issue supplied to the News-Herald, the bullet was described in detail. It was found to have an air space, lead plug and mild-steel core directly to the rear of the bullet's thin-jacketed point. The "Soldier of Fortune" staff concluded in the article that the Soviets have produced an accurate, lethal, lightweight round capable of producing the severe wounds reported from Afghanistan.

Geer interviewed some doctors in Pakistan where Pathan tribesmen are treated if they are lucky enough to live the 8 to 10 days it takes to reach help. They reported that whole bone sections would explode from the round's impact.

Geer arranged for a chemical-biological warfare filter from a damaged Soviet scout car to reach a laboratory in Virginia. Poos said that the results were not available. The Soviets have reportedly used nerve gas in Afghanistan. Analysis of the filter may prove it.

The writer also arranged for a tube type weapon about 12 inches long to be brought into the country. According to the Mujahideen or Holy Warriors that he met, there are different types with separate missile-like projectiles which have a range up to 300 yards and include high explosive, antitank, nerve gas and flares.

Sticks of an incendiary material similar to napalm were also brought back. The sticks are either dropped by a large bomb or are scattered by helicopters and ignited

by phosphorus rockets.

Geer described the character and the history of the Pathan tribesmen and their "Jihad" or holy war against the Russians. In May nearly a thousand Afghans representing every tribe and level of society in the country met in Peshwar, Pakistan, in a "Loyal Jirga."

A Jirga is held whenever there is a national emergency. A new government is created to decide the course of the nation. If it is successful, the various Mujahideen warrior groups will operate under one military council.

Geer theorizes that if the groups are coordinated, the Russians will have a difficult time controlling the country because of its rugged desert mountains and thick forests. He also speculated that if the Soviets withdraw, there will be a long civil war to establish a government.

In the November issue of the magazine, Poos said there would be a round up by Geer of the Afghanistan situation. He also said his magazine would take some political stands about the candidates and the sad shape of the U.S. military.

Poos reports he is living in Boulder, Colo., where the magazine is published. He sees his wife, Carol, a business executive in Washington, D.C., between his work and his travels. "I am not bitching," he said, "I love it (work)." His wife and daughter, Lisa, a sophomore in high school, intend to move to Boulder when their home in the Washington is sold. Their other daughter, Laura, is a sophomore at the University of Missouri.



NORFOLK VIRGINIAN-PILOT (VIRGINIA)  
7 August 1980.

# How Smart Is American Intelligence?

By J. Harvie Wilkinson III  
Editor, The Virginian-Pilot

Just how smart is American intelligence? Sixty of the nation's top security experts gathered not long ago in Washington to find out.

The conference included former CIA and military officials, staffers on congressional intelligence committees, academics, journalists, and leaders from America's strategic think tanks.

The conference transcripts are fascinating but not comforting reading.



Wilkinson

Many think the CIA exists to warn us of future Pearl Harbors. But this conference underscored the importance of non-military intelligence as well.

Would our president, for example, have advance warning of a coup d'etat in unstable Saudi Arabia? Well, the intelligence report from Iran in September 1978 concluded that the shah "is expected to remain actively in power over the next 10 years" (off by only nine years, eight months).

Would the United States be able to detect a major Soviet technological breakthrough? Professor Michael Handel of Harvard warns that "the intelligence community has never attracted the first rank of scientists (with notable exceptions during war)."

Is American intelligence prepared to forewarn of international political terrorism? Short answer: no.

Recruiting intelligence analysts is another problem. The CIA is still not popular on college campuses. But requiring certain degrees, cautions former CIA director William Colby, "could bar from the corps of analysts the mudcaked activist who has tramped the back jungle" and learned more than any college classroom could provide.

The CIA also lacks linguists. This creates a backlog in processing intelligence. Complains Brookings' Richard Betts: "You can't get people who know Arabic to sit and listen to tapes all day. There aren't that many of them, and the few there are would rather do other things."

One participant complained that our young CIA analysts fail to comprehend the Russians. Apprentice them for six months in a "Detroit homicide squad, the night court in Los Angeles, or even a union picket line," he suggests. A university simply fails to commun-

cate "the visceral feel for the reality that periodically explodes out of the Tartar Steppes."

The classic trap of intelligence is that of wishful thinking. It's well-known that Stalin refused even to hear the overwhelming evidence of his secret services that Hitler was about to turn on Russia in Barbarossa. Don't laugh. American presidents made it clear to the CIA that unpleasant news about the shah was unwelcome; it poisoned the political climate for arms sales to Iran.

Wishful intelligence now assumes that the Soviet Union is the mirror image of the United States. Our defense doctrine is labeled MAD (nuclear war involves Mutually Assured Destruction). We have assumed, despite massive expenditures on MIRVed missiles and hardened fallout shelters, that the Soviets were sane enough to think likewise.

Was this a major intelligence blunder? As Senator Malcolm Wallop (R-Wyo.) notes:

"While the Soviets were beginning the biggest military buildup in history, the NIEs [National Intelligence Estimates] judged that they would not try to build as many missiles as we had. When the Soviets approached our number, the NIEs said they were unlikely to exceed it substantially, when they

exceeded it substantially, the NIEs said they would not try for decisive superiority—the capability to fight and win a nuclear war. Only very recently have the NIEs admitted the possibility as an 'elusive question.' Now the NIEs say the Soviets may be trying for such a capability but they cannot be sure it will work."

During the 1970s, some in Congress thought intelligence activity vaguely immoral. But where our national security is concerned, the greatest immorality is inadequacy.

The president of the National Strategy Information Center, Frank Barnett, fears that Americans have grown too comfortable to sense "how frequently brute force, psywar, treachery, and violence determine human events in the arena outside the Anglo-Saxon playing fields." Pleasant thinking—on the part of those who gather and those who read intelligence—has brought us into the 1980s, encumbered by the reality of overwhelming Soviet power.

"My opinion of the Russians has changed more drastically in the last week than even the previous two and a half years before that," said Jimmy Carter, post-Afghanistan.

Somehow, someone is not getting the message. Let us hope that statement reflects an outlook unique to this particular president, not the stream of intelligence that passed before his eyes.

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SCRANTON TIMES (PA.)  
5 August 1980

# Newsman's Hope For Big Story Dashed As He Investigates CIA, 'Countercoup'

The Scranton Public Library is full of books about spies and espionage. I wonder, though, if the librarians there realize they are guardians of a book that itself is the centerpiece of a real-life intrigue.

Our story began a few weeks ago. Bob Rafalko, the co-owner of Copperfield Books in downtown Scranton, had a problem.

"I've been trying to order this book called 'Countercoup,'" Rafalko explained. "It's about Iran and how the Central Intelligence Agency helped bring the Shah back to power after he was overthrown in 1953. But I can't order the book."

It seemed that whenever Rafalko called up the title on his computer screen, he was informed that his book distributors could not get copies of "Countercoup."

This was odd. Having read a review of "Countercoup" several months before, I knew the book had been published. I had wanted to read it, so I was mildly interested in the bookseller's revelation. Then he told me something that made me more than curious.

The word in the book trade was that the CIA was responsible for "Countercoup's" strange lack of availability, Rafalko confided.

The CIA. The slithering sound of it made me shudder a little. Then I got excited. I sensed a good story here.

Next day, I went to the public library and found a copy of "Countercoup," by former CIA operative Kermit Roosevelt. Somehow the book that Rafalko could not order had reached the library. I savored the forbidden fruit.

That night I began reading "Countercoup," and the next day I called the McGraw-Hill Book Co., its publisher. I was put in touch with Donald Rubin in the firm's New York office. The first thing Rubin did was blow any

illusions I had about breaking a major news story. He said that on Nov. 6, 1979, *The Wall Street Journal* had printed a front-page story headlined "The Coup Against 'Countercoup.'"

But Rubin was able to bring me up to date on this little publishing-industry intrigue.

"We began shipping the books last summer, but then substantial errors in the book came to our attention," the publisher's spokesman said.

The main objections to parts of the book had been lodged by British Petroleum Co. Ltd., more familiarly known as BP, Rubin said.

As *The Wall Street Journal* reported, officials of BP, which is 51-percent owned by the British government, had raised a howl upon getting word that Roosevelt's book identified the Anglo-Iranian Oil Co., a BP predecessor, as a very eager partner of the CIA in organizing the coup that toppled Iranian Prime Minister Mohammad Mossadegh and returned the young Shah to the Peacock Throne.

The coup, with help from Iranian supporters of the Shah, spelled the end of Mossadegh, whom the CIA perceived as a Communist stooge and the British hated because he had nationalized the Iranian oil industry.

The rest is history. One of its important chapters ended last month with the ignominious death-in-exile of the Shah. But back to our own story.

As a former CIA employee, Roosevelt had to submit the manuscript of his book to the agency for pre-publication review. The draft perused by the CIA indicated that a British intelligence unit called MI 6 was the prime mover in the onslaught against Mossadegh. Tut, tut, said the CIA to Roosevelt, it wouldn't be cricket to have direct references to our cousins in British intelligence in the book.

Roosevelt agreed to make changes. For reasons of his own, he replaced MI 6 with Anglo-Iranian Oil Co. in his revised draft. And that's what drew the wrath of the British oil giant.

After being pressured into revising his book, Roosevelt himself asked for a delay on a new publication date when the American hostages were taken on Nov. 4, Rubin said. The author apparently did not want to spill oil on the fire started by the Iranian militants.

But it was too late. Some copies of the original "Countercoup" already were in the hands of book reviewers, on bookstore shelves, and in the stacks of libraries like the one in Scranton.

Last week, Rafalko learned he finally could order "Countercoup." It's a laundered second edition, however. Nothing as juicy as the copy I had found at the library.

So what does our story mean? Which version of "Countercoup" was correct? Did Roosevelt just pick AIOC out of a hat, or was the oil company the real force behind the super-secretive MI 6?

I don't know and neither does Rafalko. But he says he's an ardent admirer of conspiracy theories.

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DCI IN THE NEWS

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ON PAGE 2

SAN FRANCISCO DAILY COMMERCIAL NEWS  
13 AUGUST 1980

In the 1980's

## CIA chief says U.S. facing a precarious situation

Commercial News Staff

America is not facing the best of all possible worlds as the nation enters the 1980s, the Central Intelligence Agency chief says.

Admiral Stansfield Turner predicted here that the 1980s would be more precarious than either the 1960s or 1970s.

And what that means to business and the guy on the street is that the quality of living — and life itself — may be in jeopardy.

Turner told a luncheon at the San Francisco Press Club this week that one reason for this was the perception by the Soviet Union of closer equality with the

United States in world affairs.

"The Soviet leaders don't feel inferior to the United States. Whether this is true or not, we can't count on bullying or intimidating the Soviets. This is a new challenge to us," he said.

Secondly, Turner said, the United States cannot expect the same rate of high economic growth in the developed countries of the world as in the past.

"We will be lucky if we can sustain a rate of growth in energy of 1 to 2 percent instead of the 6 percent we are used to. And 1 or 2 percent may be an optimistic evaluation."

Thirdly, Turner said, the

mechanism for handling military and economic problems will work differently in the 1980s.

"The countries want a larger voice in decisions," he said. "We are going to have to change our patterns of diplomacy, so we must have better information and better secret intelligence," he said.

"Can we do this and still respect the provisions of the U.S. constitution? I believe we can," he said.

Turner also outlined four areas of legislation that he felt were needed to better protect the legitimate secrets of the United States.

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ON PAGE A18

WILMINGTON EVENING JOURNAL  
12 August 1980

## Names in the news

### CIA chief: Beware '80s

SAN FRANCISCO — The 1980s will be a more precarious time for the U.S. military than the 1970s or 1960s, according to Adm. Stansfield Turner, director of the Central Intelligence Agency.

The threat will come from growing Soviet military strength and reduced economic growth in the free world, Turner said yesterday in a speech at the San Francisco Press Club.

Turner advocated passage of legislation that would reduce the number of congressional committees that must be informed of the agency's activities and free the CIA from some provisions of the Freedom of Information Act.

The bill would also bar the disclosure of the identities of CIA operatives overseas and protect CIA secrets from disclosure during court hearings.



Adm. Stansfield Turner

ARTICLE APPEARED  
ON PAGE **24-25**U.S. NEWS & WORLD REPORT  
25 August 1980

# Changes to Expect If Carter Is Re-elected

**Back to SALT.** In foreign policy, getting his arms-control drive back on track would be high on the agenda. After the Soviet invasion of Afghanistan last year, Carter decided that the strategic-arms treaty had to be shelved until after the election.

The President also would renew his efforts to achieve a Middle East peace settlement, which is bogged down by the inability of Egypt and Israel to agree on terms for Palestinian autonomy. With the election behind him, he would have a freer hand to put pressure on the Israelis.

If American hostages were still being held in Iran, freeing them would remain a top priority. More broadly, advisers

would be seeking ways to improve relations with an increasingly hostile Moslem world.

In both foreign and domestic policy, the President would use a renewed lease on the Executive Mansion to try to rebuild presidential control over the federal bureaucracy, his aides say.

"In the past decade, there has been a steady movement of power away from the White House," says one Carter man. "The President will try to bring back a sense of central control over the government that has dissipated."

Agencies have frequently split with the Carter White House over policy. If re-elected, the President would be more insistent that political appointees be responsive to White House wishes.

Changes would also show up in Carter's corps of advisers. Some would leave, and others would shift to new jobs in the administration.

In the White House itself, the big question is whether Hamilton Jordan, Carter's longtime political lieutenant, would return as chief of staff. Jordan left that job to help run the re-election campaign. Carter would welcome him back, but Jordan dislikes management

details and might choose to stay away.

Most senior presidential aides, including domestic-affairs chief Eizenstat, national-security adviser Zbigniew Brzezinski and congressional liaison Frank Moore, would be likely to stay. Some assistants could win promotions. Interim chief of staff Jack Watson and senior aide Anne Wexler are seen as possible cabinet nominees. No change is foreseen in the foreign-policy team

of Defense Secretary Harold Brown and Secretary of State Edmund Muskie. But Central Intelligence Agency Director Stansfield Turner, who has been criticized both within the agency and outside, might be replaced.

The only one of the President's original department heads who has stated his intention to leave at year's end is Interior Secretary Cecil Andrus, former governor of Idaho. The governor of

another Western state, such as Arizona's Bruce Babbitt, could replace him.

Other top advisers who might forgo a second term include Energy Secretary Charles Duncan, who probably would return to the private sector; Atty. Gen. Benjamin Civiletti, who drew criticism in the Billy Carter affair, and economic aides Charles Schultze and Alfred Kahn, who have indicated desires to leave government.

One possible addition to the corps of aides: Irving Shapiro, chairman of E. I. du Pont de Nemours & Company.

Vice President Mondale would be a more visible figure in a second term, since he would be seen by some as heir apparent for the top job in 1984.

**Court replacements.** Another focal point would be the Supreme Court, where five justices are over 70 years old. Carter has served notice he will make the prospect of appointments to the Court a campaign issue. He has not mentioned names, but has hinted he would fill any openings with liberals.

Possible appointees who have figured in speculation include Education Secretary Shirley Hufstедler, Health and Human Services Secretary Patricia Harris, Solicitor General Wade McCree and appeals-court judge Abner Mikva, a former congressman from Illinois.

Despite the euphoria that re-election would bring, aides concede that the President would face many of the same troubles that marked his first term.

Congress would remain a big stumbling block. Even with the lopsided Democratic majorities in this Congress, Carter's relations have been rocky. They could be even rockier next year if Republicans pick up additional seats this November, as expected.

This likely change on Capitol Hill, combined with the intractability of many national and international problems, would almost certainly make a second term for Jimmy Carter just as turbulent as the first. □

EXCERPTED

## Candidates for Departure



Benjamin Civiletti



Stansfield Turner



Charles Duncan



Cecil Andrus

ARTICLE APPEARED  
ON PAGE A8THE WASHINGTON POST  
17 August 1980

# Telexes Provided White House With Confirmation of Billy Deal

By Walter Pincus

Washington Post Staff Writer

International Telex messages, sent from the United States to Billy Carter's sidekick during the last days of March 1980 and apparently intercepted by U.S. electronic intelligence collectors, provided the White House with confirmation that an oil deal between the president's brother and Libya's Qaddafi regime was in the works.

The deal, which could have given Billy Carter millions of dollars in commissions, apparently came to a head March 31.

On that Monday morning, Billy Carter had Charter Crude Oil Co. send a Telex to his associate, Henry (Randy) Coleman, in Libya, confirming that Charter would buy any oil allocation granted the president's brother.

The Telex was immediately sent, according to Charter officials.

Later that same day, Central Intelligence Agency Director Stansfield Turner told the president's national security affairs adviser, Zbigniew Brzezinski, about Billy Carter's negotiations for a Libyan oil allocation.

In his statement earlier this month, Brzezinski reported getting "in March 1980 . . . A brief intelligence report" from Turner "which bore on Billy Carter's commercial dealing with an oil company . . ." But he did not disclose the exact date of the report.

That was "to protect intelligence sources and methods," Brzezinski said.

Last week, however, in response to a question, the White House confirmed the Turner information was given on March 31.

On the afternoon of March 31, Brzezinski called Billy Carter, told him he knew about the oil deal and suggested "this could be exploited politically by the Libyans."

He advised Billy Carter that the deal could be embarrassing to the country and "the president, personally" and added that he hoped he would "do nothing that would be embarrassing."

Billy Carter, according to sources, was angered by the Brzezinski message.

The president's brother was in financial straits. His income had dropped sharply after his publicized anti-Zionist remarks a year earlier. He owned money to the Internal Revenue Service.

He and Coleman had been trying for almost a year to put together the oil deal. He had told friends earlier that month that he was sure it was about to come through. Coleman had been in Libya more than two weeks waiting to get to the right people.

So certain was Billy Carter on March 31 that he was at last going to get his long-promised oil deal that he arranged that morning—in the call requesting the Telex to Coleman—to drive down to Charter Oil's headquarters in Jacksonville, Fla., and have lunch the next day, April 1, with officials of the company.

With that as background, Billy Carter—according to Brzezinski's later report—told the president's aide during their March 31 phone conversation that he "had a right to make a living." Billy Carter also emphasized he was "entitled to his privacy," a reference to Brzezinski receiving information on the oil deal.

On the next day, April 1, according to Brzezinski, he reported to President Carter on Billy Carter's oil deal and the phone conversation he had had with the president's brother. The president told Brzezinski he had done the right thing "to caution Billy," but apparently did nothing about the situation himself.

White House aides said last week the president dictated nothing about

the information he had received about his brother that day in his daily reminiscence. April 1 was the day of the Wisconsin primary, when the president announced on early-morning television that there had been a break in the Iranian hostage crisis.

As for Billy Carter, he did lunch April 1 with Lewis Nasife, president of Charter Crude Oil Co., and Jack Donnell, president of the parent Charter Oil Co.

Charter had a real interest in getting more oil, because their 100,000 barrel-a-day contract had ended the day before and their new arrangement cut them to 60,000 barrels a day.

A Charter official said recently the conversation was about oil but that the lunch, at a "local hamburger stand," was informal and cost "about \$20."

The oil deal, however, never went through.

Coleman returned from Libya within a few days and on April 7, picked up a \$200,000 check for Billy Carter at the Libyan offices in Washington. The word "loan" was written on the check, according to congressmen who have seen copies of it in the Justice Department files.

Billy Carter has been saying for more than a month that the government has been listening in on his phone conversations—an allegation Justice Department officials strongly deny.

In an interview Friday with CBS, Billy Carter changed his complaint. The television interview took place in Americus, Ga., a CBS spokesman said, after Billy Carter had returned from Washington, where he had been questioned on his Libyan activities by Senate investigators.

"I do know that Telexes that have been sent by me and in my name were picked up," he said. "Everybody denies doing it. Nobody, nobody has yet denied it was done."

The Senate Judiciary subcommittee hearings on the Billy Carter case will begin Tuesday with his partner, Coleman, and his former Marine Corps commander, Jack E. McGregor, as the first witnesses.

McGregor, once an officer of Carey Energy Co. and now a consultant for Charter, talked with Billy Carter in March and April 1979 about his financial problems and the possibility of doing business with the Libyans. Carey Energy once purchased oil from Libya and later sold out to Charter, which took over its Libyan oil operations.



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CHARTER LEGISLATION - PRO AND CON

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WASHINGTON STAR  
17 AUGUST 1980

# How Platforms of the Two Parties Differ on Reaching Desired Goals

By Lyle Denniston  
and Mary Thornton  
Washington Star Staff Writers

**INTELLIGENCE.** Both want new  
charters written to guide U.S. intel-  
ligence agencies, but the Democrats  
seem more concerned about protec-  
tion of civil liberties of persons  
caught up in the intelligence net.  
The Republicans would make it a  
crime to publicly identify U.S. spies  
and would upgrade and rebuild  
intelligence capacity generally.

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CHICAGO SUN-TIMES (ILL.)  
13 August 1980

## Muzzling the spy-namers

Former CIA agent Philip Agee and his associates, Louis Wolf and William H. Schaap, are in the business of naming names of intelligence agents with the aim of wrecking U.S. undercover operations.

It's despicable work. Last month, after Wolf and Schaap published the names of 15 alleged CIA agents in Jamaica, the home of the purported station chief was raked by gunfire. Richard Welch, CIA station chief in Athens, was assassinated in 1975 after being similarly identified.

The great majority of Americans no doubt concur with members of Congress who want to legally muzzle Wolf, Schaap and their ilk, but doing so effectively without compromising the constitutional rights of others is delicate work.

A bill pending before committees of both houses fails in the attempt.

One part of it would make it a crime for anyone with legal access to government secrets to disclose the names of U.S. intelligence

agents. Which would be OK, except that Wolf and Schaap deny having such access and say they get their names from research of unclassified material.

To broaden the net, the bill takes in people without access to secrets who aim to "impair or impede the foreign intelligence activities of the United States."

The language is designed to absolve journalists and others who, to expose CIA mistakes or misdeeds, may expose an agent's name. But that's slippery; laws relying on determination of intentions to establish guilt imperil the First Amendment rights of "good" as well as "evil" speakers and writers.

Anyway, Wolf/Schapp claim their purpose is pure: it is not to impede but to clean up U.S. intelligence gathering.

Justice Department lawyers say a constitutional law to protect undercover agents can be written. If so, it should be written forthwith. The one in hand falls short on practical as well as constitutional grounds.

ARTICLE APPEARED  
ON PAGE 45U.S. NEWS & WORLD REPORT  
25 August 1980

## Report From Capitol Hill

**As Congress  
Heads Into  
Homestretch—****With Election Day scarcely 11 weeks off, key spending, tax and energy issues remain to be settled. In prospect: Tough legislative infighting.**

In air heavy with partisan maneuvering, Congress is returning to Washington to face a crowded agenda of unfinished business.

Battles over spending—plus a pair of two-week recesses for the Republican and Democratic national conventions—have put the lawmakers well behind in their effort to wind up the 1980 session by October 4.

Congressional leaders made it clear as they prepared to reconvene the House and Senate on August 18 that a lame-duck session after the November elections is likely to be needed to approve the 1981 federal budget.

Most observers predict a tumultuous, but largely unproductive, finish to the 96th Congress. If the past is any guide, politics will dominate, coloring everything from the Senate's investigation of the Billy Carter affair to the burgeoning debate over the 29.8-billion-dollar deficit proposed by the White House.

Few share the optimism of Senate Majority Leader Robert C. Byrd (D-W.Va.), who has outlined an ambitious schedule for the rest of the year, including final action on such items as the 1981 budget, youth-employment aid, fair housing, hazardous-waste disposal and all 13 major 1981 appropriation bills, plus consideration of tax-relief proposals.

"So many members of Congress are involved in re-election campaigns, it will be difficult to approve anything except appropriation bills," contends Assistant Senate Republican Leader Ted Stevens of Alaska.

Senator Sam Nunn (D-Ga.) declares: "I don't see any new programs being considered—which a lot of people think is a good thing."

Much of Congress's time is expected to be taken up with partisan wrangling, intensified by the major parties' widely differing philosophies for coping with inflation and unemployment.

Taking cues from GOP presidential nominee Ronald Reagan, Republicans are demanding that Congress fight inflation by balancing the budget and that it consider tax relief for businesses and a 10 percent tax cut for individuals to spur the economy.

Many Democrats argue that the current recession demands more, not less, federal spending and that a tax cut now would produce more inflation.

Although Reagan intends to keep the tax issue alive with a rally on the Capitol steps in mid-September, his party lacks the votes to prevail on this or any issue without massive Democratic defections. Democrats hold a 274-to-159 majority in the House and a 59-to-41 edge in the Senate.

Other items on the agenda that are still being battled over—

\* \* \* \* \*

CIA reporting. Instead of drafting a new charter for intelligence agencies, as originally planned, Congress is nearing approval of a narrower bill aimed at limiting the number of Senate and House committees to whom these agencies must report.

EXCERPTED

HOT SPRINGS SENTINEL-RECORD (ARK.)  
11 August 1980

## Lives and secrets

The United States House of Representatives is considering a bill which would make it illegal to divulge the names of U.S. intelligence agents working undercover.

It must be obvious to nearly every thinking person that it is essential for major governments to know what is going on in the world. Often, the only way to gather valuable information is for agents to do it covertly. Not only is agents' effectiveness ruined if their true function is revealed, their lives may be jeopardized.

Governments who put such agents into the field have an obligation to do all they can to protect the agents' lives.

Portions of the bill are clearly aimed at persons such as Louis Wolf, whose Covert Action Information Bulletin has reputedly published the names of 2,000 alleged Central Intelligence Agency

operatives.

Reprehensible as Wolf's work may be, it may not be constitutionally possible to stop it, nor is it justifiable to violate the constitution to get at Wolf. That is too dangerous a precedent.

Anyone who publishes secret government information gained while in public service ought to be punished, if the publication endangers the lives of agents or can be shown to harm national security.

As to the likes of Wolf, the government must look to itself to learn how Wolf and his colleagues are gaining the identities of secret agents. The information must be coming from inside the government. Freedom of speech protects the despicable as well as the decent. The government cannot stop Wolf directly; it must stop its own leaks.

LOUISVILLE COURIER-JOURNAL (KY.)  
8 August 1980

## Curbs on press are wrong approach to protecting CIA agents

IN TAKING issue with one of our editorials, Congressman Romano Mazzoli last Sunday in a *Forum* page letter defended a pending House bill that would curb disclosure of the names of CIA spies stationed abroad. The bill, he claimed, would penalize only those who hope to damage the CIA by exposing its agents. Legitimate journalistic investigations of agency operations and policies supposedly would be unaffected.

We remain very much unconvinced, however, that the proposed legislation is compatible with the First Amendment or with the public interest served by a free and vigorous press.

The House bill and a similar Senate measure were prompted by the Washington-based *Covert Action Information Bulletin*, whose editors routinely identify CIA agents abroad in an effort to curb alleged agency abuses. Though these editors claim they don't object to the CIA's gathering of foreign intelligence and have no desire to provoke violence against CIA agents, there's little doubt that *Covert Action* both impairs U.S. espionage efforts and endangers lives.

In trying to silence this publication, Representative Mazzoli and his colleagues on the House Select Intelligence Committee propose two lines of legal attack. One, which makes sense, would severely punish any present or former CIA agent or other government employee who used his access to classified information to expose CIA spies. The main target here is Philip Agee, an ex-CIA

agent and contributor to *Covert Action*.

More troubling is the committee's proposal that private citizens — including journalists — also be subject to penalties if they disclose the names of undercover agents in a deliberate effort to expose U.S. spies and damage the CIA. In this case, it would make no difference whether the disclosure was based on classified information, public sources or mere guesswork.

Mr. Mazzoli emphasizes that this provision of the bill would apply only when malicious intent was involved and could be shown. But if this became law, does anyone seriously doubt that the government would try to prove mischievous intent in order to suppress news stories it considered embarrassing to the CIA? Al-

most any in-depth journalistic investigation of the agency is bound, at some point, to name names. And many, perhaps most, CIA agents abroad reportedly can be identified from public sources, including embassy personnel rosters.

So Congress, in its understandable desire to "get" *Covert Action* and Mr. Agee, is being asked to venture down a dangerous path. Yes, the irresponsible and malicious would be punished. But so, too, might reporters and editors who try to inform the American public about some of the most important and sensitive operations and policies of their government. The House should reject this bill and instruct the Intelligence Committee to come up with a measure that deals only with the likes of Philip Agee.

WEST PALM BEACH POST-TIMES (FLA)  
3 August 1980

# Congress Abdicates

For inexplicable reasons Congress is beating an all-too-hasty retreat from its 1974 pledge to scrutinize the activities of the Central Intelligence Agency.

The U.S. Senate already has passed the Intelligence Oversight Act of 1980, sharply limiting the number of congressional committees the CIA must notify before commencing covert activities. Now the House Foreign Affairs Committee has declared there are secrets Congress "needn't know" and voted the virtual repeal of advance notification requirements.

Disappointingly, Rep. Dan Mica (D-Fla.) was among those committee members voting to relinquish this important oversight tool. Earlier he and Rep. L.A. Bafalis (R-Fla.) also joined a full House majority voting to include repeal of the notification requirements in the 1981 foreign aid bill.

The votes are a discouraging and ominous reflection of the reluctance of members of Congress to assume the difficult responsibilities and obligations commensurate with the privileges and honor accorded their office. In effect, Congress is once again transferring to the president the unchecked power

to commit arms, money and men to foreign adventures of unpredictable consequences.

The lessons of Cambodia, Chile and Angola seem to be forgotten, as has the national outrage at Watergate-era revelations of the CIA's domestic spying, drug and biological war experiments on unknowing U.S. citizens.

Few would doubt that in the dangerous world of today an effective foreign intelligence service is needed. But intelligence — the gathering of useful political, military, geographical and cultural information — is a far cry from covert activities, such as the plotting of assassinations and coups, the financing of guerrilla wars and the deliberate disruption of Third World economies.

It is the approval of covert activities which is at issue.

Congress should not relinquish its right to approve or disapprove covert activities which in many instances already have been shown to undermine the nation's foreign policy and moral leadership and endanger its national security. If anything, Congress should demand to know more, not less, about what the CIA and its military counterparts may be doing.



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SNEPP SAGA CONTINUES....

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NEW YORK TIMES  
21 AUGUST 1980

## ABROAD AT HOME

# The Price Of Secrets

By Anthony Lewis

The 40 Committee, which directed C.I.A. covert actions, met in the White House on June 27, 1970, to consider what could be done about Chile and Salvador Allende. Henry Kissinger started the discussion by saying:

"I don't see why we need to stand by and watch a country go Communist due to the irresponsibility of its own people."

Kissinger's statement was quoted by Victor Marchetti and John Marks in their book, "The C.I.A. and the Cult of Intelligence." Or rather, it was quoted in their manuscript. C.I.A. censors cut that passage, and 167 others, before the book was published in 1974.

The statement came out in other ways later and was printed widely in the press. But the C.I.A. still refused to let Marchetti and Marks publish it. As recently as last winter, when the censors withdrew their objections to some of the 168 items cut from the book, they still said no to the Kissinger quotation.

Now, after all those years, the C.I.A. has changed its mind. A new lawsuit was filed under the Freedom of Information Act to seek release of all the censored passages in the Marchetti book. And this month, in its answer to the suit, the Government conceded that there was no security objection to publishing Kissinger's words.

The episode tells us a good deal about the way censorship works. The censors, and the Justice Department lawyers who defend them, always talk about the need to protect the national security. They make it seem as if publishing what they want to ban would disclose our nuclear codes, or bring Soviet missiles down on Washington. But almost always the real fear is that publication will embarrass someone.

In this case it is hard to see how there could have been any real security threat to the United States from publication. Allende was dead when the book first came out, and the record of C.I.A. activity in Chile has long since been explored by now.

The arrogance of Kissinger's words, when seen in print, was no doubt embarrassing to him. But what he said at the meeting of the 40 Committee was more than a personal matter. It reflected what was and had been for years a prevailing attitude in the C.I.A. and the White House: an almost

casual willingness to intervene secretly in other countries with arms, money and murderous plots.

Whatever one thinks of the need for covert action, it is clear that the practice got out of hand — with blunders and excesses that hurt this country. It is now under greater control, in the White House and in Congress, only because some facts of what was going on leaked to the public.

Only an informed public can apply a defective pressure for change in failed official policies. Censorship always tries to hide failure and abuse. It went on trying to conceal those words of Henry Kissinger's for years after there was any conceivable security reason to do so — and only gave up, one suspects, when the bureaucrats figured that Kissinger was unlikely to be back in office soon, in a position to punish them.

The danger is that we now have a system of official censorship: the first in the peacetime history of the United States. Congress has not authorized it. The Constitution, many believe, stands in its way. But the Federal courts, making law to meet what they consider the C.I.A.'s needs, have allowed the agency to censor what any former employee says for the rest of his life.

The latest incident in the development of this judge-made law of censorship occurred last week. Frank Snepp, who wrote about official blunders in the last days in Vietnam, gave the Government all he earned from his book, "Decent Interval." He wrote a check for \$116,658.15 and promised to pay another \$24,000 as soon as he can borrow it. He is now penniless.

Hardly anyone noticed the denouement of the Snepp case. But I think it was one of the blackest moments ever for freedom of speech and press in America.

The Supreme Court's decree, carried out by the Justice Department with rigor, took Snepp's gross income from "Decent Interval" with no allowance for living expenses during the years he worked on the book. How many white-collar criminals — or gangsters — have thus had their gross income taken for violating the law? What politician or official has paid a fine of \$140,000 for corruption or deceit?

No one even claims that Frank Snepp disclosed any secrets in his book. But for publishing without permission he has paid a penalty savage for him and dangerous for the rest of us. The worst irony is the bland innocence of those who punished Snepp and imposed on us a system of censorship: Supreme Court Justices who decided the case without hearing argument, two Carter attorneys general and their assistants.

After the Sedition Act of 1798 lapsed, a shamed Government remitted the fines of editors who had been convicted under it. Some day a Government more sensitive than this one should do the same for Frank Snepp.

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NEW YORK TIMES  
17 AUGUST 1980

## Headliners



### Giving In

In America, no cause is truly lost until it is lost in the United States Supreme Court. That is where Frank W. Snepp Jr., a former C.I.A. agent, lost his in February, when the Court ordered him to turn over to the Government all earnings from a book in which he portrayed the agency as bungling the evacuation of Saigon. Last week Mr. Snepp delivered the first installment, a check for \$116,658.15, to Justice Department lawyers.

NEWSDAY

30 JULY 1980

# The ironies of a CIA censorship decision

By Thomas Collins  
Newsday Media Writer

Frank Snepp, the former CIA agent, and author of "Decent Interval," a bestseller of a few years back, is living in a \$373-a-month apartment in Alexandria, Va., these days, and is having a hard time meeting the rent.

"I eat one meal a day," he said in an interview. "I try to cut my overhead to zero. The only reason I can weather it is because I'm not married." He is thousands of dollars in debt, he said, to the government, to his friends, and to Random House, his publisher.

"Decent Interval," a critical account of the Central Intelligence Agency and the hasty U.S. evacuation after the fall of Saigon, has earned the 37-year-old Snepp about \$140,000 in royalties so far, but he has never had a chance to collect it. The U.S. Supreme Court has deprived him of his profits as punishment for publishing the book without first submitting it to the CIA for approval.

Ironically, he is paying federal taxes on the uncollected royalties. The money is in a special escrow account until the government can figure out a way to properly transfer it to the U.S. Treasury. Until the transfer, he is liable for taxes as far as the Internal Revenue Service is concerned. "The problem is that the government doesn't know how to receive the money because it's an unprecedented case," Snepp said.

His case is unprecedented in many ways. He is under court orders to submit for approval everything he writes, even speeches. "I'm obliged to clear all presentations made from a prepared text and the title or subject matter of extemporaneous material," he said. Otherwise, he could face contempt-of-court charges.

His latest go-round with his former employers involves a recently completed novel, "Convergence of Interest," which is about a CIA agent involved in the assassination of President Kennedy. Snepp requested that it be exempt from the censoring process on the ground that it was a work of fiction. But

the CIA insisted on its prerogative under his original secrecy agreement, even though it has not done

so in the cases of several other former CIA employees—including William F. Buckley Jr.—who have also written fiction about the agency.

A double standard apparently exists at the agency—and for that matter, in the government—when it comes to deciding who can and cannot publish without prior approval. Former Secretary of State Henry Kissinger, for example, did not submit the completed manuscript of his book, "White House Years," for government clearance, even though he suggests that he did so in his introduction to the book, according to an account by New York Times columnist Anthony Lewis, who cited national security adviser Zbigniew Brzezinski as his source.

In an interview, Herbert Hetu, chairman of the CIA review board, conceded that Buckley and several others had not submitted works relating to CIA activities for review even though they, like Snepp, had signed secrecy agreements. He seemed embarrassed by the fact. "We would like those people to submit," Hetu said, conceding that otherwise "it looks like we're going after our enemies, not our friends." He also acknowledged that an agreement that does not apply across the board is not much of an agreement. But he said it was up to CIA and Justice Department attorneys to decide whom to pursue in such matters.

One question the agency is mulling at present is what to do about George Bush, the former CIA director who is the Republican candidate for vice president. Under strict interpretation of agency rules, Bush should be submitting his campaign speeches for clearance, but he has not done so and the agency so far has not requested it. "We're wrestling with it," Hetu said.

The secrecy agreement that Snepp signed when he joined the CIA was at the heart of his dispute over "Decent Interval." He maintained that it infringed on his First Amendment right of free speech and that, in any event, it only applied to classified information. Since the book contained no classified material—which the government did not dispute in court—his reasoning was

Others believe that the First Amendment had nothing to do with his case, that his contract with the CIA was "entirely appropriate," as the Supreme Court said, and that he is only getting his just deserts. However, many in the press are alarmed over the ruling because it might be construed as giving nonsensitive government agencies as well as the CIA the right to extract secrecy agreements from their employees.

The CIA's position is that Snepp could have saved himself a lot of grief by simply living up to the secrecy agreement and submitting the book as so many others have done. "We could have reviewed 'Decent Interval,' and with only slight changes—and I mean slight—not changed its meaning at all," Hetu said.

The CIA is at considerable pains these days to explain its position. It maintains that its review board does not censor anything but classified material from the numerous manuscripts that are submitted to it by current and former CIA employees and "frequently leaves in material that is critical or embarrassing to the agency." The need for such censorship, said Hetu, is that "the government has got to protect legitimate classified material that would hurt national security" if it were released.

Since 1977, when the review board was set up, it has reviewed 278 manuscripts of all kinds by former and current employees and has turned down only four, Hetu said—three articles and a parody. "Most authors come in wanting to cooperate and we help them," he said.

A particularly sensitive area is the publicizing of the names of CIA agents, which has occurred in a few books and periodicals and which threatens the operations and the lives of agents. Snepp uses the name of a real agent in his new novel, but he did so knowing that it had already surfaced in other books. At first, the CIA asked him to change it, then realized that it had already been publicized. Even so, Snepp was asked to voluntarily change the name, and he obliged.

As for the 18 months of work he put into "Decent Interval," the \$140,000 it has earned, and any future royalties from films or TV, that is just gone, along with the First Amendment protection that

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THE WASHINGTON POST  
18 August 1980

*Jack Maury*

# Where Are We Going, Militarily?

On the op-ed page recently, Clayton Fritchey warned us of a "frantic new arms race" resulting from the myth created by our militarists that the Soviet Union has achieved military superiority. In the next paragraph, he cautioned against a "futile effort to establish a superiority of our own," and concluded that there are "laws against shouting 'fire' in a crowded theater, but unfortunately there is no way of restraining panic-making shouts about our national security."

Fritchey quotes several authorities, including David Jones, chairman of the Joint Chiefs of Staff, Defense Secretary Harold Brown, and Maxwell Taylor, former JCS chairman, in support of the contention that the United States remains militarily equal or superior to the Soviet Union. But the military balance is never static. The question is not where we are but where we are going. On this, hear the recent words of those same witnesses:

- Jones: "We have been living off the capital of previous investments" while in the case of the Soviets "their momentum will allow them to gain an advantage over the United States in most of the static indicators of strategic forces by the early 1980s. Moreover, because of the lead time in modern weapons programs, this progressive shift in the strategic balance will continue into the latter part of the 1980s" (FY81 Military Posture Statement).

- Brown: "The 1979 Soviet military effort was about 50 percent larger than our own" and has "a potential for strategic advantages if we fail to respond with adequate programs" (FY81 Department of Defense Annual Report).

- Taylor: "... our armed forces in the aggregate are dangerously deficient in their capability to deter conflict, conduct sustained combat overseas even on a limited scale or to provide the military backing necessary to support our foreign policy, present or projected" (The Post, letters, Aug. 3).

There are other witnesses worth hearing on this subject. Gen. Edward Meyer, chief of staff of the Army, told a

House subcommittee on May 29 that, except for our forward deployed forces, we have a "hollow Army." At the same hearing, Marine Commandant Robert Barrow, when asked if he considered the FY81 budget adequate, replied, "in a word, no." Speaking to the Naval War College on May 1, Adm. Thomas Hayward, chief of naval operations, reported that the Soviet Navy now has 800 first-line combatants to our 300, is building twice as many modern surface combatants and four times as many submarines as we are, and that the new Soviet ALFA class sub—with its titanium hull and phenomenal speed and depth capability—is far beyond anything we would consider reasonable or affordable. And in considering the significance of this naval balance—or imbalance—remember that the Soviet Union, unlike the United States and its Free World allies, is basically a land power, largely self-sufficient in resources and enjoying overland access to its major allies and trading partners.

Lew Allen, Air Force chief of staff, late last year expressed similar concern: "Most ominous is the unrelenting expansion of Soviet power, which has allowed them to achieve parity in strategic nuclear forces with the United States and threatens to provide military advantage to many areas of conflict."

To be sure, there are, as Fritchey contends, alarmist and hysterical voices in the defense debate, and the national interest is ill served by leading either our allies or our adversaries to conclude that our military establishment is in worse shape than it is. But the authorities I have quoted are by no means irresponsible extremists. They are respected members of an administration dedicated to cooling off rather than heating up the arms race. But they are also occupants of responsible positions in which they have had unique access to the facts and a heavy obligation in acting upon those facts.

Fritchey also invokes the judgment of former defense secretary Robert McNamara, who warns: "To the extent that military expenditure severely reduces the resources available for other essential sectors and social services—and fuels a futile reactive arms race—excessive military spending can erode security rather than enhance it."

This is the same McNamara who

guided our course in Vietnam and who, in 1964, had this to say to U.S. News & World Report: "The Soviets have decided that they have lost the quantitative race and they are not seeking to engage us in that contest. It seems that there is no indication that the Soviets are seeking to develop a strategic nuclear force as large as our own."

As to the effects of military spending on our economy, of which McNamara warns, it should be kept in mind that during the Eisenhower administration we were spending twice as large a share of our gross national product on defense as we do today and, in those years, our economy grew vigorously and inflation was, by present standards, negligible. And when McNamara contends that defense spending is at the expense of social services, one is reminded of the words of the late British air marshal, Sir John Slessor: "It is customary in democratic countries to deplore expenditures on armaments as conflicting with the requirements of social services. There is a tendency to forget that the most important social service a government can do for its people is to keep them alive and free."

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ON PAGE C1-4THE WASHINGTON POST  
17 August 1980

# Why the Soviets 'Doubled' Arms Spending

By Arthur Macy Cox

IN 1976, the CIA made what appeared to be an astounding discovery about Soviet defense outlays. News outlets throughout the country headlined the story, "CIA Doubles Estimate of Soviet Defense Spending." The media were very poorly briefed. Nobody at CIA thought the Soviets had suddenly increased their defense spending by 100 percent. But the impression was allowed to stand and has not been clarified.

A recent study published by the U.S. Air Force and prepared by the U.S. Strategic Institute said: "Estimates prepared by the Central Intelligence Agency, as well as by U.S. academic economists, have been in error by as much as 100 percent. The CIA estimates were accepted without question until 1976, when they were acknowledged to be grossly in error and doubled. Economists have not yet recovered from the shock of that experience."

Former President Richard Nixon in his new book, "The Real War" says: "In 1976 the CIA estimates of Russian military spending for 1970-1975 were doubled overnight as errors were discovered and corrected... When the first concrete steps toward arms control were taken, American presidents were being supplied by the CIA with figures on Russian military spending that were only half of what the agency later decided spending had been. Thanks, in part, to this intelligence blunder, we will find ourselves looking down the nuclear barrel in the mid-1980s."

Congress recently authorized the largest U.S. defense budget in history because most members of Congress also have come to believe that the Soviets have doubled their defense spending during the decade of the 1970s.

But the facts are very different. At no time has the Soviet defense budget been increased by more than 3 percent a year.

The CIA has an admittedly difficult job estimating what the Soviets spend on defense because so much is secret. The figure which the Soviets publish in their annual budget doesn't come close to approximating Soviet defense totals. The CIA tries to estimate the dollar cost of the Soviet military by determining what it would cost the United States to duplicate the Soviet defense establishment. This is obviously subject to considerable error because there are such vast differences in the costs of U.S. and Soviet defense programs.

The most glaring difference is in military manpower. The Soviets have about 4.4 million military personnel compared to a U.S. figure of 2.1 million.

The CIA makes an estimate of the dollar cost of the 4.4 million Soviet force multiplied by U.S. military pay and allowance rates. This results in a significant distortion because U.S. military personnel are volunteers with relatively high levels of pay and allowances. The Soviet forces, on the other hand, are drafted and paid about one-fifth the U.S. rate.

When this method of costing Soviet defense began in the early 1970s, the CIA concluded that the Soviets were spending between 6 and 8 percent of their gross national product (GNP) for defense. At the time, the United States was expending about the same percentage of its GNP for defense. Today, the U.S. figure is closer to 5 percent. However, it is often forgotten that the U.S. has a GNP which is about double that of the Soviets.

During the period from 1973 to 1976, as CIA analysts refined their methodology and obtained better intelligence, they made an important breakthrough. In costing Soviet defense production they had been crediting the Soviets with efficiency which was close to that of the United States. What they discovered was that Soviet defense production, in fact, was not very efficient. Thus, the Soviet defense effort was absorbing a greater share of the GNP than previously believed.

Here is what the published 1978 CIA report said: "The new estimate of the share of defense in the Soviet GNP is almost twice as high as the 6-8 percent previously estimated. This does not mean that the impact of defense programs on the Soviet economy has increased — only that our appreciation of this impact has changed. *It also implies that Soviet defense industries are far less efficient than formerly believed.*" (Emphasis added.)

The CIA increased the percent of GNP from 6-8 to 11-13, but there had been no doubling of the rate of actual Soviet defense spending. There was merely an increase in CIA's estimate of the share of GNP expended for defense. What should have been cause for jubilation was never adequately explained to the Congress and the public. Instead, for the past four years, a misperception that there has been a great surge in Soviet defense spending has gone uncorrected.

In fact, there have been no dramatic increases in Soviet defense spending during the entire decade. Here is what the CIA paper published in January 1980 said for the 1970-79 period: "Estimated in constant dollars, Soviet defense activities increased at an average annual rate of 3 percent." In other words, the Soviets have indeed been increasing their defense budget, each year, at about the same rate as the United States and most of its NATO partners. The U.S. defense budget for next year calls for an increase, in real terms, of about 5 percent.

From the standpoint of weighing the essential defense burden of the United States and Russia, there are several factors that should be given much greater emphasis when the executive branch is presenting the facts to Congress.

The first is the great difference between the defense contribution made by the European allies of the United States and the Warsaw Pact allies of the Soviet Union. In 1978, the European NATO members expended \$75 billion for defense and France, a non-NATO ally, spent \$16 billion — a total of \$91 billion. The Warsaw Pact members, other than the U.S.S.R., expended \$23 billion, or one-fourth of the defense spending of our European allies.

CONTINUED

Perhaps even more important in considering the relative defense burdens is the cost shouldered by the U.S.S.R. in defending against China. The U.S. Defense Department says: "At least 22 percent of the increase in the Soviet defense budget during these 13 years [1964-1977] has been attributed to the buildup in the Far East . . . . The high construction costs in Siberia suggest that the intelligence estimates may understate the cost of the Soviet buildup in the Far East substantially." In addition, according to the Defense Department, the Soviets "station as much as 25 percent of their ground forces and tactical air power on their border with China."

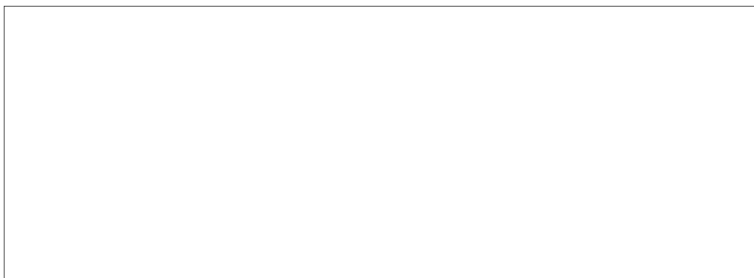
The Soviet burden of defense against China comes more sharply into focus when note is made of the fact that the Soviets have 44 divisions facing China and 31 divisions facing NATO. Of the 31 divisions in Central Europe, four are standing guard in Hungary and five have remained in Czechoslovakia since the invasion of that country in 1968. In other words, there are about twice as many divisions committed to the China front as to the West German front.

Furthermore, the U.S. does not have to match the Soviet forces facing China. Those forces are at the end of a long and tenuous line of communication that can be severed, in time of war, by missile strikes. These are not forces that can be readily transferred to combat in a European war. On the other hand, if it is argued that the U.S. defense budget should provide forces to counter the Soviet threat to China, then the Chinese defense budget should be included on our side — a total of \$35 billion.

The combined NATO defense budgets are greater than the combined Soviet-Warsaw Pact defense budgets, and if the China factor is included, the Soviet proportion of defense facing the U.S. and its allies is less than 75 percent of that of the NATO powers.

These are facts which Congress should have before it when it weighs the budget appropriation decisions in the next few weeks. The Soviets have an ample defense budget, but it still does not equal its potential adversaries. The perception of Soviet military superiority is an illusion based, in large part, on a misunderstanding of the facts.

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CIA TELEVISION SERIES

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THE WASHINGTON POST MAGAZINE  
17 August 1980

RUDY MAXA'S

# Front Page



## HOLLYWOOD PLOTS A CIA TV SERIES; IT'S A SECOND TRY

Once upon a time then-CIA chief William Colby met with television producer Larry Thompson and then-ABC head Fred Silverman to lay the groundwork for a dramatic television series based on CIA exploits. But Colby's successor, George Bush, vetoed the idea because he feared the shows might

inadvertently reveal CIA methods and operations.

Now the project is back on track with at least the tacit approval of the CIA and active assistance from the Association of Former Intelligence Officers. At the helm is Thompson again, as well as Gerald Ford's former jokewriter, Don Penny (left, in photo on left) and Edward Anhalt (right, in same photo), a screenwriter whose credits include "Beckett," "Panic in the Streets," "Man in the Glass Booth," and "QB-7." The three men are working on a two-hour script for CBS and 20th Century Fox with an eye toward a regular television series that could do for the embattled CIA's image what "The FBI" did for J. Edgar Hoover's fiefdom.

"Basically we're doing entertainment," says Penny, who doesn't much like comparing his project with the old Efrem Zimbalist Jr. series. "We're not trying to whitewash. We will dramatize a case officer's life as well as the lives of different people who work there—photo analysts, cartography experts—you're talking about a university. Those people do everything from talk French to collect urine samples."

Penny is careful to note that the CIA is not granting any "official" assistance, but it's clear that the crew at Langley wouldn't mind some favorable ink these days. And former CIA employees have met to reminisce with writer Anhalt, who hopes to complete the pilot script in two months. Proposed names of the show: "CIA," "The Longest War" or "The Puzzle Palace."

DAYTON NEWS (OHIO)  
6 August 1980



## Gary Deeb

### Recall 'The FBI' whitewash? Now CIA tales are on the way

CHICAGO TRIBUNE

Remember how "The FBI," the ABC Sunday night law-and-order program, glorified the exploits of J. Edgar Hoover's boys? It was the phoniest cop show on television, and for nine years it ranked as the biggest weapon in the real FBI's propaganda arsenal.

Well, a similar whitewash could hit the air on CBS sometime in 1981. It would be called "The CIA" — and yes, the weekly program would tell us about that swell bunch of courageous patriots and freedom fighters who populate our beloved Central Intelligence Agency.

Now that our nation seems to be tilting to the right politically, the CBS bosses are anxious to try to develop a show that would pander to that dominant conservative mood. It also wouldn't hurt CBS in the eyes of Official Washington, especially if Ronald Reagan gets elected and brings his 20-mule team into the White House.

Larry Thompson, executive producer of the proposed "CIA" program, admitted that America's neo-conservatism and "anti-foreign" attitude have much to do with the creation of the TV series. "Ideally, we'd like to show that the people in the CIA are American citizens with families and a job to do," Thompson said.

### 'Advice' from former agents

He further explained that the fictional series would get "technical assistance and advice" from the Association of Former Intelligence Officers, an outfit comprised largely of ex-CIA agents.

To me, that sounds dangerously close to the cozy deal between producer Quinn Martin and top officials of the FBI, a relationship that resulted for nearly a decade in the most censored and propagandistic weekly series in TV history.

Martin allowed FBI officials to screen all scripts for "The FBI," to dictate changes and to veto story ideas. In addition, he hired only actors and screenwriters who were "politically acceptable" to the FBI. Indeed, Efrem Zimbalist Jr., the star of the show, was the personal choice of the late FBI director J. Edgar Hoover.

Between 1965 and 1974 on ABC, "The FBI" fed us contrived tales of murder, bank robbery, kidnapping, drug smuggling, organized crime (never referred to as the Mafia, of course) and communist espionage. Those were the old reliable cops-'n'-robbers staples that the FBI built its reputation on in the 1920s and '30s, and so Hoover & Co. insisted that the TV series adhere to those topics.

Meanwhile, the FBI rejected scripts dealing with civil rights, wiretapping, anti-war protests, draft resisters, police brutality, corporate anti-trust violations and anything else remotely connected with controversial issues of socio-political import.

### The image was controlled

And so with Quinn Martin as a willing dupe, the FBI distorted its own image and blue-penciled all stories in which the FBI appeared to be anything less than a well-oiled machine virtually incapable of malfunction.

It's disgustingly clear that the potential CBS series about the CIA is headed in that same jingoistic direction.

"America's moving to the right," said Scott Slegler, a CBS vice president based in Los Angeles. "No matter who's president, the people want the United States to protect its interests abroad. The time is right for this show."

It isn't hard to read between those lines. In a bid to exploit the widespread blood-lust emotion against Iranians and other foreign people, CBS plans to ensure that the CIA comes off as a wonderful outfit fighting that never-ending battle for truth, justice and the American way.

So don't expect any true-life episodes about how the CIA has assassinated foreign leaders, propped up "friendly" dictators (particularly the late shah of Iran), spied on law-abiding citizens in the United States or tried unsuccessfully to murder Cuban Premier Fidel Castro.

DALLAS TIMES-HERALD (TEXAS)  
29 July 1980Bob  
Brock

# /CBS backing CIA series

A TV SERIES on the Central Intelligence Agency (CIA), once proposed and pursued by Dallas broadcaster-entrepreneur Gordon McLendon, will now be produced by a California production company in association with 20th Century-Fox TV. It should turn up on CBS in the 1981-82 season.

In Los Angeles, executive producers Larry Thompson, Don Penny and Ray Wagner — incorporated as Thompson,



Penny, Wagner Productions — announced the project, a fictionalized one-hour dramatic series currently titled, "The CIA." Veteran screenwriter Edward Anhalt has been retained to script the initial episode and act as executive script consultant.

The series, according to the producers, will be based on "realistic international incidents drawn on material from declassified historical information." Thompson, Penny and Wagner say they have received the exclusive cooperation of the Association of Former Intelligence Officers, who will provide technical and interpretive assistance.

"The CIA," continue Thompson, Penny and Wagner, will view international events through the eyes of a CIA case officer involved in all aspects of gathering and processing intelligence for the government. The case officer and his team will be composite characters based on real people.

In Dallas, McLendon, who just returned from Hungary where he was executive producer on a new film starring Sylvester Stallone, admitted he was unaware of the latest development concerning a CIA series. However, he said that he and the principals in his proposed TV project had abandoned the idea when "we were never able to satisfy ourselves that we could get the story cooperation that would be necessary to do a series."

"We certainly didn't expect the CIA to let us have access to all their files," McLendon noted, "but without plots, what are you going to do?"

McLendon, who first revealed his plans for a series based on the exploits of the CIA over two years ago, also had the cooperation of the Association of Former Intelligence Officers, of which McLendon is a member. McLendon was a Naval intelligence officer in World War II.

McLendon said that CIA Director Stansfield Turner had been most cooperative when he broached him with the idea for a CIA series, similar in format to the popular and long-running "The FBI."

"But, right off the bat, I had a feeling that there would be problems," McLendon said. "Now, I never got any names to attach to this, but I think there were many old-timers with the CIA that just didn't want a series made. Period. Some of them, I think, were being over-zealous."

McLendon said that he certainly didn't believe that all the secrets of the CIA should be laid bare, but he felt that his proposed series could have brought a more positive image to an agency that many view in a negative light.

"It was never my intention to put a nail in the CIA," McLendon continued. "I think that in certain respects the agency has become paranoid because of many of the books written by former agents."

"I still think the CIA series would have been fun to do, but I feel that we would have ended up being compromised in regards to our original intent. I couldn't see the CIA putting their seal of approval on our series, and I don't think you'll find it on the new one that has been proposed."

McLendon, whose business ventures usually keep him bouncing around the world, feels that he'll be more Dallas-bound in months to come.

McLendon will be a daily contributor when KNBN TV, Ch. 33, the new business news station, takes the air in mid-September. In four, 10-minute programs, "Gordon McLendon's World," he will lend his expertise to a discussion of metals, currency and collectibles.

McLendon, in partnership with Clint Murchison and Hollywood producer Sy Weintraub, is also finding activity increasing with their Subscription Television of America (STA).

Although STA recently sold four outlets to Golden West Subscription Television of Los Angeles — including STV for Dallas-Fort Worth, which will be seen nights and weekends on Ch. 33 — the company still has STV franchises of its own in five markets. They are Tampa-St. Petersburg, Fla., Denver, Colo., Indianapolis, Ind., Norfolk, Va., and San Francisco, Calif. The San Francisco subscription operation is scheduled to begin next week.

In addition, STA also still owns the station in Providence, R.I., to which it sold subscription TV rights to Golden West.

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AFGHANISTAN

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THE WASHINGTON POST  
21 August 1980

# Soviets Said to Launch Offensive Against Guerrillas in Kabul Area

By Stuart Auerbach  
Washington Post Foreign Service

NEW DELHI, Aug. 20—Fighting broke out in several sections of Kabul this week as the Soviet troops launched an offensive against a suspected rebel camp in the hills just outside the Afghan capital, according to Afghan sources and diplomatic reports reaching here today.

Some of the fighting in the Afghan capital, which is out of bounds to Western reporters, was believed to involve attacks on Soviet strongholds in the city while in other cases it may have involved battles between the two feuding factions of the ruling Marxist People's Democratic Party of Afghanistan.

Two separate diplomatic missions reported heavy gunfire both Sunday and Monday in the vicinity of Kabul Airport, which has been turned into a major military base since the Soviets moved into the country with more than 80,000 troops eight months ago.

While it is unclear who was doing the fighting, there were some reports in Kabul that rebel bands had tried to attack the heavily guarded airport. Lending credence to that report, Soviet Mi24 helicopter gunships were seen Monday launching an attack about one mile east of the airport.

Also on Sunday and Monday, heavy firing was heard in an entirely different section of the city, the Khair Khana neighborhood, which is just below a major encampment of Soviet troops and tanks stretched along the hillsides surrounding Kabul.

One mission described unconfirmed reports of Soviet casualties during the fight while another noted that several persons were probably killed but said it

was unclear whether the battle was between Soviets and rebel forces or part of the continuing violent feud among Khalq (masses) and Parcham (banner) factions of the ruling party.

There were also unconfirmed reports of attacks Sunday near the Darulaman Palace, where Soviet generals have set up their headquarters and where a large contingent of Soviet troops is bivouacked.

Meanwhile, reliable sources told diplomats in Kabul that the Soviets launched an attack Sunday on a suspected rebel stronghold in the hills near Paghman, a resort and agricultural town just 12 miles from Kabul.

As a result of the increased instability in and around the Afghan capital, diplomats reported stepped-up spot checks on traffic in Kabul. The diplomats reported continued nightly assassinations — with unconfirmed rumors that they had reached into the family of the Soviet-installed president, Babrak Karmal — and fears of greater impending violence.

The Babrak government, meanwhile, intensified its campaign to blame the instability in the country on "U.S. imperialism and Chinese chauvinism." It invited diplomatic missions in Kabul to a meeting last Sunday at which government officials said American, Pakistani, Iranian and Egyptian agents had been captured. Diplomats said they know of no foreigners under arrest as agents.

At press conference the same day, a man who identified himself as an Iranian confessed to being a rebel and said the American Central Intelligence Agency was responsible for the insurgency.



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ON PAGE A-5

NEW YORK TIMES  
21 AUGUST 1980

## New Russian Military Action Is Reported in Kabul

By MICHAEL T. KAUFMAN

Special to The New York Times

NEW DELHI, Aug. 20 — Soviet tanks and helicopters took part in a two-hour attack near the Kabul airport on Sunday, according to Western diplomats, who described other engagements in the capital that coincided with the 61st anniversary of Afghanistan's independence from the British.

According to the diplomats the sound of sustained barrages and firing from the helicopters could be heard from the area of the airport on Sunday. On Monday a similar outburst began at noon when helicopter gunships were seen striking at targets a mile east of the airport. The diplomats said they had heard reports that the airport had come under attack by rebel tribesmen, but they said they were unable to confirm these or determine the outcome of the firing.

The diplomats also said that they had received secondhand reports of fairly intense military operations in two Kabul suburbs on Sunday and Monday. In Khair Khana, the diplomats were told, there had been considerable firing near what was described as a Soviet encampment. In Paghman, an elite suburb developed by an Afghan king, reliable sources told of an apparent Soviet attack on a suspected guerrilla camp. This action was said to have involved tanks, armored personnel carriers and armored helicopters. The attack is said to have begun on Saturday and continued on Sunday.

### Two Groups Identify With Ex-King

The reported intensification of military activity near the capital came amid the commemoration of Afghanistan's independence, gained after King Amanullah

Khan's forces fought a monthlong war with the British in 1919. In the subsequent peace treaty Afghanistan gained the right to pursue its own foreign policies without review or approval by London. In Afghanistan, where historical facts and myth are frequently blurred, both the Islamic rebels and the Babrak Karmal Government have tried to identify with King Amanullah. For the rebels the King was a patriot who freed Afghanistan from an imperial yoke, and they see themselves fighting to evict the Russians as he expelled the British.

In his independence day speech, however, Mr. Karmal sought to draw a parallel between his Government and the King. Like the young King, Mr. Karmal said, the leaders of Afghanistan's leftist revolution are seeking to put through needed reforms. As King Amanullah was threatened by the British, he said, so the Government in Kabul was being attacked by "American imperialism."

### Sense of Foreboding Reported

In concluding the parallel the Afghan President said, "Once again the brotherly state of the Soviet Union came to the rescue of Afghanistan to prevent the C.I.A. agent Hafizullah Amin from handing over Afghanistan to the imperialist forces." Mr. Amin was ousted as President by Mr. Karmal, who noted that in 1919 the young Soviet state "was the first to recognize Afghanistan's independence."

In the speech, monitored here yesterday, Mr. Karmal said the Soviet troops would return home "after foreign forces stop interfering in the internal affairs of our country."

The Western diplomats say that since late last week there has been a sense of foreboding and impending violence in the capital. Spot checks of cars have reportedly increased and on Friday and Saturday there were two funerals, in a part of town where officials live, that had heavy security details around the corteges. The identities of the dead could not be determined, but rumors are reportedly circulating widely to the effect that members of the ruling party's two factions are killing each other.

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POLAND

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ARTICLE APPEARED  
ON PAGE A10

THE WASHINGTON STAR (GREEN LINE)  
21 August 1980

# The Polish impasse

At this point, the Polish strike situation looks like the irresistible force in mortal combat with the immovable object. The Polish workers, tasing their power to mobilize support in the shipyards and beyond, are unlikely to be turned back by anything but force or the concessions they are asking from the Gierek government. But the government and its Soviet mentors cannot afford to let them have their way.

The tragic irony of the situation is that a violent culmination of the crisis should be so likely when nobody remotely concerned with what happens in Poland wants violence. The workers don't want their demands answered with tanks and machine guns. For equally obvious reasons, the Polish government hopes to avoid a Soviet invasion. The Soviets, who might find it hard this time to blame the CIA for disaffection in their sphere, don't welcome the idea of firing on the workers of what is supposed to be a workers' state. The other Warsaw Pact countries don't want the Kremlin to find it necessary to tighten controls on them.

In the West, the Carter administration doesn't want either a worsening of relations with the USSR or another demonstration of the limits of its human rights policy. And the other NATO nations don't want the Soviet military presence to come any closer to their borders.

For the moment at least, Soviet policy in the matter seems to be one of lying low while the Polish government does what it can to deal with the problem. Communist party chief Edward Gierek, trying to placate at least a substantial number of the workers with concessions on the bread-and-butter issues that precipitated their seizure of the shipyards, has also moved troops and police to the edge of strike-bound Gdansk.

To give the workers what they want in living standards is not easy. The Poles are, by many criteria, better off than other members of the Soviet bloc, but their economy shares the weaknesses of similarly state-dominated systems.

Poland is more heavily in debt to Western

banks than any of its neighbors — so much so that servicing the debt takes up almost all its export earnings. Also, help from the Soviet Union is harder to come by now that the USSR has been feeling the effects of restrictions on trade with the United States. Since the Polish government is already living beyond its means, it's hard to say where the money might come from for wage increases and meat price subsidies.

At that, gratifying the workers' material desires would be much less dangerous to the Polish leadership than to meet their demands touching basic political and economic institutions. Allow independent unions, religious freedom and freedom of speech in Poland and no cut telephone wires could keep the news from spreading all over the Soviet empire, with what that would mean in threats to the power elite and to the system that is necessary to give these people their authority and privileges.

Another consideration is the Soviet Union's vital interest in keeping access to its military installations in East Germany. A stable, Soviet-oriented Poland is a geopolitical necessity for the Kremlin, arguing against the likelihood of a successful Yugoslav-style Polish breakaway as well as against the likelihood of ideological concessions from Moscow.

It could happen that the Polish army, a robust fighting force, would cast its lot with the strikers in the event of an attempted military showdown by the Gierek government. But whether this would make the outcome of a confrontation with the Soviet Union more or less inevitable — and more or less bloody — is impossible to predict.

This is a fundamental challenge to the Soviet Union as an imperial power and as an ideological force. Obviously, no one can say how it will come out. But the sad truth is that, for all the promises not to use force and for all the real desire on every side to avoid force, a peaceful solution would seem to be on the far side of the possibil-

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THE WASHINGTON STAR (GREEN LINE)  
19 August 1980

# Economics Is at Root of Polish Crisis

By Henry S. Bradsher  
Washington Star Staff Writer

Behind the political demands being made by Polish strikers that threaten traditional Communist forms of control lie economic problems with no solution in sight, according to U.S. officials.

Officials here are willing to discuss the economic situation. But they are being careful in their comments on the political situation in Poland. They fear increasing the possibility of Soviet intervention to keep Poland in the traditional Leninist mold of control.

Poland has been living beyond its economic means for years. It is now so deeply in debt to foreign banks that it cannot borrow enough to modernize its economy and thus have some hope of economic growth. But workers refuse to accept the bitter medicine of reduced living standards while basic reforms are made.

U.S. comments on the economic-based political crisis facing Polish Communist leader Edward Gierek "would only heighten the concern of the Soviets," one State Department official said. "We don't want to do anything that would prompt the Soviets to intervene or that might be seen by the Soviets as a threat to their interests."

Intelligence specialists said there is no sign of Soviet movement. But Polish strikers have in some of their statements shown a keen awareness of the danger of provoking Kremlin intervention to keep Poland on a Communist course.

State Department spokesman David Passage answered a question yesterday about the U.S. attitude in a way that could also apply to the Soviet role. Passage said that "domestic problems in Poland are a matter for the Polish people and Polish authorities to work out."

Gierek has been trying to work out the country's economic problems since he came to power in the second of what are now four waves of worker unrest. The current one is the only one not to turn violent — so far. Well-coordinated worker groups are trying to avoid riots and instead press their demands on Gierek with peaceful pressure.

The first wave was "bread and freedom" riots in October 1956. They toppled the Stalinist leadership that the Soviet Union had imposed on its western neighbor after World War II and brought Wladyslaw Gomulka to power. But, facing production problems, he raised the prices of essential consumer goods in December 1970, touching off riots that put Gierek in office.

Gierek tried to raise food prices in June 1976. He immediately backed down when riots erupted. But the problem remained: Poland had to consume less, lowering its living standards, if it were to plow enough back into investment to improve the overall economy and pave the way for later consumption gains.

In the current wave, one of the worker demands is that less meat and other consumer goods be exported so that more is available for domestic consumption. But Poland needs to export everything possible to service its massive debts so that it can keep borrowing.

According to a study recently made public by the CIA, Poland has the largest net debt in Western currencies of any Soviet bloc country. At the end of 1979 it owed \$20 billion, double the Soviet debt and almost a third of the bloc total.

About \$15 billion of this is owed to Western banks, with \$6.8 billion of it due this year. U.S. and West European banks have been consulting with their governments about rewriting the loans for later payment.

The CIA calculations show that Poland owed only \$784 million in hard currency in 1971, the year after Gierek came to power. The debt rose slowly until 1975, when deteriorating economic conditions caused both a rapid rise and the problems that led to the abortive 1976 domestic food price increase. After that the debt soared, doubling from \$10.7 billion in 1976.

Poland is now committed to using 92 percent of its export earnings — from coal, primarily, and other basic products — just to pay interest and installments on its hard currency loans.

Despite this massive overhanging problem, World Bank figures show significant economic growth in Poland. Its 35 million people had an average income in 1978 of \$3,670 apiece, fourth highest in the Soviet bloc after East Germany, Czechoslovakia and the Soviet Union. Gross domestic product reportedly grew from 1970 to 1978 at 7 percent a year.

Polish authorities are now, however, telling people about the lack of growth. "We cannot have more than what we ourselves produce," Warsaw Radio said yesterday.

A founder of the loose coordinating group for worker demands, the Committee for Social Self-Defense (KOR), said in an interview published yesterday that "Poland's national economy is in a state of ruin."

Jacek Kuron added that the government dares not quell strikes. It has permitted "such a grave economic crisis that no improvement is possible" and living conditions must deteriorate. "Nobody believes any more that (the leaders) will be able to fulfill their tasks."

The only way to get the public to accept economic reforms that mean "a temporary lowering of the living standard," Kuron said, is by permitting free and uncensored discussion of the problem. Some strikers have called for an end of censorship as well as of Communist Party control over trade unions.

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IRAN

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BALTIMORE NEWS AMERICAN  
20 AUGUST 1980**JACK ANDERSON**

# The invasion targets: Kharg Island and possibly the oil fields

President Carter's national security adviser, Zbigniew Brzezinski, told visitors recently that world leaders would be wrong to suppose the United States is reluctant to use its power. The United States, he said, is merely "playing possum."

He did not mention that, even as he spoke, the president was rushing ahead with plans to invade Iran. My associate Dale Van Atta has spent three months piecing together the invasion plan. To protect military methods, some of the top-secret details cannot be printed. But this much can be revealed: The primary invasion target is Kharg Island in the Persian Gulf and possibly some of the southern Iranian oil fields.

Kharg Island is the site of the oil terminal through which 90 percent of Iran's crude is pumped into tankers for export. Not long after the U.S. hostages were seized in Iran, contingency plans were developed for an assault on Kharg Island.

Various alternate plans were prepared —

ranging from a surgical strike on the pipeline that connects the island with the oil fields, to a military occupation of the island complex. "The plan was originally designed to compensate for not getting the hostages, kind of a fit for tat," explained a top source. "They'd have the hostages; we'd have their key oil depot."

Any military action should be taken swiftly, strategists urged, before the situation hardened. But Carter held back until his plunging political fortunes brought a change of heart. Then he decided to attempt rescuing the hostages in preference to invading Kharg Island.

Now the old contingency plans have been dusted off, and Carter is preparing for an October invasion. Here are some of the jigsaw pieces:

■ Carter made a secret decision last February to shift a spy satellite to cover the area. It took four months to get the satellite into position. Not until June did the satellite begin transmitting detailed photos, which are needed for the invasion preparations. These photos are still being analyzed.

■ More recently, 500 Air Force personnel were quietly transferred to Egypt. They were followed by a squadron of F-4 aircraft which began "training exercises" with the Egyptian air force. The same ploy was used last December to disguise air operations that later supported the hostage rescue attempt.

■ Under top security, the United States has been helping the Egyptians upgrade their air bases, which would be vital staging areas for an Iranian operation. Ultra-secret communications and military equipment have also been shipped to Egypt.

■ A special logistics force has been deployed at Diego Garcia, the only U.S. base in the Indian Ocean. At least six container ships were secretly loaded at Wilmington, N.C., with equipment for ground forces. "This logistical force could sail to a designated Persian Gulf area port in about five days," states a secret memorandum to the president. "There it would be met by the combat troops who have arrived by airlift. From this rendezvous point, they would draw their equipment and proceed to the objective area."

■ Finally, the plan calls for four of the Navy's 12 carrier task forces in the Indian Ocean. Two already have arrived; one is in the Mediterranean ready to move quickly through the Suez Canal; a fourth could reach the Persian Gulf in time for the operation.

The "winds of 120 days," a period of violent wind and dust storms that began in May, would hamper military operations in Iran during the summer. The president can argue, therefore, that October is a good time for the invasion.

But planners believe the timing is intended to save Carter's political skin. They suspect his real intent is to create a national emergency that will keep him in the White House. Political studies show that a president can increase his support dramatically by whipping up patriotic fervor.

As I've stressed in earlier columns, the invasion plan will not become operational until the president gives the green light. He would need some pretext for the invasion, such as the trial or execution of a hostage, sources say. But one planner acknowledged that "a justification could be easily publicized beforehand."

Meanwhile, Carter is continuing his secret diplomatic efforts to secure the release of the hostages. He would prefer to bring them home before the election by peaceful means. But sources close to the operation say that if the peaceful efforts fail, as expected, the president intends to activate the invasion plan. The risk, of course, is war.

■ Jack Anderson is a syndicated investigative reporter.

NEWS AMERICAN  
19 August 1980

## JACK ANDERSON

# Only a few know Carter's real intent

*■ This is the second in a series of controversial columns by Jack Anderson claiming President Carter has developed a secret plan to invade Iran on the eve of the November election. The White House has categorically denied the existence of such a plan.*

On January 8, Jimmy Carter was asked at a news conference about rescuing the American hostages from their Iranian kidnappers. A military rescue, he warned, "would almost certainly end in failure and almost certainly end in the death of the hostages." This was the assessment, indeed, of the military experts.

Then the president's popularity began to plunge in the polls. The public mood, as charted by the polls, indicated that he could lose several crucial presidential primaries to challenger Ted Kennedy. A major complaint against the long-suffering Carter, the polls also showed, was his tendency to mope about the hostage crisis rather than do something about it.

So he ordered a military rescue attempt. Sources who helped plan the April mission believe Carter was more concerned about his own political fate than the fate of the hostages.

The mission, as Americans are painfully aware, turned out to be a fiasco.

Now once again, the president's re-election is in jeopardy. He is lagging behind Republican candidate Ronald Reagan in the polls. Unfortunately for the besieged Carter, election day will fall on the anniversary of the hostage seizure. This will remind the voters forcefully of the hostage horror as they are going to the polls.

If it appears that he has mishandled the problem, they might express their displeasure on the ballots. Conversely, political studies show that Americans have always rallied around their president during a national emergency.

It is against this background that Jimmy Carter has ordered preparations for a limited invasion of Iran. For planning purposes, D-Day has been set in October on the eve of the election. Troubled planners suspect that Carter has been guided more by his political studies than their military assessments.

It has taken my associate Dale Van Aita three months to piece together the elusive, secret details because, in the name of national security, the invasion plan has been carefully disguised.

Deceptive cover plans and alternate plans have been devised to mislead the thousands of people who necessarily must prepare for any major military operation. Even some of the top tacticians, who meet "Behind the Green Door" as the entrance to the Pentagon operations room is sometimes called, are ignorant of the final plan.

The alternate plans have interlocking elements, which would explain the military preparations without betraying their true purpose. For example, the Saudi Arabian rulers are so worried about an Iranian-style revolt that they have asked for U.S. military support in case the royal family comes under siege.

President Carter has secretly agreed to the request, and some planners have been told this is the reason for all the military activity in the Persian Gulf. Other cover stories have been invented about stand-by forces and training exercises.

But documents so secret that even the classification stamp is classified, identify Carter's real target as Iran. Sources familiar with these documents fear that the limited invasion Carter favors could ignite into a major war. The ostensible objective of saving the hostages, they add, is not likely to be achieved.

Of course, the president can always call off the invasion plan and pretend it never existed.

■ Jack Anderson is a syndicated investigative reporter.

18 AUGUST 1980

# Is invasion plan designed to save hostages or Carter?

**JACK ANDERSON**

*• The Carter administration has denied columnist Jack Anderson's controversial claim of a new plan to rescue the 52 American hostages. Anderson's column appears daily in The News American. A series of reports on the alleged rescue plan will appear this week.*

A startling, top-secret plan to invade Iran with powerful military force has been prepared for President Carter. The ostensible purpose is to rescue the hostages, but the operation would also exact military retribution.

This would create a crisis on the eve of the election. Political studies show that support for the incumbent president has always soared dramatically during a national crisis.

The tentative invasion date has been set suspiciously for mid-October. Sources say the president has assessed the political consequences and has concluded the invasion would be popular with the electorate.

This raises a disturbing question about Carter's motive. The person he really wants to rescue, sources suspect, is himself. They believe he is willing to risk war to save himself from almost certain defeat in November.

My associate Dale Van Atta has been ferreting out the jigsaw pieces of the invasion plan, detail by detail, for three months. He has seen documents so secret that the code word used to classify them is itself classified.

I am now able to report how our armed forces plan to invade and hold portions of Iran. I know the code name of the operation. I can also reveal that a "cover plan" has been devised to disguise the true intent. As part of this cover plan, troops and supplies are already being mobilized in the Persian Gulf area, and "training exercises" have been initiated.

I don't intend to publish the code designations or other secret details. There is a danger that too many specifics could give the Soviets an insight into our methods. But I believe the American people are entitled to know that the president is ready to risk their fortunes, perhaps their lives, on a desperate political gamble.

Sources deeply involved in the planning fear Jimmy Carter's driving determination to get re-elected has distorted his judgment. Some feel this strongly; others admit it reluctantly. They describe the embattled Carter as extremely intense, coiled, relentlessly pushing toward his objectives.

In other words, his judgment about this dangerous venture is not shared by all the professionals who are helping him plan it. Nor has he consulted presidential rivals Ronald Reagan or John Anderson who might inherit the fruits of his aggression.

The invasion plan, of course, does not become operational until the president decides the military forces are ready and the weather is right. Up until 24 hours, even 12 hours, before D-Day, he can halt the assault. There are also alternate, contingency, fall-back plans, with minor or major variations, which he could invoke.

So the president can deny, at least technically, that he now plans to invade Iran. But he cannot truthfully deny that such a plan is in the works and that he has expressed the intention to go ahead with it. Van Atta has seen the documentation; he has spoken to several witnesses.

My decision to expose the president's secret scheme is influenced by the experience of *The New York Times* before the Bay of Pigs invasion. Details of that invasion plan leaked to the *Times*, which sat nervously on the story.

A week before the abortive April 1961 invasion, the *Times* published a few cautious details but withheld the heart of the story. During the immediate aftermath, a frustrated John F. Kennedy denounced the *Times* for publishing advance hints of the operation. "Every newspaper," he said, "now asks itself with respect to every story, 'Is it news?' All I suggest is that you add the question, 'Is it in the interest of national security?'"

But two weeks later, President Kennedy confessed to *New York Times* editor Turner Catledge: "Maybe if you had printed more about the operation, you would have saved us from a colossal mistake."

It is with this in mind that I have decided to reveal the general outlines of the October plan to invade Iran.

Here is the White House response in total:

"The suggestion that this or any other administration would start a war for political benefit is grotesque and totally irresponsible. The allegation made by Jack Anderson is absolutely false."

"With respect to the Persian Gulf, the president has said that we consider this region an area of vital interest. Therefore, while it is necessary to have plans for dealing with any external threats to countries of the region, we have no intention whatever of initiating any conflict ourselves, and neither the president nor any other responsible official has expressed any intention to take such an action either in October or at any other time."

"Erroneous and totally irresponsible reports such as the Anderson column increase the danger to the American hostages in Iran, impede efforts to obtain their release peacefully and jeopardize American interests in the area generally."

■ Jack Anderson is a syndicated investigative reporter.



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RICHMOND TIMES-DISPATCH (VA.)  
15 AUGUST 1980

## U.S. Lack of Foresight in Takeover Of Iranian Embassy Is Criticized

By Betty Pettinger

*Times-Dispatch Staff Writer*

A Washington researcher on international affairs told the Virginia Federation of Women's Clubs here yesterday that the capture of the American embassy in Tehran should have come as no surprise to the American government and he called it "a classic example of our country's not thinking the consequences through in advance."

The speaker was Michael A. Daniels, president of International Policy Research Corp., which does international political research for industry, agencies and organizations concerned with international affairs. His firm serves as a resource for the General Federation of Women's Clubs.

Daniels said his opinions on the Iranian incident were based on personal knowledge gained in work for multinational corporations in Iran. "There was little question that the odds of something like that happening were high," he said.

He said that most European governments, more used to dealing with terrorist activity than the United States, would have done something to get the hostages released within 24 hours. "That's the only time to do something about it," he said. "Now the U. S. government is unable to act because interest is being lost by other nations in the cause. The economic boycott has been ineffective and some stronger pressures must be put on Iran, he said, but did not elaborate as to what they might be.

**DANIELS' REMARKS** came during the question period following a talk on international affairs in the 1980s made to some 500 clubwomen attending the federation's annual board of directors meeting at the University of Richmond.

In the prepared portion of his talk he mentioned a number of critical problems that he believes will characterize the next decade. The Soviet Union is building up its navy, seeking dominion of the seas to control natural resources and their movements, rather than for strictly military purposes. Other problems in-

clude continuing use of Cubans and East Germans as "surrogate armies" by the Soviet Union; continuing trouble in the Middle East, with the instability of Saudi Arabia the "most explosive, dangerous" situation in the world which could have an immediate effect, within 48 hours on the economics of the countries which depend heavily on her oil; stepped up pressure by Western adversaries to control oil in African nations and continuing fighting in Vietnam.

Others he also mentioned were proliferation of nuclear power in small nations; increased Cuban assistance to anti-American movements in Central and South America; increasing Mexican opposition to the United States which may include an arrangement by which Mexico would supply Cuba with oil and the Soviet Union would supply Spain in a reverse of the present arrangement; the Soviet Union's failure to comply with arms limitation agreements and a continuing military build-up by the Warsaw Pact nations who have already a significant lead over the United States and its allies.

**DANIELS' RECOMMENDATION** to ordinary citizens like the clubwomen was to become better informed. The American press fails to give complete coverage to significant events abroad, he said. For example, the European press fully reported four attempts in the last year to overthrow the Saudi Arabian government while the American press gave substantial coverage to only the largest one, at Mecca. In addition, he said, the press is not always accurate.

He suggested trying to get a divergence of opinions through varied reading and programming and asked his listeners to rededicate themselves to becoming concerned and involved in world issues. Most

Americans are not, he said, but added, "If you don't you are going to be caught in a situation in the next one to 25 years of having to deal with these problems that affect you personally . . . The bottom line is that it's money that is going to come out of your pocket."

**HE SUGGESTED** that the clubwomen consider supporting "some type of realistic immigration policy." The Asian and Cuban refugees are only the beginning, he said, and the most serious problem is the continuing influx of illegal aliens from Mexico. He predicted this would become a gigantic issue in the future.

He also suggested giving thought to "rebuilding our crippled U. S. intelligence community to protect us from legitimate foreign threats." Other ideas included supporting higher pay for the military to counteract resignations and measures to rebuild U. S. business strength worldwide.

One member of the audience had a question about limiting the ownership of American property by foreigners and Daniels said he believes this will be an issue for individual states that will act long before the federal government does. He said Canada has an agency which must approve every sale to a foreign person or group and it can look at every proposed sale from the political, sociological, cultural and economic standpoint.

In business during the session, the clubwomen voted to continue their support of Camp Easter Seal East for the next two years. The federation has raised almost \$110,000 for the proposed year-round facility for the handicapped in Caroline County.

The meeting will conclude today after a series of workshops and a final business session.

ST. LOUIS POST-DISPATCH  
12 August 1980

## *Still The Hostages In Iran*

Iran's parliament has approved a Moslem fundamentalist hard-liner, Mohammad Ali Rajaie, as prime minister. That removes one more procedural obstacle to a debate on the 52 American hostages by the parliament, which the Ayatollah Khomeini has charged with deciding their fate. But the removal of a procedural obstacle is not necessarily the same thing as a step toward the return of the hostages. Whatever the outcome of the debate, parliament may — and indeed most likely will — insist on certain assurances from Washington.

For one thing, the government in Tehran is paranoid, perhaps not without some reason in light of the history of outside involvement in Iranian affairs. It sees the hand of the U.S. Central Intelligence Agency in every anti-Khomeini incident. It sees the shadow of the Pentagon over the Persian Gulf. And hence it is not unlikely that the hostages will be held

until at the very least parliament extracts a pledge by the U.S. of strict noninterference in Iran's internal affairs. Another and potentially more difficult question relates to the seized Iranian assets in this country, and the conditions under which they will be unfrozen. And then there is the late shah's billions — hidden who knows where — which Khomeini demands be returned.

The sad truth is that the hostages have become pawns in a game of international politics in which the stakes are constantly rising. Because of Afghanistan, for instance, the American naval presence in the Persian Gulf and the Indian Ocean is unlikely to go away, whatever the demands in parliament. Some issues are not negotiable in Washington. If the Iranian parliament and new prime minister raise them, a bad situation could become infinitely worse for all concerned.

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MISCELLANEOUS

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ON PAGE 16THE WALL STREET JOURNAL  
21 August 1980

## U.S. Nuclear Missiles May Be Vulnerable To Soviets, Brown Says in Reassessment

By WALTER S. MOSSBERG

Staff Reporter of THE WALL STREET JOURNAL  
WASHINGTON — America's land-based nuclear missile force may already be vulnerable to a Soviet missile attack, Defense Secretary Harold Brown disclosed, in a departure from earlier assessments.

Just seven months ago, in his annual report on U.S. defenses, Mr. Brown predicted that the Soviets would attain the capability to destroy many or most of America's 1,000 Minuteman missiles "within a year or two." But in a speech prepared for delivery in Newport, R.I., the Defense Secretary declared, "That potential has been realized, or close to it."

Pentagon officials argued that the new, gloomier assessment, which was derived from recent U.S. intelligence reports, advances by only a few months, at most, the long-expected onset of a period of U.S. missile vulnerability.

But the disclosure could hand a powerful political weapon to Republican presidential nominee Ronald Reagan, who is campaigning on a charge that President Carter has allowed the Soviets to surpass the U.S. militarily.

### Reagan's Evaluation

The admission may also undermine the President's claim that his Republican opponent exaggerates U.S. defense deficiencies and that Mr. Reagan's election would thus pave the way for a new arms race, and possibly for war.

In his speech, at the U.S. Naval War College in Newport, Secretary Brown strongly defended the Carter record. He confirmed press reports that the President has recently "refined" U.S. nuclear strategy in order better to deter the Russians from "limited" nuclear attacks such as strikes against the vulnerable Minuteman missiles. And he also hailed Mr. Carter's plan to build the mobile MX missile and other new nuclear weapons as a way of solving the vulnerability problem.

A similar theme is likely to be struck by the President himself throughout the campaign, and may be repeated as early as today, when Mr. Carter is scheduled to address the convention of the American Legion in Boston.

### "Window of Vulnerability"

But the Republicans accuse the President of going forward too slowly with the MX missile, and of missing other opportunities to shorten the widely-predicted "window of vulnerability" for the land-based U.S. nuclear strike force. One of those missed opportunities, in the Republicans' view, was Mr. Carter's 1977 decision to cancel the B1 bomber.

William Van Cleave, a key defense adviser to Mr. Reagan, charged that the speech by Mr. Brown displayed "the utter confusion of the administration's strategic thinking." He asserted, "In the same speech in which he lays out the new strategy, Mr. Brown writes off as vulnerable the one part of our strategic force accurate enough to carry it out."

In his own address to the American Legion convention yesterday, written before Mr. Brown's disclosure, Mr. Reagan declared: "Our nuclear deterrent forces must be made survivable as rapidly as possible to close the window of vulnerability before it opens any wider."

### The Arsenal

The land-based nuclear missiles, including the Minuteman and a small force of 54 Titan missiles, carry only about a fourth of the U.S. total of 9,200 nuclear warheads. The others are deployed in airborne bombers and aboard missile-firing submarines. But the land-based warheads are generally considered the speediest and most accurate in the U.S. arsenal.

Secretary Brown and others in the Carter administration have argued, however, that U.S. bombers and especially submarines remain highly survivable against Soviet forces for now. Thus, they say, there is enough force to overcome any Soviet temptation to mount a preemptive attack on the land-based missiles. They say this is reinforced by Mr. Carter's restatement of U.S. nuclear strategy.

The new statement of nuclear strategy, known as presidential directive 59, was signed last month, and leaked in fragmentary form to several newspapers soon thereafter. The stories caused debate in Washington and condemnation from the Soviet Union.

### Aims at Flexibility

The Defense Secretary said the directive is a "refinement, a codification," of a long-evolving U.S. strategy. That strategy, he said, aims at giving the President the flexibility to respond to any Soviet nuclear attack in a variety of ways other than by simply unleashing all of America's nuclear might at once to obliterate most Soviet cities, factories and bases.

Pentagon officials explain that U.S. analysts fear some Soviet military leaders might be willing to gamble that a "limited" Russian nuclear attack on remote U.S. missile silos, or bases in Europe, that killed fewer people than an all-out nuclear onslaught, would leave a president unwilling to order total destruction of the Soviet Union. Further, some Soviet military writings suggest that, through a protracted exchange of such "limited" strikes, the side that lost less military power could "win."

Mr. Brown declared: "It is our policy to ensure that the Soviet leadership knows that if they chose some intermediate level of aggression, we could, by selective, large (but still less than maximum) nuclear attacks, exact an unacceptably high price in the things the Soviet leaders appear to value most." These things are, he said, "political and military control, military force both nuclear and conventional, and the industrial capability to sustain a war."

### Range of Retaliation

He stressed that the U.S. "will keep a survivable and enduring capacity to attack the full range of targets, including the Soviet economic base," if such all-out retaliation is called for. But, he said, the new directive "conveys to the Soviets that any or all of the components of Soviet power can be struck in retaliation, not only their urban-industrial complex."

This threat, he said, should convince Soviet leaders "that any notion of victory in nuclear war is unrealistic," because it places in jeopardy the very parts of Soviet society—mainly the political and military systems—whose survival is the key to the Soviet definition of "victory."

He declared that even "limited" nuclear war "would involve immense casualties and destruction," and said it would likely escalate to a full-scale nuclear war that would be "an unimaginable catastrophe."

He insisted, however, that planning for the actual fighting of a nuclear war helps the U.S. to deter one, "by ensuring that our ability to retaliate is fully credible."

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THE WASHINGTON STAR (GREEN LINE)  
21 August 1980

## Letters to the editor

### A small, poor, serious country

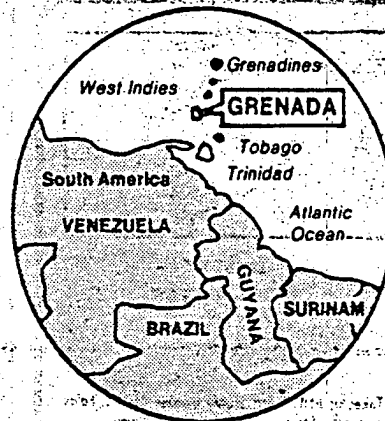
Your editorial, "New directions in the Caribbean" (Aug. 10), is both short-sighted and a serious misrepresentation of fact regarding Grenada.

First of all, Grenada is not "a recruit" to the ranks of leftist governments, as you stated. What Grenada represents today is a small, poor, underdeveloped country taking its political independence and its economic emancipation very seriously. This is in stark contrast to the many years of economic neglect and political victimization of the former regime.

Second, your statement that "Grenada... has become a training ground for terrorists of many nationalities" is a flagrant lie. I challenge *The Star* to produce the evidence to substantiate this damaging lie. This is another clear indication of the wild inaccuracies that are being spread about Grenada, its people and its leadership.

Your readers should know the truth about our military forces and activities in Grenada. The People's Revolutionary Army is made up of Grenadian men and women determined and organized to fight for the territorial integrity of our state. The People's Militia is a voluntary civilian force whose main task is to supplement our army and other military forces. These forces together continue their fight against mercenary and other counterrevolutionary attacks which are occurring in the Caribbean today.

Further, your readers should know that what concerns us in Grenada is not the fallacious activities of which you speak, but it is former Premier Eric Gairy, now living in San Diego, who continues to make public threats from U.S. territory against our country. Thus our defenses remain organized and alert.



Regarding the presence of the CIA in the Caribbean, this is a well-documented fact as recently pointed out in a CBS Special Report, "Return of the CIA," aired last June 14 and re-stated in a program, "Like It Is," in New York on Aug. 3.

That U.S. policy toward the Caribbean region has been less than positive is also recognized. The 1824 Monroe Doctrine laid the basis for a U.S. policy that has frequently been challenged and condemned by other Caribbean peoples and progressive people all over the world.

The people of the Caribbean region are seeking a new way out of social, economic and political backwardness. Your newspaper would better serve the interests of the Caribbean people by publicizing the "five principles" on which current U.S. policy toward the Caribbean is to be based. The principles outlined in this policy can significantly advance our goals.

Dessima Williams,  
Ambassador,  
Permanent Mission of Grenada  
to the Organization  
of American States

Washington, D.C.

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NEWSWEEK  
25 August 1980

## PERISCOPE

### **A New Soviet Aircraft Carrier**

U.S. intelligence sources believe that the Soviet Union will soon begin construction of a 75,000-ton nuclear-powered aircraft carrier. They have observed the Soviets testing a steam catapult system for launching jet fighters that seems too large for the Kiev-class carriers in their fleet. Contrary to the newest edition of Jane's Fighting Ships, U.S. sources say there is no evidence that the Soviets have already begun building the new ship.

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ON PAGE 13

U.S. NEWS & WORLD REPORT  
25 August 1980

## Washington Whispers

Egyptian President Anwar Sadat has let the U.S. know that he is willing to provide Soviet-made weapons and ammunition desperately wanted by Afghanistan's rebel tribesmen—provided the U.S. figures out how to get the arms to the Afghans.

\* \* \* \* \*

One reason workers in Poland have become emboldened enough to challenge their Communist government with strikes, according to U.S. intelligence officials, is Russia's deepening involvement in Afghanistan. The workers figure the Kremlin is now less likely to intervene in Poland.

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CHRISTIAN SCIENCE MONITOR  
18 August 1980

**2 foreign newsmen held  
in Iran in spy inquiry**

Tehran, Iran

Two foreign journalists being held for questioning about alleged espionage were transferred to jail Saturday night. Tony Allaway of Britain and Ralph Joseph of Pakistan were arrested Aug. 14 by unidentified authorities and neither their families nor diplomats have been allowed access.

Both journalists are married to Iranians and run news translation services of Iranian press reports, which are distributed mainly to embassies and the dwindling foreign press corps. Mr. Allaway was correspondent of The Times of London and formerly of The Christian Science Monitor.



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GREEN BAY PRESS-GAZETTE (WISC.)  
6 August 1980

## High-level fake

Have you heard about Virgilio Scattolini, the Italian the United States hired to spy on the Vatican during World War II?

Scattolini gave the Office of Strategic Services, forerunner of today's Central Intelligence Agency, transcripts of secret meetings between Pope Pius XII and German and Japanese envoys.

He provided detailed reports of meetings the Pope had with church leaders. Scattolini told Washington of peace feelers from Japan, of civil unrest in war-torn Germany, of Russian dealings with Japan.

His reports were read with great interest by the Joint Chiefs of Staff, by President Roosevelt, by President Truman.

Only one thing wrong with them:

They were fakes.

Scattolini was supposed to be working closely with Vatican secretary of state Msgr. Giovanni Battista — who became Pope Paul VI. The OSS paid Scattolini \$500 a month for information. Another Italian collected the spy's data, translated it and sent it to Washington.

Scattolini, who apparently was never contacted in person by any U.S. agent, tripped himself up by reporting on a meeting between American and Japanese ambassadors. The meeting never took place.

Neither Roosevelt nor Truman ever knew that the Scattolini ma-

terial was faked. The spy, though, was kept on the payroll until the end of World War II. He sold bogus reports to other nations after the war.

The OSS dispatched two agents to bury its Scattolini file on a Maryland farm in about 1945. The material moldered there until one of the agents dug it up in 1960 as a condition of being hired by the CIA.

The affair was uncovered by a Jesuit historian named Robert Graham who is researching the Vatican role in World War II. He got wind of the Scattolini file and used the Freedom of Information Act to make it public.

Father Graham says it is incredible that the OSS, the Joint Chiefs, two presidents were taken in by such a sham.

It isn't that incredible, really.

Our World War II leaders were all little boys once. Little boys have always liked to read spy stories and play spy games. Little boys grow up to be big boys. Unfortunately, many never get over their fascination with secret agents and spy stories.

Viewed in that light, the Scattolini episode, or industrial espionage or Watergate-style spying is not incredible, merely a last, logical vestige of childhood.

It is unsettling, though, to wonder what kind of spy games are being played today. And how many decisions are based on information from Virgilio Scattolini still on the payroll?

SCRANTON TRIBUNE (PA)  
5 August 1980

## The Soviet and Arms

Disarmament and arms limitation have been talked about and debated among world leaders ever since the end of World War II, but accomplishment in that field has been much less than satisfactory and a recent study released by the U.S. Central Intelligence Agency helps to explain why.

Soviet military spending, according to the report, will continue to rise until at least 1985 at or near an annual rate of four to five per cent and the military share of the Soviet's gross national product might reach as much as 15 per cent in the next five years.

In its evident desire for more and better and newer arms — and superiority over all in the number and quality of its armament — the Soviet Bridges no diversion. During 1978-79, the CIA said, when the Soviet economy "slowed to a crawl," the military sector was hardly affected. The Kremlin

actually increased military spending to perhaps 12 to 14 per cent of its gross national product.

At present, major military programs in the Soviet are well financed and new production and development have been started. Nearly half the spending is for new equipment and spare parts and the construction of new facilities. Research, development, testing and evaluation take huge chunks of the budget.

All of this is disheartening to Americans alarmed at persistent reports that Soviet arms outlays remain high while many American leaders complain of present defense and procurement policies they fear will leave the U.S. second to the Soviet in a most sensitive and worrisome area. And standing out, too, is the nagging question of just what it is the Soviet plans to do with its vast and modernized arsenal.

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STRATEGIC REVIEW  
Summer 1980

## DEBATE OVER U.S. STRATEGIC FORECASTS: A MIXED RECORD

LES ASPIN



THE AUTHOR: Congressman Aspin is Chairman of the Oversight Subcommittee of the House Permanent Select Committee on Intelligence and serves on the House Armed Services Committee and the Government Operations Committee. He was first elected to Congress in 1970. Aspin served in the U.S. Army from 1966 to 1968 as an economic adviser in the office of the Secretary of Defense. He is a graduate of Yale University, received a Master's degree from Oxford University and a Ph.D. in economics from the Massachusetts Institute of Technology.

### IN BRIEF

*The charge has resounded in recent times that the United States intelligence community has chronically and woefully underestimated both the pace and magnitude of the Soviet strategic build-up. Yet, an analysis of the available record of forecasts with respect to eight major Soviet weapons developments—extending from the first Soviet A-bomb explosion in 1949 to the improvements in Soviet ICBM accuracy and yields in the 1970s—shows that the performance has been mixed, consisting of overestimates as well as underestimates, and in at least two instances of predictions that were on or close to the target. Few of the mistakes that have been committed in forecasting can be attributed to errors in intelligence gathering; most of them have been the function of more-or-less inevitable human foibles. With the demise of SALT, estimates of future Soviet strategic programs are apt to be wider off the mark than they would have been under a SALT II Treaty, because the reference points provided by the Treaty for U.S. intelligence have been removed, and precisely because the human element in intelligence evaluation and forecasting is thus again maximized.*

"It is . . . a matter of record that the growth of the Soviet ICBM force was underestimated for a decade after the 'missile gap' by the entire intelligence community—including Pentagon 'hawks.'"

Lt. Gen. Daniel O. Graham, USA (Ret.)

"But the history of the past twenty years shows quite the reverse. Few indeed are the instances when the Soviet military threat later turned out to be greater than the estimated 'worst case.' Usually, the government's experts overestimated the danger."

George B. Kistiakowsky

**T**he death of SALT II turns the focus of U.S. strategic intelligence away from "verification" and back to the old business of "forecasting." SALT provided for some degrees of restraint and certainty: We knew how far the Soviets were allowed to go, and the task was to verify their compliance with these restrictions. Without SALT, there are no limits or guidelines. The United States must rely purely on its skills in strategic forecasting—in projecting the future, including future Soviet strategic intentions and capabilities.

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The first forecast since the deferral of SALT II has been completed and leaked to the press. The new National Intelligence Estimate—NIE 1138-79—reportedly indicates that without SALT II the Soviets could amass about 14,000 highly accurate ICBM warheads by the late 1980s. By contrast, an extension of SALT II beyond its 1985 expiration date would allow the Soviets only about 6,000 such warheads; if SALT II were in effect, therefore, the presumption would be that the Soviets would build up only to that limit.<sup>1</sup> U.S. strategic force planning would be based on this assumption and U.S. intelligence agencies would be concentrating on verifying Soviet compliance. Now, without SALT II, all we have to go on is this new intelligence estimate. Who knows whether it has validity or not? If U.S. policymakers do believe it to be valid, however, then they will have to think about a requisite expansion of U.S. strategic nuclear forces. Tens of billions of dollars potentially ride on a decision of whether or not to trust this intelligence estimate.<sup>2</sup>

How good is U.S. intelligence at this task of strategic forecasting? As the passages quoted above indicate, this question is highly controversial.<sup>3</sup> Over the years, many analysts, particularly those in arms control circles, have contended that we have consistently overestimated Soviet strategic capabilities. More recently, other analysts, not generally associated with arms control, have argued that we have in fact consistently underestimated Soviet strength.

This controversy can, to some extent, be resolved by examining the record. Considering the salient developments in the history of the nuclear arms competition, we can ask if the U.S. intelligence community has been right or wrong in its forecasts—and if wrong, in which direction (too high or too low) it has erred and for what reasons. The key developments have been:

1. The first Soviet explosion of an atomic bomb, 1949.
2. The first Soviet explosion of a hydrogen bomb, 1953.
3. The "bomber gap," 1955-1958.
4. The "missile gap," 1958-1961.
5. Soviet deployment of an anti-ballistic missile (ABM) system, 1962 onward.
6. Soviet deployment of missiles with mul-

tiples independently targetable reentry vehicles (MIRVs), 1965-1974.

7. Soviet intercontinental ballistic missile (ICBM) and submarine-launched ballistic missile (SLBM) deployments, 1962-1969.
8. The rate of improvements in Soviet ICBM accuracy and yield, 1969 onward.

Such an analysis should provide us with some idea of how well U.S. intelligence will be able to estimate future Soviet defense capabilities in the absence of SALT.

### *The A-Bomb and the H-Bomb*

When the Soviets exploded their first atomic bomb in August 1949, the United States had very little information about Soviet nuclear research. Before the detonation, General Leslie Groves, wartime director of the Manhattan Project, predicted that America's atomic monopoly would last twenty years. Scientists involved in the project, on the other hand, believed in 1945 that the Soviets would duplicate the U.S. achievement within five years. The scientists' expectation encouraged the Atomic Energy Commission to establish, through the Air Force, a program for airborne collection of radioactive particles in the atmosphere, which would detect the explosion of any atomic device anywhere in the world. The program began operations in 1948 (and continues to this day).

As the end of the decade approached and no Soviet A-bomb materialized, the year of anticipated danger, from the vantage point of the U.S. intelligence community, receded progressively. Just before the Soviets actually detonated an atomic device in 1949, they were officially expected to do so in 1952 at the earliest.<sup>4</sup> The hydrogen bomb, set off by the Soviets in 1953, came as less of a surprise: the United States had predicted that the Soviets would achieve that milestone by 1954.

Why did General Groves underestimate, the scientists correctly estimate, and later most analysts underestimate again, how soon the Soviets would explode an A-bomb? And why was the H-bomb prediction so close to the mark?

The problem was not one of optimism about Soviet intentions. Indeed, in the first five years after the war, official circles in Washington

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generally held to the alarmist image of a Soviet Union bent on constant, implacable expansionism. Rather, the intelligence error on the A-bomb hinged on habit and personal intuition. General Groves thought that the Soviets would take twenty years to build the bomb because, like President Truman, he simply did not believe that "those Asiatic" Russians,<sup>5</sup> valiant though they might be in standing up to the Germans on the battlefield, had the technological talents to duplicate what his scientists at Los Alamos accomplished in four years. The scientists' prediction that the Soviets would have a bomb within four or five years was modeled on their own experience. That is how long it had taken them to build the bomb: It was a fairly straightforward exercise in physics and engineering, of which they deemed their Soviet counterparts quite capable. In the end, intelligence analysts underestimated the development pace for the Soviets because of what the atomic scientist, Isadore Rabi, characterized as a "peculiar kind of psychology": after the initial estimate in 1945 that the Soviets could get a bomb in four or five years, "every year that went by, you kept on saying 'five years.'"

The close prediction of the Soviet Union's H-bomb detonation in 1953 was purely a matter of chance—a very good guess and little more. The principle of radiation pressure, the essence of the H-bomb, was not even demonstrated in the United States until 1951. Indeed, some officials believed the Soviets could get an H-bomb before 1953. In an attempt to encourage President Truman to forge ahead with the American H-bomb project in 1950, General Loper of the AEC's Military Liaison Committee argued in a memorandum to the President that available intelligence (almost nonexistent) was consistent with the theory that the Soviets *already had* the hydrogen bomb.<sup>6</sup>

### *The Bomber Gap*

In 1955, Air Force Intelligence predicted that the Soviets would field a force of 600 to 700 long-range bombers by 1959. The National Intelligence Estimate (NIE) for that year was slightly more modest, predicting about 500 bombers by mid-1960. As it turned out, by mid-1961 the Soviets had deployed only 190 long-range bombers.<sup>7</sup>

Estimates of bombers grew out of a projec-

tion made in 1950—incorporated in a milestone Cold War document called NSC-68—that the Soviets would possess a stockpile of 200 atomic bombs by 1954.<sup>8</sup> This projection was based, in part, on the rate at which the United States had been able to build bombs. Given this projection and NSC-68's explicit assumption that the Kremlin was bent on expansion and that the United States was the Soviet Union's principal enemy, intelligence agencies naturally began thinking about how the Soviet Union would deliver the bombs to U.S. territory.

In 1954, Western attachés in Moscow observed a new Soviet long-range bomber flying overhead at the May Day military parade. On the basis of this report, U.S. intelligence made some assumptions about when the Soviets had begun development of this bomber and how quickly they might be able to deploy it in significant numbers. A study concluded that the bomber's design had been completed in 1952 and its first prototype flight made in 1953. In accordance with U.S. experience, it was estimated that mass production could not begin before 1956 and a substantial force could not be deployed before 1960.<sup>9</sup>

The next May Day parade, in 1955, rudely upset these calculations, or at least appeared to do so. Although the aviation part of the parade was canceled, Western observers reported seeing as many as twenty of the long-range bombers in the air during parade rehearsals. Intelligence now updated its earliest estimates. The design of the plane was assumed to have been completed two years earlier than the original finding, and mass production to have begun in 1954. If the Soviets could produce twenty aircraft per month over the next three years, then a force of 700 aircraft by 1959 was plausible.<sup>10</sup>

Yet, in 1956 and 1957, U-2 flights produced hard evidence that Soviet production rates fell far below the pace that had been estimated by U.S. intelligence two years earlier. Two factors were involved in this error: an intelligence mistake and a misunderstanding of Soviet strategic intentions.

First, unbeknown to the Western attachés, the Soviets were flying the same bombers back and forth in the 1955 parade preparations; the attachés mistakenly counted each overflight as a separate bomber.<sup>11</sup> Second, the United States, believing that its own territory was the ultimate

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target of the Soviet Union's nuclear ambitions, naturally assumed that the Soviets would produce intercontinental bombers at the fastest rate possible. However, the Soviets apparently decided that the principal threat to the Soviet Union lay around the periphery of the Soviet landmass, whence Russia had historically been threatened and where the United States happened to be stationing its own nuclear strike forces. Thus, the Soviets used most of their production capacity to build medium-range bombers rather than a long-range force.<sup>12</sup>

### *The Missile Gap*

The Soviet Union launched its first orbital satellite in October 1957.<sup>13</sup> Although the CIA had foreseen this development years in advance, the actual launching triggered fears that the United States would soon be vulnerable to an ICBM attack. Sputnik: the very word evoked a nightmare vision of the Soviets outpacing the Americans in missile technology. Khrushchev exploited this American fear by publicly making outrageous statements about the capabilities of Soviet missiles which he knew at the time—and we know only in retrospect—to be false.

Air Force Intelligence warned in a November 1957 NIE that the Soviets could deploy 500 ICBMs by the middle of 1960 and 1,000 by 1961. The CIA believed a more reasonable estimate to be 100 ICBMs by 1960 and 500 by 1961. The wide difference in the two estimates hinged on conflicting views of when the Soviets would be able to begin mass production of their first ICBM, the SS-6. A halt in the Soviet test program, in April 1958, was interpreted by the Air Force as an indication that the missile was ready for deployment, whereas the CIA saw it as evidence that technical difficulties were being experienced in the missile's development. Renewed test launches in 1959 proved the CIA correct.

An entirely separate issue, however, was how many missiles the Soviets would produce each year. Apparently the Air Force picked 500 and the CIA 100 because they were round numbers. Since no one at that time knew the location of Soviet missile manufacturing plants, neither an actual count nor an inference from industrial volume was possible.

Nor did anyone know what a Soviet ICBM

emplacement would look like. The Air Force anticipated camouflaged sites, whereas the CIA argued that the deployment sites would resemble the missile test launchers at Tyuratam. Repeated U-2 flights over Soviet railway lines could not locate any deployed ICBMs, although Air Force Intelligence suspected various buildings to be camouflaged structures hiding missiles. Among these were a Crimean War memorial and a medieval tower. A U.S. photo-reconnaissance satellite took the first clear pictures of a Soviet ICBM site at Plesetsk in August 1960—laid out, as the CIA had predicted, just like the site at Tyuratam. According to the early Air Force projection, the Soviets should have deployed more than 500 ICBMs by this time, but satellite coverage detected no similar sites anywhere else.

The identification of an operational SS-6 site reopened the issue of how quickly the Soviets could produce the missiles. From studies of the Soviet economy and the cost of American ICBMs, the CIA assumed that the Soviets could start off producing ICBMs either on an "orderly" schedule of three per month or on a "crash" program of fifteen per month. Assuming that the Soviets had been producing missiles since 1959, when their test program ended, the CIA calculated that under the orderly schedule the USSR would have 36 operational SS-6s by November 1960, and that they might accelerate production to reach 100 by mid-1961 and 450 by mid-1962. The Air Force, meanwhile, stuck to its original prediction of 500 missiles per year.

The Army and Navy intelligence organizations, whose client services carried on weapons programs that competed with Air Force missiles, pointed out technical deficiencies in the SS-6 tests and expressed doubt that the USSR would ever deploy "more than a few" of these missiles. In August 1961, another successful recovery of satellite film proved them right. Indeed, the Soviets had deployed no more than ten SS-6 missiles, all at Plesetsk. This discovery ended the "missile gap" for good.

The Soviets did have a substantial missile build-up in process—but it was in intermediate-range and not intercontinental missiles. The U.S. intelligence error, again, was one of mistaking Soviet priorities. Between 1958 and 1965, the Soviets deployed about 700 medium- and intermediate-range ballistic missiles (M/

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IRBMs) aimed at Western Europe. This comes to about 100 missiles per year—a figure between the CIA's "orderly" and "crash" estimates of 36 and 180 missiles per year respectively, but far short of the Air Force estimate of 500 per year.

#### *Anti-Ballistic Missiles*

Throughout the 1960s, intelligence analysts repeatedly predicted that the Soviets would deploy a nationwide anti-ballistic missile (ABM) system.<sup>14</sup> In the early 1960s, the intelligence community estimated that the Soviets would deploy some 2,000 exo-atmospheric and 8,000 endo-atmospheric interceptors.<sup>15</sup> In 1963–1964, the NIE on strategic defensive forces predicted that before 1975 the Moscow ABM system, just coming under construction, would be expanded to cover every major city with 500 to 1,500 interceptors. Furthermore, between 1964 and 1966, Pentagon analysts suspected that the Tallinn air-defense system would eventually serve as a nationwide ABM and managed to insert this speculation into some NIEs.

After 1967, construction of the Moscow ABM System seemed to halt with only 64 interceptors fielded. Those Tallinn sites were later proved to be for defense against high-altitude bombers. At this point, analysts in the Defense Intelligence Agency (DIA) and John Foster, then the Director of Defense Research and Engineering, speculated that the Tallinn sites could quickly be "upgraded" to a dual purpose SAM/ABM system. Further analysis, however, revealed that many of the Tallinn sites were badly located for ICBM interception, and that they lacked the nuclear warhead storage space essential for a workable ABM system.

Why was U.S. intelligence so eager to detect a Soviet ABM system that never did materialize? Part of this misjudgment was founded on an assessment of Soviet strategic doctrine. The Soviets were greatly concerned about strategic defense. They had an extensive air defense network to intercept bombers, and they had something of a civil defense program. Many intelligence analysts logically concluded that they would construct a comprehensive ABM system as well.

The type of Soviet ABM for which these analysts looked—a combination of exo- and endo-atmospheric interceptors—reflected American

concepts of ABM design, which eventually were realized in the Spartan and Sprint missiles. The Spartan was a comparatively slow missile intended to intercept approaching missiles at or near the peak of their trajectories, when they would be moving at their slowest speed. The fast Sprint would be launched to home in on any reentry vehicles the Spartan might miss. Sprint involved an extremely close radar tracking. Perhaps because the endo-atmospheric approach was so demanding, however, the Soviets chose a different route altogether: an interceptor that would operate at medium altitude (200,000–500,000 feet). From this model, the Soviets developed the Galosh and Griffon interceptors, which used many of the same components.

Galosh was, and is, an ABM. Sixty-four of the interceptors remain deployed around Moscow. However, the Galosh radars use a mechanical means of tracking ICBM warheads, an extremely difficult technique. By 1967, U.S. intelligence analysts began to raise doubts whether the Soviets would ever make further investments in so ineffective a system.

Griffon is the missile deployed in the Tallinn system, now known as the SA-5 surface-to-air missile (SAM). NIE judgments with respect to Griffon's mission wavered from year to year. The Tallinn sites were successors to a system which the Soviets began building around Leningrad in the early 1960s and which the 1963 NIE deemed an "apparent" ABM ("apparent" had been formally established as a codeword in NIEs to indicate that the analysts had little confidence in the given judgment). In 1964, the CIA concluded that Griffon must be an anti-aircraft missile, primarily because its performance was so inferior to Galosh.

On the other hand, Soviet public statements were attributing ABM capabilities to Griffon; Khrushchev said it could hit "a fly in outer space." The Air Force, Army and the DIA were convinced that the CIA was grossly underestimating Griffon's capabilities. The 1965 NIE consequently noted that the intended mission of the Tallinn sites was uncertain, a judgment repeated in 1966.

In bureaucratic terms, Pentagon intelligence analysts had large stakes invested in a Soviet ABM. The Joint Chiefs of Staff, whom DIA represented within the intelligence community, and the Air Force needed the specter of a So-

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viet ABM as a rationale for developing MIRVs (multiple warheads) for U.S. missiles. The Army needed a finding that Soviet ABMs were effective in order to overcome the many doubts about its own ABM program. The analysts could (and did) cite Soviet documents—including classified ones supplied by that premier spy, Penkovskii—to show that the Soviets wanted to build an ABM. They conveniently ignored Soviet documents written after 1965, which expressed grave doubts about the feasibility of ABMs. Those documents had not been obtained clandestinely and as such were dismissed as deliberate Soviet misinformation.

Intelligence analysts were also misled by an assumption about the Soviet military as an eminently rational, far-sighted institution. Many thought the Tallinn system *must* be an ABM—rather than the high-altitude anti-bomber system it was—because it could have no other rational purpose. By that time U.S. bombers were simulating penetrations of Soviet air space at *low* altitude. If Tallinn were a high-altitude system, then the Soviets were building weapons for which there was no mission—an idea thoroughly unpalatable to those who viewed Soviet defense programs as undisturbed by bureaucratic impulses, quirks or mistakes.

The CIA eventually adopted the view that as late as 1967 or 1968 the Soviets still intended to deploy Galosh nationwide, but that improvements in American strategic forces—particularly the MIRV system—convinced them that they needed to go back to the drawing board. This highly doubtful argument salvaged the institutional self-esteem of the Air Force and DIA by validating their argument that the Soviets intended the Galosh and Griffon to be nationwide ABMs, while conceding to the CIA the accuracy of its contention that the Soviets were not deploying an effective ABM system.

#### *Soviet MIRVs*

The prospect that the Soviets might place multiple independently targetable warheads (MIRVs) on their ICBMs was first mentioned in the 1965 NIE. The NIE stated it would take four or five years for the Soviets to develop and begin deploying MIRVs that were sufficiently accurate for the destruction of "hardened" (i.e., blast-resistant) targets such as the newly de-

veloped Minuteman ICBM silo. At the time, there was no evidence that any Soviet MIRV program had even begun. Thus the earliest date for Soviet MIRV deployment, inferred from the 1965 NIE, was 1969. In 1966 and 1967, Soviet space shots demonstrated some of the technology necessary for MIRVing. As a result, the Air Force insisted that the NIE contain a judgment that the Soviets were in fact developing a MIRV.<sup>16</sup>

In August 1968, the United States observed the first test of the SS-9 "triplet," the three-warhead ICBM. The SS-9 was a very large missile. It was believed that such a missile would be ideally suited to the task of digging out Minuteman silos. However, even the highest estimates of ultimate SS-9 deployments—the Air Force's projection of 700—envisioned a number that was insufficient to destroy 1,000 Minuteman missiles. Thus, analysts who believed that the Soviets were intent upon capabilities to knock out Minuteman reasoned that the Soviets must be planning to place multiple warheads on the SS-9. The triplet tests seemed to confirm this suspicion.

The issue then became whether the triplet was a MIRV or merely an unsophisticated MRV—i.e., whether each of the three warheads could be aimed at a separate target, or whether all three must be aimed at the same general area. Each warhead of the triplet was placed on a rail in the nose-cone of the SS-9. The rails did not rotate to allow repositioning and re-targeting of the warheads. This feature convinced CIA analysts that the SS-9 was simply an MRV. Therefore, the 1968 NIE did not expect a Soviet MIRV until 1978—the end of the period covered by the estimate.

However, analysts outside the intelligence community, most notably in the Pentagon's Directorate of Defense Research and Engineering, noted that the timing of the warhead releases from the SS-9 could cause the warheads to fall in various triangular patterns. They concluded from the pattern of releases during test-flights in the Pacific that the Soviets were indeed adapting these "triangles" (or "footprints") to match the configuration of U.S. missile silos. A missile force of 400 to 700 SS-9s, each with three warheads that could be aimed at three silos, might be very effective against Minuteman after all.

The triplet issue took on all the more impor-

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tance because the Nixon Administration was seeking Congressional approval of the Safeguard ABM system designed to protect Minuteman against Soviet attack. If the SS-9 lacked MIRV capability, then Minuteman needed no protection; if the triangular pattern of the triplet coincided with the distance between three U.S. Minuteman silos, however, then the case for Minuteman vulnerability might still be valid. Furthermore, Henry Kissinger wanted the ABM as a "bargaining chip" in the SALT I negotiations that were just getting underway. Consequently, Kissinger summoned the CIA estimators and the Pentagon DDR&E analysts to the White House for a series of special meetings. From these sessions, Kissinger concluded that the triplet was indeed a primitive MIRV, and he instructed the CIA to rewrite the 1969 NIE to include more evidence supporting both sides of the controversy.<sup>17</sup> (During 1969, therefore, two NIEs on Soviet strategic forces were disseminated: one at the beginning of 1969, which had been prepared the previous year, and one in the fall of 1969 at the new Administration's request.)

In an important sense, the whole argument was artificial. In fact, the Soviets had several programs in parallel: not just an effort to test a primitive MIRV for the SS-9, but also a program to design more sophisticated MIRVs for the next generation of ICBMs. The United States knew nothing about this next generation. Judging by the U.S. decision to stop its own ICBM programs with the third-generation Minuteman, intelligence estimators may have believed that the Soviets would not proceed beyond the SS-9.

In any event, the first 1969 NIE took a wholly different approach to the issue of when the Soviets would be able to deploy a true MIRV. The estimators postulated two possible Soviet approaches: low force/low technology and high force/high technology. The former was based on the assumption that the Soviets would deploy the triplet, not attaining a true MIRV until 1974. The latter assumed the Soviets would skip the triplet and move directly to a MIRV for the SS-9. It was believed that the Soviets, using the technology tested in the space launches of 1966-1967, might be able to begin deploying MIRVs as early as 1971.<sup>18</sup>

As it happened, the first Soviet MIRV was deployed on an entirely new, fourth-generation

ICBM in 1975. The Soviets never tried to build a truly MIRVed SS-9. But the intelligence estimates went through various phases. First they overestimated (in 1965 the estimate was 1970), then underestimated (in 1968 the prediction was 1978), then overestimated again (in 1969 the projection was 1971). The varying estimates reflected the different political needs of successive U.S. administrations, as well as a rather vacuous argument over which U.S. terminology (MIRV or MRV) was a more appropriate description of the SS-9 triplet.

### *The Soviet ICBM Force Size*

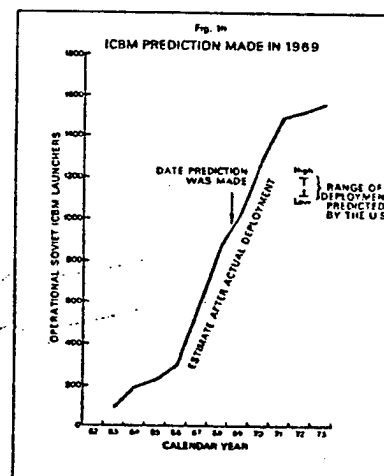
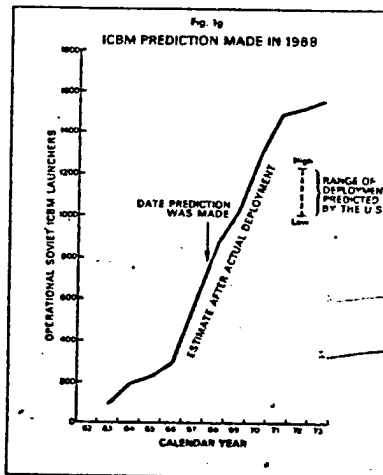
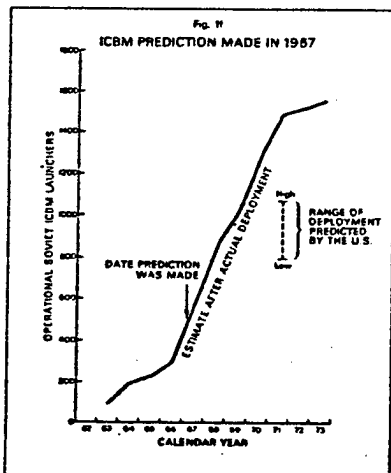
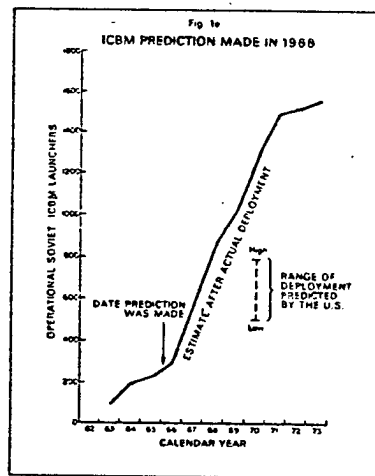
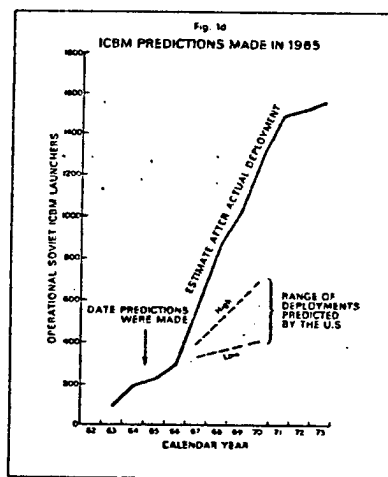
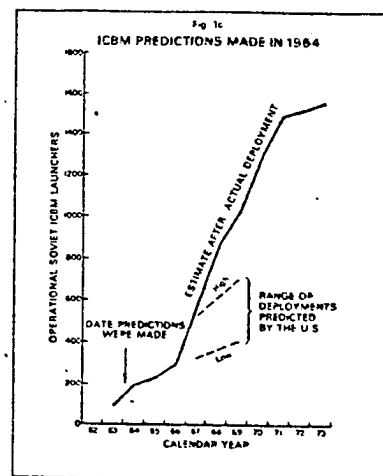
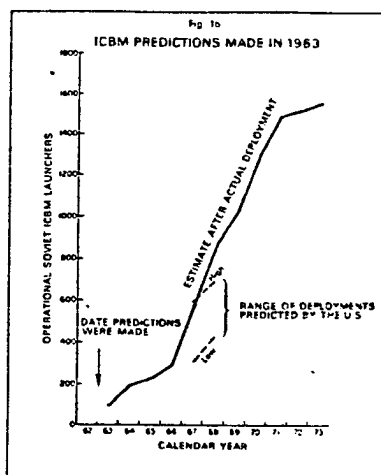
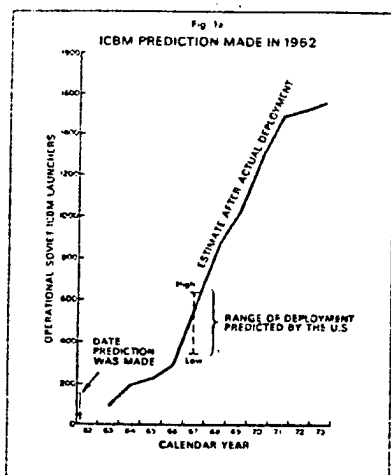
In a series of articles in 1974, the prominent strategic analyst, Albert Wohlstetter, argued that the NIEs between 1962 and 1969 consistently *underestimated* future Soviet strategic offensive capabilities.<sup>19</sup> Wohlstetter's ostensible motive was to challenge the commonly accepted thesis that military intelligence invariably *overestimated* Soviet capabilities to justify its own costly defense programs.

Motives aside, Wohlstetter advanced the idea that these underestimates represented a systematic bias inside the CIA and the intelligence community as a whole—a bias against recognizing the grand scope of Soviet ambitions for ICBM procurement. As the charts on page 36 (reproduced from Wohlstetter's text) indicate, the intelligence agencies did underestimate the number of Soviet ICBM launchers in making projections of future Soviet capabilities. Moreover, as the Soviet build-up accelerated, intelligence projections did not improve; in some cases they even worsened.

Why did this happen? One explanation is that of "mirror-imaging." After 1965, the CIA expected that the Soviets would place MIRVs on their ICBMs just as the United States had done. This expectation led intelligence analysts to project that the Soviets would deploy fewer ICBMs than they finally emplaced. The intelligence community based its estimates on the finding within the United States Defense Department that qualitative improvements to ICBMs were far cheaper ways to gain additional capability than quantitative increases in the force itself. In response to Wohlstetter's charge of underestimation, Lt. Gen. Daniel O. Graham, Director of the DIA, testified in 1975 that "the continuing evidence of qualitative improvement

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# Wohlstetter Charts of U.S. Predictions of Soviet ICBMs, 1962-1969



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was a prime contributor to our underestimation of ICBM deployment . . . . It seemed logical at the time that the Soviets would try to use their advantage in throw-weight by equipping their ICBMs with MIRVs which could . . . overwhelm the then-programmed U.S. ABM . . . and . . . permit multiple targeting [of U.S. ICBMs]. . . ." <sup>20</sup>

The Soviets, however, decided instead to build larger numbers of ICBMs. Thus, the CIA did underestimate the number of missile launchers that the Soviets would construct—but it did not massively underestimate the offensive capabilities of the USSR as a whole.

Second, the CIA knew that resources in the USSR were scarce and believed that the major Soviet military investments were going into other Soviet military programs. The CIA during these years vastly overestimated the number of ABMs the Soviets would produce—and this, too, contributed to an underestimation of Soviet ICBM production. In 1962, when small numbers of Soviet ICBMs were predicted, the United States was also anticipating deployment of something like 10,000 ABM interceptors. Defense Secretary Robert S. McNamara suggested in his 1964 Posture Statement that ICBM programs would tend to constrain "large and very costly new programs such as an effective antiballistic missile defense system." <sup>21</sup> When the intelligence community (incorrectly) concluded that the Soviets were about to deploy a massive ABM network, it was logically reasoned that the Soviets would not build a very large ICBM force: Indeed, the greatest ICBM underestimates, those for 1965 and 1966, coincide with the greatest ABM overestimates.

Third, the general underestimation of Soviet ICBMs included a whopping overestimation of one system in particular, the SS-9. In 1969, DIA projected 420 SS-9s; the Air Force expected as many as 700. In fact, the Soviets never deployed more than 280 and devoted most of their resources to constructing nearly 1,000 smaller SS-11 missiles. <sup>22</sup> Had the Soviets gone ahead with SS-9s, the same resources would have purchased something closer to the number of SS-9s predicted by the intelligence community (except for Air Force Intelligence). Thus, in terms of projecting actual offensive capabilities, U.S. intelligence was not so far off the mark as Wohlstetter suggests. Still, the agencies did err in not foreseeing the new Soviet

emphasis on larger numbers of much smaller missiles, which greatly enhanced Soviet power to destroy American industrial and population targets.

Fourth, about 50 per cent of the intelligence community's underestimations, for each year in the late 1960s, is accounted for by the Soviet Union's decision not to retire about 200 obsolete SS-7 and SS-8 ICBMs, contrary to expectations of U.S. intelligence. Thus, when Wohlstetter's chart indicates an underestimate of about 400 ICBMs in 1967, roughly 200 of those were due to an expectation that the Soviets would retire older, more inaccurate missiles.

The lesson to be learned from a closer look at the Wohlstetter study is not, as is now popularly perceived, that the United States has consistently underestimated the offensive capabilities of Soviet missile forces—but rather that, as Wohlstetter himself avers, we underestimated some aspects of that force, overestimated other aspects and made some accurate predictions. Perhaps these cases of optimism and pessimism balanced out when the Defense Department attempted to base its own force planning on these intelligence projections. (For example, McNamara testified that the United States planned forces in the early 1960s under the assumption that the Soviets would mount an enormous ABM capability—a belief that probably more than compensated for the assumption that they would build a relatively small ICBM force.) <sup>23</sup>

The intelligence errors on this score appear to be interconnected: low ICBM estimates were directly linked with high ABM estimates. In short, the error is caused not so much by simple counting mistakes as by a misjudgment of *how* the Soviets planned to allocate their defense resources.

#### *Soviet ICBM Accuracy and Yield*

Estimating improvements in Soviet ICBM accuracy and explosive yield is today's critically important issue. It is the combination of these two factors that determines the vulnerability of the U.S. force of land-based ICBMs in fixed silos. <sup>24</sup>

Throughout the 1960s, there was little official concern about the vulnerability of Minuteman. In 1968, Defense Secretary Clark Clifford wrote a memorandum to President Johnson,

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one paragraph of which pointed to the possibility that MIRV deployments of the SS-9 constituted a potential threat to the Minuteman force, and then suggested various solutions to the problem. The Joint Chiefs of Staff convinced Clifford to delete the paragraph.<sup>25</sup>

The Nixon Administration took Minuteman vulnerability more seriously. If the Soviets could deploy a force of 700 SS-9s, each with triplet warheads (as U.S. intelligence was projecting at the time), they could hypothetically aim two warheads at each of the 1,000 Minuteman silos, thereby ensuring the destruction of nearly all of them. The Office of the Secretary of Defense believed at the time that the Soviets could achieve accuracies of .25 nautical miles CEP (meaning half the warheads would strike within .25 miles of the target point) with the SS-9 triplet by 1974-1975. It calculated that this accuracy, combined with each warhead's estimated 5-megaton yield, would permit the Soviets to knock out 95 per cent of the Minuteman force in a first strike.<sup>26</sup>

The CIA disagreed. CIA weapons analysts did not believe the "triplet" technology could be improved sufficiently to attain the postulated .25 nautical-mile CEP. The SS-9 triplet had failed to demonstrate accuracy better than .5 nautical miles—not nearly enough, even given the high yields of the Soviet warheads, to destroy missile silos with high probability. In September 1969 the Board of National Estimates therefore drafted a paragraph to the effect that the Soviets could not, and would not try to, achieve a first-strike capability against Minuteman during the 1970s.

However, Secretary of Defense Melvin R. Laird had publicly raised, in open Congressional testimony, the SS-9's threat to Minuteman. Reportedly, Laird's special assistant, William Baroody, went to Central Intelligence Director Richard Helms and asked him to delete the contrary paragraph from the 1969 NIE. Helms complied. When questioned by Senator Frank Church's Senate Intelligence Committee about this matter, Baroody testified that he could not remember "specifically bring[ing] pressures to bear on the Director of Central Intelligence to delete or change any particular paragraph." However, Abbot Smith, then the chairman of the CIA's Board of National Estimates, does recall the episode as the only instance of direct political interference with the

NIEs that he could remember in his twenty years with the agency.<sup>27</sup>

In April 1971, TRW, Inc. completed a study sponsored jointly by the CIA and DDR&E. It demonstrated that Soviet technology for the SS-9 could not achieve accuracies better than the .5 nautical-mile CEP estimated previously by the CIA—an error factor inadequate for an effective first strike against Minuteman.<sup>28</sup> By this time, however, the deployment of Safeguard ABM to defend Minuteman sites had already been authorized.

In 1973, early Soviet testing for fourth-generation ICBM programs (the SS-17, SS-18 and SS-19) reopened the controversy over Minuteman vulnerability. Initial press leaks suggested that the first tests showed accuracies for the new missiles to be little better than the .5 nautical-mile CEP of the older systems. Furthermore, since the new missiles carried more warheads than the SS-9 and had similar or lighter throw-weight, the yields of each warhead would be less than the SS-9's. In short, the warheads would not threaten the Minuteman silos. In response to these reports, a Soviet officer reportedly told U.S. officials during the June 1974 Moscow summit that the United States was underestimating the accuracies of the new missiles. He claimed that .27 nautical-mile CEPs had already been achieved. U.S. analysts doubted this assertion.<sup>29</sup>

Since that time, intelligence analysts have detected improved performance in Soviet missile accuracy, which—combined with relatively high yields—theoretically does pose a threat to the Minuteman missiles.<sup>30</sup> In fact, accuracy cannot be precisely estimated. In June 1979, Walter Pincus reported in the *Washington Post* that the accuracy of Soviet ICBMs was somewhat better than U.S. intelligence had predicted for that time.<sup>31</sup> However, he also reported that the SS-18 and SS-19 warheads were now judged to have substantially lower yields than had once been projected for them: the analysts had reduced their estimate from 1.5 megatons to about 600 kilotons. The new pessimism in accuracy estimates and the new optimism in yield estimates virtually canceled each other out. This indicates the hazards, and also the importance, of casting precise estimates. (Had the CIA reduced the yield estimates without also accounting for improved accuracy, the perceived vulnerability of Minuteman for the mid-

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1980s would have dropped from 90 to 80 per cent—a perception that might have carried significant policy implications.)

#### *How Good Is Forecasting?*

In sum, the record of U.S. intelligence in forecasting future Soviet strategic capabilities is a rather mixed one. Of the eight critical developments which we have examined (See Table 1), the intelligence community overestimated Soviet capabilities on three occasions, underestimated them once, and both over- and underestimated in two cases. The community was almost exactly on target once, and divided between accuracy and underestimation once. The one instance of unmitigated underestimation (in the prediction of the number of Soviet ICBMs) was linked to overestimates of other variables (especially deployment and numbers of Soviet MIRVs and ABMs). The one time when the prediction was nearly dead right (the timing of the first Soviet H-bomb) was a case of fortunate guesswork, based on no hard data.

The record of estimates on Soviet strategic forces bears out Albert Wohlstetter's conclusion: "Our officials sometimes overestimate, and sometimes underestimate, and sometimes even get it right. . . ." <sup>32</sup> This mixed record is obviously due in part to the inherent uncertainties in forecasting. Yet the record suggests certain patterns for mistaken estimates—some common sources of error and some lessons to be learned.

#### *Sources of Error in Strategic Forecasting*

As reconnaissance technology has improved over the decades, U.S. intelligence has become more proficient in the science of collecting data. It has more "hard" information about the Soviet military-industrial establishment—missile deployments, production facilities, etc.—and, therefore, a firmer platform from which to make projections.

Yet, few of the mistakes noted in this retrospective have been due to errors in intelligence gathering; most are attributable to mishaps in the far more uncertain art of intelligence analysis. Here is where judgment comes into play—and it seems that, in several instances, misjudgment distorted the view of the future.

There are several principal sources of misjudgment.

*Preconceived Notions.* It is human to look at the world with preconceived notions—prejudices, excessive attention to some things, insufficient attention to others. These preconceptions shape what we look for and what we believe we see.

Occasionally, these preconceptions limit our vision. President Truman, General Groves and certainly others believed that it would take many years for the Soviets to build an A-bomb because they had a preconceived image of the Russians as technological primitives. With respect to error in forecasts of Soviet ABM, U.S. intelligence fell victim to a preconceived notion of what might be called "extended rationality." The members of the community knew that the Soviets traditionally emphasized defenses in their military program—it followed logically that Moscow would strive for a nationwide ABM. They recognized that the Tallinn site, with its SA-5 missile, was worthless for anti-bomber defenses—therefore, they concluded, assuming Soviet military planners to be flawlessly logical, that it *must* be an ABM system.

*Mirror-Imaging.* In the absence of obvious facts to the contrary, U.S. intelligence often strays into the assumption that the Soviets conceive of military problems in roughly the same way that American analysts do. This, too, is a natural and understandable human trait. It, too, can mislead.

U.S. intelligence underestimated the number of Soviet ICBMs, for example, because American analysts assumed that the Soviets, like the Americans, would stress quality rather than quantity in the further development of their strategic nuclear forces—specifically, opting for MIRVs on their missiles instead of building more missiles. It was also assumed that, like the United States, the USSR would replace old, obsolescent missiles with new ones. Instead, the Soviets chose a quantitative build-up of their missile forces and did not retire older ICBMs until much later.

*Misjudgment of Soviet Strategic Priorities.* The "bomber gap" and the "missile gap" were not the unqualified intelligence fiascos that they have been painted to be. The Soviets *did* produce and deploy hundreds of bombers in the late 1950s and hundreds of missiles in the early 1960s. The mistake was in assuming that Mos-

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TABLE 1

## U.S. Intelligence: Forecasts vs. Reality

| Event   | Date<br>Prediction<br>Made                                | Prediction                   | Actual       | Over: +<br>Under: -<br>Right: 0 |
|---|---|------------------------------|--------------|---------------------------------|
| Date of Soviet<br>A-Bomb  | 1945 (Groves)<br>1945 (scientists)<br>1949 (intelligence) | 1965<br>1949<br>1952         | 1949         | -<br>0<br>-                     |
| Date of Soviet<br>H-Bomb  | 1950  | 1954                         | 1953         | 0                               |
| Number of Soviet<br>Long-Range<br>Bombers By 1960<br>("Bomber Gap") | 1955 (Air Force)<br>1955 (NIE)                            | 600-700<br>500               | 190          | +<br>+                          |
| Number of Soviet<br>ICBMs By 1961<br>("Missile Gap")                | 1957 (Air Force)<br>1957 (CIA)                            | 1,000<br>500                 | 10           | +<br>+                          |
| Number of Soviet<br>ABMs  | early 1960s   | 10,000                       | 64           | +                               |
| Date of Soviet<br>MIRV Deployment                                   | 1965<br>1968<br>1969                                      | 1970<br>1978<br>1971 or 1974 | 1975         | +<br>-<br>+                     |
| Number of<br>Soviet ICBMs *   |   |                              |              |                                 |
| By 1967   | 1964<br>1965  | 325-525<br>330-395           | 570          | -<br>-                          |
| By 1970   | 1965<br>1966  | 410-700<br>505-795           | 1,299        | -<br>-                          |
| By 1971   | 1967  | 805-1,080                    | 1,513        | -                               |
| By 1972   | 1968<br>1968  | 1,020-1,251<br>1,158-1,276   | 1,527        | -<br>-                          |
| ICBM Accuracy<br>and Yield  |   |                              |              |                                 |
| For SS-9<br>Accuracy  | 1969  | .25 CEP **                   | .5 CEP       | +                               |
| For New Missile<br>Accuracy   | 1973  | .5 CEP                       | .25 CEP      | -                               |
| For SS-18/-19<br>Yield  | 1978  | 1.5 Megatons                 | 600 Kilotons | +                               |

\* Source: Albert Wohlstetter, *Legends of the Strategic Arms Race*, USSI Report 75-1 (Washington, D.C.: United States Strategic Institute, 1975), p. 24. All other numbers taken from the body of this paper.

\*\* Circular Error Probable, the number of nautical miles from target within which a warhead will land 50 per cent of the time.

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cow would emphasize long-range strategic weapons aimed at the United States. In fact, Soviet strategists decided that areas along the periphery of the USSR—most notably in Western Europe—were the locus of the greatest threat to the Soviet Union, and they accordingly concentrated on the development and production of medium- and intermediate-range weapons. The Eurasian peripheries, after all, represented the historical arena of threats to Russia—and until the 1960s these were the regions where most of the U.S. strategic strike forces were deployed.

In the case of Soviet ICBM forces in the 1960s, U.S. analysts did not underestimate the magnitude of the Soviet defense effort as much as they misjudged Soviet priorities. They believed that the Soviets would go for small numbers of heavy missiles, put more resources into quality than quantity, and emphasize defensive missiles. Thus, the intelligence community projected a large number of SS-9s, low numbers of ICBMs, early deployment of MIRVs and thousands of ABMs. Instead, the Soviets developed only a few hundred SS-9s and about 1,000 smaller SS-11s, took several years longer to field MIRVs, and halted their ABM program after only 64 were deployed.

*Political and Bureaucratic Pressure.* Intelligence is not practiced in a political vacuum. Direct political interference in National Intelligence Estimates is rare: the reported Baroody case, alluded to earlier, is the only one on record. Nevertheless, intelligence estimates are often highly responsive to the political needs of the client and to the politics of the moment, even when the heavy hand of politics is not visibly applied. The Air Force's need to justify its MIRV program was one factor in its projection that the Soviets would build 10,000 ABM interceptors. Likewise, the Nixon Administration's desire to deploy the Safeguard ABM system was one reason for its initial early estimate of the Soviet MIRV program.

The CIA's underestimation of Soviet ICBM deployments coincided with Defense Secretary Robert McNamara's public testimony that the Soviets would not try to match the U.S. force in number. This was his rationale for resisting pressures to expand U.S. nuclear forces—the level of which, having been arbitrarily set at 1,000 ICBMs, was difficult to justify convincingly as opposed to some equally arbitrary

higher (or, for that matter, lower) level. McNamara did not have to signal CIA analysts directly in order to have his logic reflected in their estimates; they read the newspapers as carefully as the rest of the Washington bureaucracy.

*Spurious Learning.* Bureaucracy has been defined as an organization that cannot learn from its own mistakes.<sup>33</sup> The intelligence community's record in strategic forecasting bears this out. When the community reacts to previous errors, the lessons it "learns" are often spurious; the community overcompensates for its errors instead of revising the methods that produced them. Thus, overestimates tend to be followed by underestimates, and vice versa.

The underestimates of ICBM deployments in the 1960s were, in part, in response to the overestimates of the late 1950s. CIA officials were determined not to repeat the mistakes of the "missile gap." Similarly, the intelligence community shifted back and forth in its estimate of when the Soviets would deploy MIRVs. First they overestimated (in 1965, the expectation was 1970), then they underestimated (in 1968, the projection was 1978), then overestimated again (in 1969, the projection was 1971). The actual Soviet MIRV deployment came in 1975.

*Failure to Use Soviet Sources.* The charge that has been leveled against the CIA is that its estimators ignore clear statements of Soviet intentions and capabilities that are often to be found in the open Soviet literature.<sup>34</sup> This is a difficult issue to deal with. On some occasions, a heeding of Soviet statements would have made for more accurate intelligence. For example, in a public speech in July 1965, Brezhnev contended that the United States was underestimating the scope of Soviet ICBM programs—which turned out to be true. Similarly, if the CIA had given credence to the statement by the Soviet official that the new Soviet ICBMs had demonstrated a .27 nautical-mile CEP by 1974, the Agency would not have underestimated the rate of improvement in the accuracy of Soviet SS-18 and SS-19 missiles.

Still, some of the Soviet statements are clearly false: an example is Khrushchev's boast that the Soviets had a missile that could hit a fly in outer space. Such statements obviously must be tested against other available intelligence evidence. If the evidence does not match, however, should one then trust one's own esti-

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mates or the statements of a foreign government that has not been noted for its addiction to the truth?

Nobody has proposed a consistent set of rules for determining which Soviet statements are true and which are false. Some analysts follow the rule that any Soviet statement making the USSR appear hostile toward the United States is an accurate representation of Soviet intentions, while any less hostile statement represents a planned deception. This rule is obviously unsatisfactory for intelligence analysis.

Perhaps the CIA has been reluctant to grapple with the complexities of working with Soviet documents. There is no guarantee, in any event, that correction of this deficiency will make intelligence analysis any more accurate or unbiased.

*Implications of the Demise of SALT.* Looking at the intelligence community from the outside, the public tends to visualize a machine spewing out facts. Rarely does the public realize that the intelligence community is composed of humans in a bureaucracy that is subject to the same pressures and pitfalls as any other.

The problems faced in making accurate forecasts are, of course, grounded first of all in the fact that the Soviet Union is a closed society and does not supply the world's libraries with volumes of public testimony from its generals about military plans. Given the limits on factual information that an intelligence system can draw from any closed society, the intelli-

gence community must rely heavily on its analytical capabilities. This opens the product of the intelligence community wide to a host of human foibles—the preconceived notions, misjudgments, spurious “learning” and other shortcomings that have been discussed above. In fact, given the limited data base upon which the intelligence community must build its projections, it would not have been unreasonable to expect far more errors than have actually been committed.

With increasingly more comprehensive SALT agreements, the intelligence community was finding its tasks made easier. The SALT agreements set concrete numerical ceilings for many categories of measurement of military power. The intelligence community did not have to rely on a murky crystal ball in examining every realm of Soviet activity. The SALT agreements narrowed the analysts' task: in those areas covered by SALT, they needed only to focus their capabilities and efforts on ascertaining whether the Soviets were adhering to their treaty pledges. Resources heretofore devoted to predicting future missile numbers could be devoted to other areas not covered by SALT.

With the death of SALT II, analysts must dust off once again the murky crystal ball. Estimates of future Soviet activity are likely to be wider off the mark than they would be under a SALT II Treaty, simply because the reference points provided by the Treaty have been removed. The human element is maximized, and with it the likelihood of human foibles increases.

## NOTES

1. Michael Getler and Robert G. Kaiser, “Intelligence Estimate Said to Show Need for SALT,” *Washington Post*, January 31, 1980.

2. This cuts both ways. Acceptance of the estimate may lead to greater spending in some strategic arms, but it may also lead to rejection of the land-based multiple-shelter basing scheme for the MX missile on grounds that too many shelters would have to be constructed to “absorb” so many Soviet ICBM warheads.

3. The quotes are from Lt. Gen. Daniel O. Graham, former Director of the Defense Intelligence Agency, “Intelligence: Realities and Myth,” *Wall Street Journal*, March 11, 1977, p. 16; George B. Kistiakowsky, “False Alarm: The Story Behind SALT II,” *New York Review of Books*, March 22, 1979. Kistiakowsky was a member of the President's Science Advisory Committee, 1957–1963.

4. See Lawrence Freedman, *U.S. Intelligence and the Soviet Strategic Threat* (Boulder, Colo.: Westview Press, 1977), p. 64; Richard G. Hewlett and Oscar E.

Anderson, *History of the AEC, Vol. I: The New World, 1939–1946* (University Park, Penn.: Pennsylvania State University Press, 1962), pp. 358–360; Herbert York, *The Advisors: Oppenheimer, Teller and the Superbomb* (San Francisco: W.H. Freeman & Co., 1976), pp. 34–36.

6. Cited in Freedman, op. cit., p. 64, and information from D.A. Rosenberg, a researcher studying the U.S. decision to develop the H-bomb.

7. U.S. Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (the “Church Committee”), *Final Report, Book IV, Supplementary Detailed Staff Reports on Foreign and Military Intelligence* (Washington, D.C.: Government Printing Office, 1976), p. 56; Freedman, op. cit., p. 67; *The Military Balance, 1975–1976* (London: International Institute for Strategic Studies, 1975), p. 73.

8. For the text of NSC-68, see U.S. Department of State, *Foreign Relations of the United States, 1950, Vol. I: National Security* (Washington, D.C.: Govern-

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ment Printing Office, 1978), pp. 235-292; for the 200-bomb estimate, see p. 251. For a thorough analysis of NSC-68, see Paul Y. Hammond, "NSC-68: Prologue to Rearmament," in Warner R. Schilling, Paul Y. Hammond and Glenn H. Snyder, *Strategy, Politics and Defense Budgets* (New York: Columbia-University Press, 1962).

9. Freedman, op. cit., pp. 65-66.

10. Ibid.

11. Ibid.

12. Even now, the Soviets emphasize medium-range far more than long-range bombers. They have 156 Bear and Bison long-range bombers, compared with 613 Badger medium-range bombers and 80 Backfires that have limited intercontinental capability but are deployed and exercised mainly for "theater" missions. See *The Military Balance, 1979-1980* (London: International Institute for Strategic Studies, 1979), p. 89.

13. This section is based on material in Edgar M. Bottome, *The Missile Gap: A Study of the Formulation of Military and Political Policy* (Cranbury, N.J.: Fairleigh Dickinson University Press, 1971); Freedman, op. cit.; Arnold Horelick and Myron Rush, *Strategic Power and Soviet Foreign Policy* (Chicago: University of Chicago Press, 1966).

14. Material in this section is based on Freedman, op. cit., Chapter 5; Edward R. Jayne II, *The ABM Debate: Strategic Defense and National Security* (Cambridge, Mass.: MIT Center for International Studies, 1969); Ronald Tammen, *MIRV and the Arms Race* (New York: Praeger, 1973).

15. Paul H. Nitze, commenting on articles by Albert Wohlstetter, *Foreign Policy*, Fall 1974, p. 82.

16. See Freedman, op. cit., p. 116.

17. Ibid., pp. 137 ff.; Senate Foreign Relations Committee, Hearings, *Intelligence and the ABM* (1969), p. 24; John Newhouse, *Cold Dawn: The Story of SALT* (New York: Holt, Rinehart & Winston, 1973), p. 161.

18. Melvin R. Laird, Department of Defense, *Fiscal Year 1971 Defense Program and Budget* (February 20, 1970), p. 39.

19. Albert Wohlstetter, "Is There a Strategic Arms Race?" and "Rivals But No Race," *Foreign Policy*, Summer and Fall 1974. These articles were reprinted in *Strategic Review*, Fall 1974 and Winter 1975, and then published together as *Legends of the Strategic Arms Race*, USSI Report 75-1 (Washington, D.C.: United States Strategic Institute, 1975). The Wohlstetter articles sparked a debate involving articles and replies by Paul Nitze, Joseph Alsop, Morton Halperin, Jeremy Stone, Michael Nacht and Johan Holst, in *Foreign Policy*, Fall 1974 and Summer 1975.

20. U.S. Congress, Joint Economic Committee, Hearings, *Allocations of Resources in the Soviet Union and China—1975*, Part I, pp. 97-98.

21. Robert S. McNamara, Department of Defense, *Posture Statement for FY 1964* (February 1963), p. 22.

22. Freedman, op. cit., p. 146.

23. Robert S. McNamara, Department of Defense, *Posture Statement for FY 1967* (1966).

24. An index of vulnerability has been calculated as  $Y^2$  divided by CEP<sup>2</sup>, where Y = weapon yield in megatons, and CEP = Circular Error Probable, or the distance from the target within which a warhead will land 50 per cent of the time. The gist is that increasing yield or accuracy will boost a warhead's "kill probability" against a target, but that doubling accuracy will have the same effect as boosting yield by eight times. See Kosta Tsipis, *Offensive Missiles* (Stockholm: Stockholm International Peace Research Institute, 1974).

25. Newhouse, op. cit., p. 129.

26. Freedman, op. cit., p. 141.

27. See U.S. Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities ("Church Committee"), *Final Report, Book I, Foreign and Military Intelligence* (Washington, D.C.: Government Printing Office, 1976), pp. 77-79; and Laurence Stern, "Agency Forced to Alter Own Data," *Washington Post*, April 27, 1976.

28. Michael Getler, "Russian Missile Faulted," *Washington Post*, June 17, 1971.

29. Freedman, op. cit., p. 173; U.S. Senate Foreign Relations Committee, Hearings, *Briefings on Counterforce Attacks* (September 1974).

30. According to data released by Paul Nitze, the newest version of the SS-18 (the 10-warhead Mod-4 variant) has a CEP of .17 nautical miles, as does the latest SS-19 with six warheads. See Nitze's testimony, Senate Foreign Relations Committee, Hearings, *The SALT II Treaty* (July 1979), p. 459.

31. Walter Pincus, "U.S. Downgrades Soviet ICBM Yield," *Washington Post*, May 31, 1979.

32. Albert Wohlstetter, *Legends of the Strategic Arms Race*, op. cit., p. 14.

33. Michael Crozier, *The Bureaucratic Phenomenon* (Chicago: University of Chicago Press, 1964).

34. See for example the views of Senator Malcolm Wallop, in U.S. Senate Select Committee on Intelligence, *The National Intelligence Estimates A-B Team Episode Concerning Soviet Strategic Capability and Objectives* (Washington, D.C.: Government Printing Office, February 1978), p. 13.



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DCI SAN FRANCISCO APPEARANCE

Approved For Release 2009/05/06 : CIA-RDP05T00644R000501410001-3

ARTICLE APPEARED  
ON PAGE 31 (PART 1)LOS ANGELES TIMES  
13 August 1980

## CIA Seeks Legislation to Protect Its Sources

SAN FRANCISCO (AP)—The Central Intelligence Agency is asking Congress for legislation that would enable it to better protect its sources and agents in view of growing Russian military strength and reduced economic growth in the free world.

CIA Director Adm. Stansfield Turner said the proposed legislation would reduce the number of congressional committees that must be informed of the agency's activities and relieve the agency from some provisions of the Freedom of Information Act.

It would also prevent the disclosure of the identities of agents and sources overseas and protect CIA secrets from discovery during court proceedings, said Turner, speaking at the San Francisco Press Club.

Turner denied that the legislation would "unleash" the CIA, saying the agency can do its job without infringing on the constitutional rights of citizens.

"What we do seek and what we do need is to be able to protect our legitimate secrets better," he said.

Turner said the CIA will be required to provide better intelligence during the next decade.

For the first time, Turner said, foreign policy must be based on the "perception by the Soviets of something like military parity" with the United States.

He compared the CIA's effort to protect its sources with efforts by reporters to keep their sources confidential, and said that rigorous oversight practices of the CIA should prevent infringement of the civil rights of American citizens.

## ASSOCIATED PRESS

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SAN FRANCISCO (AP) - THE 1980s WILL BE A MORE PRECARIOUS TIME FOR THE U.S. MILITARY THAN THE 1970s OR 1960s, ACCORDING TO ADM. STANFELD TURNER, DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

THE THREAT WILL COME FROM GROWING SOVIET MILITARY STRENGTH AND REDUCED ECONOMIC GROWTH IN THE FREE WORLD, TURNER SAID MONDAY IN A SPEECH AT THE SAN FRANCISCO PRESS CLUB.

TURNER ADVOCATED PASSAGE OF LEGISLATION THAT WOULD REDUCE THE NUMBER OF CONGRESSIONAL COMMITTEES THAT MUST BE INFORMED OF THE AGENCY'S ACTIVITIES AND FREE THE CIA FROM SOME PROVISIONS OF THE FREEDOM OF INFORMATION ACT.

THE BILL WOULD ALSO BAR THE DISCLOSURE OF THE IDENTITIES OF CIA OPERATIVES OVERSEAS AND PROTECT CIA SECRETS FROM DISCLOSURE DURING COURT HEARINGS.

AP-NY-08-12 0109EDT

# REUTER

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IRAN-IRAN-HOSTAGES

SAN FRANCISCO, AUG 11, REUTER - CENTRAL INTELLIGENCE DIRECTOR STANFORD TURNER SAID HERE TODAY HE DID NOT SEE ANY INDICATION THE 52 U.S. HOSTAGES IN IRAN WOULD BE RELEASED IN THE NEAR FUTURE.

SECRETARY OF STATE EDMUND MUSKIE SAID IN AN INTERVIEW PUBLISHED IN U.S. NEWS AND WORLD REPORT MAGAZINE YESTERDAY EVENTS IN IRAN MIGHT WARRANT NEW INITIATIVES BY THE UNITED STATES TO SEEK THE HOSTAGES' RELEASE.

BUT ADMIRAL TURNER SAID IN A LUNCHEON ADDRESS TO THE SAN FRANCISCO PRESS CLUB: "THE HOSTAGES ARE A PAWN BETWEEN THE VARIOUS POWER GROUPS IN IRAN; EACH OF THEM TRYING TO USE THE HOSTAGE ISSUE TO FURTHER ITS OWN POWER POSITION.

"I DON'T, IN THE NEAR FUTURE, FORESEE ENOUGH POWER COMING TO ANY ONE GROUP TO RESOLVE THE SITUATION."

A STATE DEPARTMENT SPOKESMAN SAID IN WASHINGTON TODAY U.S. AUTHORITIES WERE CONTINUING TO SEEK THE RELEASE OF THE HOSTAGES THROUGH KNOWN CHANNELS. "I CANNOT OFFER YOU TODAY ANY NEW APPROACH TO THE PROBLEM," HE ADDED.

REUTER 1838 RC

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FIRST AMENDMENT - WOLF - AGEE - SNEPP

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ARTICLE APPEARED  
ON PAGE A-18

NEW YORK TIMES  
13 AUGUST 1980

## Around the Nation

### Snepp Pays U.S. \$116,658 In Dispute on C.I.A. Book

WASHINGTON, Aug. 12 (UPI) — Frank W. Snepp 3d, the former Central Intelligence Agency agent ordered by the Supreme Court to turn over his earnings from a forbidden book to the Government, made a partial payment of \$116,658.15 today and said it left him broke.

Mr. Snepp said he had 30 days to pay \$24,000 more that he owes as his proceeds from the book "Decent Interval," which portrayed the C.I.A. as bungling the evacuation of Saigon during the fall of South Vietnam.

Mr. Snepp told reporters he had been living on loans and advances from Random House, the publisher, and owed about \$40,000, including \$12,000 owed to the publisher.

THE WASHINGTON POST  
10 August 1980

# LETTERS TO THE EDITOR

## *Keeping Secrets*

The Post's July 30 editorial with respect to legislation dealing with the Central Intelligence Agency raises even larger questions about First Amendment freedoms and the security of U.S. intelligence sources and methods.

I have long felt that the Espionage Act now on the books is toothless as a deterrent against the publication of highly classified government intelligence information. The reason for this is that the government must prove "intent" to do harm to the United States, an almost impossible task.

An example: an individual overhears or otherwise comes into possession of information that he knows to be highly classified with respect to U.S. cryptanalysis success against a potentially hostile government. This individual feels moral indignation that this government would "read other people's mail," so he provides the information to a reporter, and it is published. The result: The nation whose cipher was "broken" immediately goes to a new unreadable cipher, and down the drain go vast amounts of money, time and analytical effort spent by U.S. intelligence. Worse still, in the event of hostilities, we would be "blind" to what the enemy is about, with the strong possibility of the loss of untold numbers of American lives.

Just as freedom of speech does not entitle one to shout "fire" in a darkened theater, surely a way can be found to protect vital government secrets against improper disclosure in the media. To me, it is no answer to say that the government is at fault because it can't protect its classified materials, or that the punishment can only be the "contempt" of one's fellow citizens.

JOHN Q. EDWARDS,  
Captain, U.S. Navy (Ret.),  
Springfield

## ITEM. ITEM. ITEM.

■ Much has been written about the impropriety of Attorney General Benjamin Civiletti's conversation with President Carter advising him to advise Billy to register as a foreign agent. Prof. Alan Dershowitz of the Harvard Law School has cited it as a casualty of the A.G.'s conflicting roles—on the one hand he is chief law enforcement officer, on the other he is "the President's lawyer." In fact the notion of the A.G.-as-President's-lawyer became outmoded with the advent of a full-time White House counsel (currently Lloyd Cutler, who referred Billy to the lawyer he eventually retained) and the only conflict Civiletti had was between principle and power. Did he want to administer the law evenhandedly, letting justice take its course, or was he more interested in ingratiating himself with the man who might have the power to fill the next vacancy on the U.S. Supreme Court?

What is not generally known is that at the same time Civiletti was demonstrating solicitude for the well-being of the President's brother, he was considering what Justice should do about enforcing the judgment it won against Frank Snepp, the former C.I.A. agent, for writing about the C.I.A. without its permission. The A.G.'s decision so far (notwithstanding contrary advice from John Hersey, Robert Penn Warren and others who believe it is wrong to fine a writer for telling the truth) is to squeeze every last penny out of Snepp—to force him to give the Government any and all moneys he received from his publisher. This, despite the fact that all parties concede that Snepp revealed nothing that was classified (in interesting contrast to the classified cables that the President showed his brother). This is called prosecutorial discretion.

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LOWELL SUN (MASS.)  
2 August 1980

## A crime

There seems to be a growing disposition in Congress to make disclosure of names of CIA agents a crime. Both the House and Senate Select Committees on Intelligence have voted to support a bill that would provide a three-year jail sentence for private citizens who disclose the identity of covert intelligence agents in certain circumstances.

The bill is aimed especially at Philip Agee, a former CIA agent who publicly listed the names of some agents, after which one of them was murdered, and Louis Wolf, editor of a newsletter that has published names of CIA agents, one of whom had his home attacked in Jamaica.

This kind of congressional response to the revelation of those men and women who put their lives in jeopardy in the harsh and risky world of intelligence gathering is more than overdue. The condition in which our intelligence facilities have been so greatly weakened never should have been allowed to come about. But under such national Pipers of Hamelin as Senator Frank Church of Idaho dancing the nation into an orgy of self accusation and condemnation for reputed unsavory events that took place years ago, there has been a fashion in Congress to weaken and hamper the activities of our spy network.

The harassment and hobbling of the CIA and the FBI by the government has been a tragedy, one that has had the spy organizations of other countries hard put to stifle their guffaws. The necessity of the CIA to inform several congressional committees of planned undercover work in foreign countries has made any effort at secrecy a joke. Reporting to a group of congressional leaders every time the CIA wanted to get secret information needed for our national security led to a drying up of customary sources of information and tied the hands of the CIA agents.

Only now are those restrictions being relaxed by a Congress finally waking up to the damage it has done to the intelligence network. Only now is the CIA getting back some of the ability it must have to operate in competition with the spy rings of other countries in the deadly and vital game of finding out what the other fellow is doing and planning.

No one has done a greater disservice to the country than those who have published names of undercover agents, ending their usefulness in their intelligence work and putting their lives in danger. The practice should be curbed, and some sanity should be brought back into our direction of the CIA. The bill to punish those who reveal the identities of secret agents is a good starting point.

NORWALK HOUR (CT)  
2 August 1980

## Lives and Secrets

The United States House of Representatives is considering a bill which would make it illegal to divulge the names of U.S. intelligence agents working under cover.

It must be obvious to nearly every thinking person that it is essential for major governments to know what is going on in the world. Often, the only way to gather valuable information is for agents to do it covertly. Not only is agents' effectiveness ruined if their true function is revealed, their lives may be jeopardized.

Governments who put such agents into the field have an obligation to do all they can to protect the agents' lives.

Portions of the bill are clearly aimed at persons such as Louis Wolf, whose Covert Action Information Bulletin has reputedly published the names of 2,000 alleged Central Intelligence Agency operatives.

Reprehensible as Wolf's work may be, it may not be constitutionally possible to stop it, nor is it justifiable to violate the constitution to get at Wolf. That is too dangerous a precedent.

Anyone who publishes secret government information gained while in public service ought to be punished if the publication endangers the lives of agents or can be shown to harm national security.

As to the likes of Wolf, the government must look to itself to learn how Wolf and his colleagues are gaining the identities of secret agents. The information must be coming from inside the government. Freedom of speech protects the despicable as well as the decent. The government cannot stop Wolf directly; it must stop its own leaks.

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CIA STUDIES/ESTIMATES

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ARTICLE APPEARED  
ON PAGE 3-4HUMAN EVENTS  
16 August 1980

THIS WEEK'S NEWS FROM



# Inside Washington

## But Will It Backfire?

### Carter's Mean Campaign

If President Carter is renominated, as still appears likely, there is no question what his chief campaign tactic will be: kicking, gouging and below-the-belt hitting of Gov. Ronald Reagan and the Republicans. Though most of the nation's attention has been diverted by "Billygate," the President and his Administration have already begun taking the gloves off. "Ham Jordan is in charge of the re-election effort," says one political insider, "and his bare knuckles are showing."

At the National Urban League Convention on August 6, the President engaged in what some observers believe was one of his most low-level performances to date. He accused Ronald Reagan of trying to feed the American people "sugar-coated poison" with his Kemp-Roth tax-cut proposal. He said it offers "rebates to the rich and fierce inflation and deprivation for other Americans who are particularly vulnerable."

He insisted its "backers serve as Robin Hoods in reverse, taking money from those social programs that now benefit the poor, the elderly, the sick and the disadvantaged and delivering the proceeds to the rich." For good measure, he called it a "soak the poor" scheme. (Carter, apparently, is unwilling to talk about his own *tax-raising* policies—see John Lofton's column on page 8—which have soaked rich and poor alike, raised unemployment and more than doubled the Ford inflation rate.)

And that was just the latest shrill blast from the President. In Hollywood, Calif., in mid-July, Carter, in the words of a Washington *Star* reporter, had begun "chiseling what he intends to be Ronald Reagan's political tombstone—the epitaph, as he tells it, of a gunslinging, right-wing extremist."

To the lusty cheers of a \$250-a-head Democratic fund-raiser, Carter assailed the Republican party as an elitist group that "never has been willing to

put its investment in human beings who were below them in economic and social status." And he tore into Reagan as one "inclined to shoot from the hip."

The political broadside, noted the *Star* reporter, "pulled the veil from what appears to be Carter's basic tactic for the fall campaign, a strategy he mentioned in 1976 when asked how he would deal with Reagan" if he captured the nomination. "The issue," said Carter on the eve of the Democratic convention then, "would be to some degree... the radical, perhaps dangerous, nature of Ronald Reagan's character."

Shortly after the Republicans in Detroit adopted a platform that called for a "sustained defense expenditure sufficient to close the gap with the Soviets and ultimately reach the position of military superiority that the American people demand," Secretary of Defense Harold Brown assailed the plank as "unrealistic, simplistic, dangerous." Earlier, Secretary of State Edmund Muskie condemned the demand for superiority as one that "could trigger an arms race on a scale the world has never seen."

("What the Administration is not saying," says one military expert, "is that the Soviets are already in an arms race—and racing ahead of us—and we're not coming close to contesting them. In fact, we're slowing production to a crawl." Indeed, less than two weeks after both Muskie's and Brown's statements, the CIA released a study showing that Soviet military spending will rise to as much as 15 per cent of their gross national product by 1985—apparently three times the GNP portion we spend on defense.)

Labor Secretary Ray Marshall has also joined the "get Reagan" effort of the White House. He used a news conference at the end of July to read a 12-page speech, condemning the "Ronald Reagan platform" as one that ignores "the concerns of lower and middle-income groups." Denying to skeptical reporters that his speech had been ordered by the White House, he contended the platform was "a design for government of the privileged, by the privileged and, most especially, for the privileged."

CONTINUED

Less than 24 hours after Reagan had called for a "thorough" federal hiring freeze, both John White, deputy director of the Office of Management and Budget, and Alan K. Campbell, director of the Office of Personnel Management, assailed Reagan's plan at a press conference. Both denied they had been prompted into responding by anyone in this "I'll-never-lie-to-you" Administration, but Campbell was ready with statistics purportedly showing that the number of full-time state employees in California had risen under Reagan.

When Campbell and White said that President Carter had imposed a partial freeze in March which had supposedly winnowed the bureaucrats, the numbers used did not include part-time, temporary or seasonal workers. Nor did they include those on private contract, which, according to the *National Journal*, account for four times the number of full-time employees.

The partisan attack by Campbell so aroused Sen. James McClure (R.-Idaho) that he called for an investigation of his "apparent campaign activities." As head of the Office of Personnel Management, noted McClure, he has "grave responsibility for the integrity of the Civil Service system," yet he "made himself the partisan star of a campaign media event that he personally set up."

Nor has the swarm of these taxpayer-financed attacks died down. Within 24 hours of Reagan's much heralded Urban League speech (see cover), Patricia Harris, the only black member of President Carter's Cabinet, told a Los Angeles Steelworkers crowd that the Republican platform reads as if it were written by members of the Ku Klux Klan.

Said Harris: "The Invisible Empire, Knights of the Ku Klux Klan, now regarded as the largest, most militant Klan group in the country, has endorsed Ronald Reagan for President...."

"I will not attempt to explain why the KKK

found the Republican candidate and the Republican platform compatible with the philosophy and guiding principles of that notorious organization. I will leave that explanation to Governor Reagan and the drafters of the GOP platform."

Just a week or so before Harris' outburst, Rep. Tip O'Neill (D.-Mass.), the highly partisan House Speaker, told reporters that the Republican party was controlled by "John Birchers." Asked what he meant, O'Neill said one only had to look at the floor of the House to see the influence of the "Birchers." There are "more of them on the floor today than in any of the years I've been in the House," said O'Neill. He then singled out Representatives Bob Bauman (R.-Md.) and John Rousselot (R.-Calif.) as examples. But Bauman has never been a Bircher, and Rousselot resigned from the Society more than a year ago. The only known Bircher in the House, in fact, is Rep. Larry McDonald, who happens to be a Georgia Democrat.

When name-calling isn't in season, the Democrats have resorted to more ominous tactics, such as when the Democratic National Committee actually filed a complaint before the Federal Election Commission to deny Reagan the use of the \$29.4 million in campaign funds available for each of the major party nominees.

The Democrats, in short, are desperate, but whether the alley-cat tactics will work is debatable. As even columnist James Reston—long a Carter sympathizer—has noted:

"The Democrats are running, not against Reagan, but against the caricature of Reagan...."

"Nobody who listened to Reagan's acceptance speech at the Detroit convention, or watched him addressing the Urban League could fail to notice the difference between Reagan, the cartoonist's caricature, and Reagan, the presidential candidate." But that won't stop Carter and his Democratic allies from trying to smear the Californian to caricature proportions.

ARTICLE APPEARED  
ON PAGE A24THE WASHINGTON POST  
14 August 1980

# Soviet Production of Gas, Oil Set Records Over 6 Months

By Dusko Doder

Washington Post Foreign Service

MOSCOW, Aug. 13 — Soviet oil and gas output reached record levels during the first six months of this year, with oil production running slightly more than 12 million barrels a day, according to official figures published today.

The energy figures were included in an announcement of an overall national economic growth of 4.3 percent over 1979. The energy figures are closely watched by diplomatic analysts here because of the implications that they could have for Soviet policy toward oil-producing nations in the Middle East and the Persian Gulf.

According to the weekly Economic Gazette, oil production — including gas condensates — climbed to 348 million tons in the first six months, or 3 percent more than the 1979 figure. The annual target is set at 606 million tons, or about 4.3 billion barrels.

The Soviets have been the world's largest oil producer for several years, and their average daily output last year was 11.7 million barrels. A U.S. Central Intelligence Agency study had predicted that Soviet production was likely to peak at 11.9 million barrels a day this year, and then decline to 9 million barrels a day by 1985.

Such a decline was viewed as possibly leading Moscow to compete for access to the Persian Gulf oil reserves. It also would have a major impact on Moscow's relations with its allies. The Soviet Union now exports an estimated 2 million barrels daily to its allies — ranging from Vietnam and Mongolia to Eastern Europe and Cuba.

Today, the Soviets also reported natural gas output of 250 billion cubic meters for the six-month period, up 7 percent from the 1979 figure. Their target for the year calls for 435 billion cubic meters.

The coal industry, however, has failed to meet its target, and it seems unlikely that the figure of 746 million tons would be reached by December.

Despite encouraging signs, the Economic Gazette said oil fields in western and northeastern Siberia and on the eastern shores of the Caspian Sea were lagging behind, but provided no details.

Although Soviet economists continue to predict an increased oil and gas output, Moscow has publicly cautioned its allies that they will have to look for alternative energy supplies in the coming years.

Oleg Bogomolov, who heads the Institute of the Economy of the World Socialist System here, said in an article that members of the Soviet Bloc's common market, known as the Comecon, will have to import one-half of their energy imports from countries other than the Soviet Union by 1990.

In 1975, he said, Moscow's allies drew roughly 70 percent of their energy imports from the Soviet Union. This figure has declined slightly, and will probably come down to 50 percent by the end of the decade, he said. Moreover, he added, the allies were buying Soviet oil at 40 percent below the world price.

The new situation in the energy fields, he said, would require "real structural, organizational and even psychological readjustments."

According to Western experts, the Soviet Union would have to keep its oil and gas deliveries to its allies at current levels in order to use energy revenues for modernization of the Soviet economy.

The Soviets obtain more than 35 percent of their hard-currency earnings from oil and gas sales to Western Europe and Japan. But Moscow's allies lack large amounts of hard currency to buy oil on world markets, and the Eastern Europeans in particular may face increasing shortages that could produce political discontent.

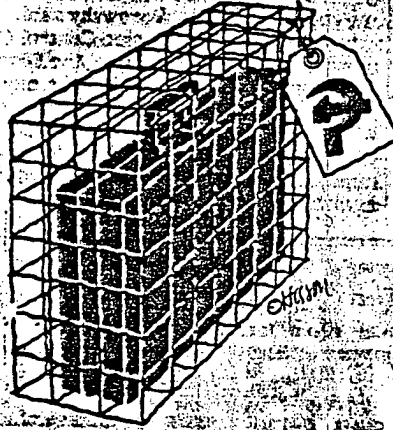
Today's report on national income — the Soviet figure nearest to gross national product — suggests that the economy may reach the 4.5 percent target growth rate for the year. But it pointedly omitted some farm statistics normally published, indicating continued difficulties in the meat and milk product industries, partly as a result of shortages of fodder and grain feeds due to the U.S. boycott.

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NEW YORK TIMES  
13 AUGUST 1980

## Letters

### Wrong Yardsticks For U.S. Arms Budget



To the Editor:

Congress is about to vote a raise in the Soviet military budget, without the Kremlin appropriating another ruble for the Red Army. This curious development follows from a recent Senate-House conference committee vote to make substantial expenditures for new military equipment and to raise military pay by 11.7 percent.

As explained by a leading American scholar of the Soviet economy, Prof. F. D. Holzman, in his article, "Are the Soviets Really Outspending the U.S. on Defense?" in the spring 1980 issue of International Security, the C.I.A. esti-

mates for Soviet arms expenditures are based not on what the arms and soldiers actually cost the Soviets, but on their "dollar cost" or what they would cost to be duplicated in the U.S. economy, without making any adjustment for qualitative differences in personnel and training costs.

Since Congress seems about to raise substantially the cost of U.S. military personnel, the C.I.A.'s new base figures must *ipso facto* show a corresponding higher "dollar cost" for the Soviet military effort. And since, as the C.I.A. itself concedes, the U.S.S.R. military machine is more labor intensive than the more technological U.S. armed forces, the rise in the "dollar cost" of the Soviet arms budget will be proportionately higher than the cost of the military pay raise just voted.

Such fallacious "dollar cost" estimates by the C.I.A. are based on American rather than Soviet actions. Already the C.I.A. is projecting a future increase in Soviet military spending. And the bitter irony of all this is that these mirror-image C.I.A. estimates of rises in the Soviet military budget will be used in the next Congressional appropriations go-around as justification for yet a further escalation of the U.S. military expenditures, thus adding another vicious circle to the continuing arms race.

JEFFRY LARSON

Hamden, Conn., Aug. 4, 1980

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ON PAGE 86

INTERNATIONAL SECURITY  
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## Are the Soviets Really Outspending the U.S. on Defense?

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The most widely used comparisons of the US and Soviet military expenditures are those presented by the U.S. Central Intelligence Agency. These comparisons have serious deficiencies and specific biases. The purposes of this article are twofold. First, several sources of bias, the result of which in each case is to exaggerate Soviet defense expenditures, should be exposed.<sup>1</sup> In addition, the implications of these flawed estimates for the national security debate are critical, and must equally be brought to light.

Let me state at the outset that the two most obvious sources of bias are the failures to take account of the relatively higher quality of both U.S. military personnel and U.S. military equipment. Further suspicion of bias stems from the fact that so-called "index number effects" in the CIA estimates are so much smaller than those usually experienced in U.S.-Soviet comparisons.

Some crude attempts are made here to pin down the orders of magnitude of bias in the CIA estimates. These efforts were handicapped not only by unavoidable methodological and data problems but also by the paucity of information underlying the CIA estimates which is released by that agency.

Let me stress also that while the volume of military expenditures is taken here as a proxy for military capability, it is not a very good one. Military expenditures represent the costs of inputs and the performances (outputs) from these inputs are not necessarily proportional to the costs. All this is admitted by the CIA. It uses the value of military expenditures in lieu of a better aggregative measure of military capability. For purposes of this paper, the CIA's expedient is accepted without question.<sup>2</sup>

### *The Index Number Effect*

The CIA regularly publishes estimates of aggregate Soviet defense expenditures in dollars, estimates which are then compared with the defense expenditure total presented in the U.S. federal budget. The CIA estimate is necessitated by the facts that 1) the USSR publishes only one figure for defense and it is commonly agreed that that figure substantially understates the Soviet defense effort; 2) even if a comprehensive figure for defense were published, that figure could not be easily used for purposes of comparison since the ruble exchange rate is not a real price. The CIA procedure, in brief, is to try to get quantity estimates of everything that is included in defense—

1. After this paper was completed, I received a copy of: U. S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1968-1977*, Washington, Oct. 1979. In a short essay entitled "Soviet Military Expenditures," the Agency expresses its dissatisfaction with the CIA figures and presents some of the arguments which are dealt with below. Their overall view of CIA estimates is: "... estimates of this type probably overstate the relative size of Soviet military expenditures compared to the military spending of the United States ... these estimates of Soviet military spending may not be the best answer to the question: What single valuation of Soviet military spending yields an evenhanded comparison with U.S. spending" (p. 13). The Agency promises further research on alternative valuations (p. 15). Readers are referred to their excellent statement of issues. It is unfortunate, in light of its dissatisfaction with CIA estimates, that the Agency otherwise continues to use the CIA figures as the best available in U.S.-Soviet military comparisons.

2. A small exception to this rule is made in the discussion of the ruble pricing of high technology equipment.

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numbers of soldiers, weapons, etc.—and to value these at American wages and prices making due allowance, where possible, for quality differentials. The quantity estimates are made from all available sources including published Soviet sources, interpretation of satellite reconnaissance photos, and whatever. The resulting estimate of Soviet defense expenditures in dollars is, in effect, an estimate of what it would cost the United States to reproduce the Soviet defense effort.

It is well-known, and frankly admitted by the CIA, that a comparison of U.S. and Soviet defense expenditures in dollars tends to “exaggerate”—in the sense that it provides an upper limit on Soviet defense expenditures relative to those of the United States. Similarly, a comparison in rubles—if it were made—would tend to “exaggerate” U.S. defense expenditure relative to its Soviet counterpart. This is the well-known “index number effect” which is substantial between nations like the United States and the USSR, whose per capita incomes, capital/labor ratios, and relative prices of capital and labor differ greatly. In the United States, labor is relatively expensive

compared with capital, and our military effort is therefore capital-intensive; in the USSR, labor is relatively less expensive and its defense establishment more labor-intensive. Each nation thus finds the other nation’s military establishment (and any other sector, for that matter) more expensive to reproduce in its own prices.

The ideal procedure in making such international comparisons is, whenever possible, to calculate expenditures in both countries in both dollars and rubles and to either present the results as a range or to take the geometric mean of the two.<sup>3</sup> Some examples of the differences between ruble and dollar comparisons for 1976 are presented in Table 1, columns 1 and 2. A measure of the “index number spread” is presented in column 3 where the comparison of the two nations’ sectors in dollar prices is divided by the relevant comparison in ruble prices. A look at columns 1 and 2 reveals that in every instance, the USSR has a higher ratio relative to the United States in dollars than in rubles.<sup>4</sup> These differences range from 1.05 in the case of Administration<sup>5</sup> to 3.17 for Health. For the GNP as a whole, the ratio is 1.49 and ratios for most sectors exceed 1.30. The spread for defense and space is small, 1.11; we will argue below that it is too small.

Despite the well-known extent of US-USSR index number spreads, until the figures in Table 1 were published on Oct. 10, 1979, no official comparison of U.S. and Soviet defense expenditures in rubles had been published to my knowledge in more than a decade. When asked in 1975 by Senator Proxmire if such estimates existed, a CIA representative replied that Soviet military expenditures in 1974 were officially 20 percent greater than those of the United States when both were measured in dollars and unofficially 10 percent greater when both were measured in rubles.<sup>6</sup> During the same discussion, Mr. Colby, then Director of the CIA, stressed that it did not seem to make much difference whether dollars or rubles were used, which is certainly true

3. The CIA agrees that this procedure would be ideal. Cf. Joint Economic Committee, Congress of the United States, *Allocation of Resources in the Soviet Union and China — 1975, Part I*, Washington 1975, pp. 25-26. These hearings are published annually. References hereafter are JEC, year.

4. It should be stressed that ruble comparisons are just as valid as dollar comparisons. Each represents a different measuring rod, namely, the different scarcity relationships in the two nations as indicated by their different relative price structures. The dollar comparison tells us what it would cost the U.S. to produce its own and the Soviet defense establishments; the ruble comparison yields the cost to the USSR of the two.

5. Administration is a very special case consisting primarily of expenditures on labor inputs. One would not expect an index number spread under these circumstances.

6. JEC, 1975, p. 25.

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**Table 1.**  
**Soviet-US Index Number Effects, 1976**

|                                  | (1)                  | (2)        | (3)  |
|----------------------------------|----------------------|------------|--|
|                                  | USSR/US<br>in rubles | in dollars | Index Number Spread<br>dollars/rubles<br>((2) ÷ (1)) |
| GNP                              | .495                 | .735       | 1.49   |
| Consumption                      | .352                 | .543       | 1.54   |
| Food                             | .596                 | .723       | 1.21   |
| Soft Goods                       | .384                 | .607       | 1.58   |
| Consumer Durables                | .116                 | .206       | 1.77   |
| Household Services               | .244                 | .340       | 1.39   |
| Health                           | .256                 | .814       | 3.17   |
| Education                        | .800                 | 1.067      | 1.33   |
| Investment                       | 1.076                | 1.403      | 1.30   |
| Machinery & Equipment            | .863                 | 1.414      | 1.63   |
| Construction                     | 1.025                | 1.117      | 1.09   |
| Administration                   | .571                 | .602       | 1.05   |
| Defense and Space                | 1.292                | 1.440      | 1.11   |
| Other                            | .500                 | .647       | 1.29   |
| CIA Military Expenditure Figures |                      |            |  |
| 1974                             | (1.10)               | 1.20       | (1.09)   |
| 1976, 1977                       | (1.25)               | 1.40       | (1.12)   |

Sources: GNP and subcategories for 1976: Imogene Edwards, Margaret Hughes, and James Noren, "U.S. and U.S.S.R.: Comparisons of GNP" in *Soviet Economy in a Time of Change*, Vol. 4, Jt. Econ. Comm., Congress of the United States, Washington, Oct. 10, 1979, p. 378. (Note: the three authors are CIA economists.)

CIA Military Expenditure figures from: JEC, 1975, p. 25; JEC, 1977, Part III, pp. 22, 40; JEC, 1978, pp. 37, 54. Ruble figures are bracketed signifying that they are unofficial and unpublished anywhere but in the Congressional Hearings because the CIA views them as "crude" and "casual."

Edwards, Hughes and Noren present geometric means of the ruble and dollar measurements. They were not reproduced here since they are not relevant to the argument.

if one accepts the CIA estimates.<sup>7</sup> It was also stressed that the ruble estimates were "rough" and "gross" estimates calculated at a very high level of aggregation. One excuse given for not making precise estimates was the difficulty in obtaining ruble prices for American products particularly when many military items produced in this country are not even produced in the USSR because "American technology is so far advanced."<sup>8</sup>

The CIA testimony, it seems to me, immediately raises two important questions. First, Colby argued that the difference between ruble and dollar estimates was small and presented figures (above) to support his contention. How can it be that in virtually all other calculations the ruble-dollar index number effect exceeded 30 percent whereas in military expenditures it is approximately 10 percent (Table 1, col. (3))? Basically the same economic conditions exist in the military that exist in other sectors—conditions that lead to strong index number effects. Thus, the USSR has an army with twice the number of men as ours—yet our wages are relatively so high and military equipment unit costs so low that military pay constitutes a much higher percent of U.S. military expenditures in dollars than it does of Soviet military expenditures in rubles.<sup>9</sup> The explanation proposed by Director of CIA, Admiral Turner, was "... because military hardware is much more expensive than manpower in the Soviet Union [while] in the United States manpower is relatively more expensive than hardware. ..." (*Ibid*). In other words, a basis for strong index number effects clearly exists. Therefore, if in 1976 and 1977 the USSR outspent the United States in dollars by 1.40 times, one would expect that in rubles the Soviet advantage would be much less than 1.25 if, in fact, the defense expenditures of the two nations were not close to equality.<sup>10</sup>

7. Admiral Turner also made this point in later year JEC Hearings.

8. This whole paragraph based on JEC, 1975, pp. 24-26.

9. JEC, Part IV, 1978, p. 71.

10. By the same reasoning, it could be argued alternatively that if the USSR was outspending us by 25 percent in rubles, they must be outspending us by even more than 40 percent in dollars. The interpretation in the text is preferred because obviously the dollar estimate is the more accurate one.

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Second, it is a little difficult to accept the CIA's diffidence regarding its ability to make a ruble estimate of U.S. defense expenditures in light of the extraordinary effort and guesswork that must be involved in getting a dollar estimate of Soviet defense expenditures. Consider that a dollar estimate of Soviet defense expenditures involves a) getting output figures for hundreds or thousands of commodities, many through satellite photo reconnaissance, many not observable by any means, and b) getting U.S. prices (cost-estimates) for these products, most of which will differ in specifications, usually to an unknown extent, from their U.S. counterparts. Further, when one considers that the cost of production of every civilian product differs widely among producers in the United States, it is reasonable to wonder about the range of pricing (not to mention quantity) errors that might be expected in an exercise of this sort. The CIA admits to a probable maximum error in dollar estimates of 15 percent which they say is a "... judgment, while informed, [that] is nonetheless subjective and not the result of rigorous statistical measurement..."<sup>11</sup> Fifteen percent would seem to be a conservative figure, as discussion in later sections will suggest.

After having cast doubts on the CIA's ruble comparison and the resulting small index number spread, it remains to ask if there may not be some obvious explanation of this result. In fact there may be. The CIA admits that its ruble calculations, for lack of information, are made at a very high level of aggregation. It is well known and admitted by the CIA that the higher the level of aggregation, the smaller the index number spread.<sup>12</sup> This could be one major reason why the CIA index number spread is so small. It can, in fact, be illustrated using CIA data.

As noted, CIA dollar estimates for 1977 show the USSR outspending the US by 1.40 times, in aggregate, in its defense effort. Breaking this down into two categories, manpower and non-personnel expenditures, the CIA shows the USSR is outspending the United States by 1.85 and 1.25 times, respectively (JEC, 1978, p. 54). For 1.85 and 1.25 to average out to 1.40, the non-personnel ratio (1.25) must be weighted three times higher than the manpower ratio. Since ruble prices de-emphasize manpower costs, non-personnel costs would have an even higher weight on a ruble comparison. Assume for instance, that non-personnel costs have not 3 times but 6 times the weight of manpower costs in rubles.<sup>13</sup> The aggregate ruble comparison under this assumption would be 1.33, a very small index number effect, indeed, given the dollar ratio of 1.40. In fact, the CIA's ruble ratio is not 1.33 but 1.25, a ratio which seems at first glance inconsistent with subcategory ratios 1.85 and 1.25. That is to say, for these two sub-category ratios to average 1.25, it would be necessary to assign a zero weight to the manpower ratio.

This apparent paradox is resolvable by correctly assuming that the CIA does not calculate the ruble ratio from just two subcategories, manpower and non-personnel, but has approximately 10 subcategories (JEC, 1975, p. 24) of which a few may be part of manpower, the rest of non-personnel. Now, if 2 or 3 subcategories result in a manpower USSR/US dollar ratio of 1.85, the ratio in rubles would be less than 1.85 for usual index number effect reasons. Similarly the non-personnel ratio in rubles would be less than the 1.25 dollar ratio. Finally, because ruble wages are relatively low and equipment prices relatively high, the ruble calculation would give a higher weight to the lower ratio, non-personnel expenditures. The result is that a 1.25 ratio in rubles is possible because it is a weighted average of a "less than 1.85" and a "less than 1.25" ratio and the "less than 1.25" ratio has an even higher relative weight in rubles than in the dollar calculation.

11. JEC, Part III, 1977, p. 39. See also CIA, *A Dollar Cost Comparison of Soviet and U.S. Defense Activities, 1966-76*, Washington, Jan. 1978.

12. To quote a CIA spokesman (JEC, 1975, p. 24): "The ratio of Soviet military expenditures to U.S. military expenditures both priced in dollars will tend to be higher than a similar ratio priced in rubles. This is an example of a statistical truth. The degree to which this difference would become apparent in the statistics will depend upon the degree of fineness of pricing groups of commodities and services."

"If you do a very articulated calculation, the difference between the two ratios would tend to be greater. If you compress and have two, or three or few (sic.) categories, this tends to reduce the difference between ratios."

13. For evidence on these weights, see the Appendix.

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To sum up: a two category comparison yields an estimated index number spread (as in column 3 of Table 1) of only 1.05 (1.40/1.33); the CIA's approximately ten category comparison increases the spread to 1.12 (1.40/1.25), an increase in spread of 140 percent (.05 to .12). Suppose now that the CIA could, in its ruble calculations, use the hundreds or even thousands of categories into which military expenditures should be subdivided were the data available! If a five-fold increase in the number of categories (from 2 to 10) could result in a 140 percent increase in the spread, a one-hundred-fold increase to 1000 commodities should have at least an equal effect, even allowing for diminishing returns from disaggregating.<sup>14</sup> If it did, the ruble index would be driven down from 1.25 to approximately 1.10. This would yield a 1.27 index number spread (1.40/1.10) which is low relative to spreads for other sectors, but certainly more believable.<sup>15</sup> In fact, of course, the spread could be even greater and the ruble index below 1.10.

In rubles, then, the two nations' defense expenditures might not be very far apart and, contrary to the statements by CIA Directors Colby and Turner, it may make a significant difference which of the two measures, rubles or dollars, is used. Even if a disaggregated ruble ratio cannot be estimated, its probable magnitude ought to be clearly indicated.

Over and above the conventional index number effects just discussed, the CIA estimates involve three procedures, each of which substantially exaggerates Soviet relative to U.S. defense expenditures. The first significantly understates the ruble price of U.S. high technology equipment; the second overprices Soviet military manpower in both dollars and rubles; the third overprices Soviet military equipment in both dollars and rubles. The effects of these three procedures will be considered in the sections below.

#### *Superior American Technology Devalued*

It is rather paradoxical to read in the JEC hearings for various years that while, according to the CIA, the Soviet Union has been regularly producing and deploying more military equipment than we have<sup>16</sup> and furthermore has almost twice as much military manpower, it was nevertheless the predominant opinion of participants that the United States was the stronger power. The resolution of this paradox is not hard to find. It is clear that the basis for this view is the superior quality and technology of U.S. equipment. Unfortunately, this crucially important factor is not captured in the CIA estimates.

A major reason why the CIA does not make a rigorous ruble comparison of defense expenditures is because "... while virtually all of the Soviet inventory of weapons falls within U.S. production technology, the Soviets simply do not have the technology required to produce many of the U.S. weapons nor could they produce close substitutes. ..." <sup>17</sup> Under these circumstances, it is impossible to find an actual ruble price with which to value high-technology U.S. military equipment. The CIA procedure in these "casual" ruble calculations is to use ruble prices "... applicable to the closest substitute goods which can be produced in both economies. ..." <sup>18</sup> What this means is that the CIA ruble calculation values this high technology U.S. equipment at ordinarily high Soviet ruble prices but not at what former CIA Director Colby called prices which are so high as to be "almost uncountable."<sup>19</sup> No wonder U.S. defense expenditures in rubles are estimated to be less than those of the USSR. If a properly high ruble price tag could be put on U.S. high technology,<sup>20</sup> the U.S. defense package would certainly cost the Russians more to produce than their own; or it might well

14. How much the ruble index would be driven down further through disaggregating beyond 10 categories is impossible to say since it would depend on the dispersion of price and quantity relatives within these categories, something presumably unknown to the CIA and certainly to others.

15. It is also worth noting that this would imply a non-personnel ratio of considerably less than 1.10 which has major implications for the relative expenditures of the two nations on weapons and military R&D as valued in rubles.

16. For example, in 1977, Soviet expenditures on other than manpower exceeded our own in dollars by 25%. Military equipment comprises a large percentage of this category.

17. From Admiral Turner's prepared statement in JEC, 1977, p. 40.

18. *Ibid.*

19. JEC, 1975, p. 24. Colby was referring to a specific weapon when he used this term but his example was meant to illustrate the general pricing problem the CIA faced. Referring to U.S. products which the Soviets cannot produce, a CIA spokesman admits that "theoretically, the ruble price for these more advanced weapons is infinite" (JEC, 1975, p. 91).

20. An ambiguous statement in the hearings (JEC, 1977, p. 87) suggests that about one-third of our military equipment is too advanced to be produced by the Russians (the statement is quoted in the Appendix below).

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be that they can't produce our defense package at any cost. The fallacy of the CIA procedure is that the very dimension of the arms race in which the United States has the greatest advantage, viz. advanced technology—which dimension makes much of the difference between military superiority and inferiority—is enormously undervalued. In fact, significant technological superiority is given a zero price instead of the "almost uncountable" or often "infinite" price the CIA admits it should have! The CIA's ruble calculation implicitly asks: Which country's defense package would cost the USSR more to produce *assuming U.S. equipment is not technologically superior*? This question is a proxy for: Which country's defense package is stronger *assuming the United States has no lead in weapons technology*? These questions are analogous to asking: Would Wilt Chamberlain have been a greater basketball player than most if he had been 6'1" instead of 7'1" tall?

The CIA procedure might well be an appropriate expedient in a calculation designed to make *long-run* comparisons of the GNPs of two fairly comparable nations. In military comparisons, however, *short-run* technological superiority is a crucial variable and the CIA procedure provides a lowest limit estimate which, in effect, deflates out that superiority.

#### *Manpower: The Soviet-American Differential*

International comparisons of output or military effort usually attempt to adjust prices for differences in the quality or complexity or size of the products being compared. When the CIA values a Soviet tank in dollars, it does not use the price of an American tank but attempts to adjust the price of the tank for the many factors just mentioned. Similarly, an adjustment is needed to pay scales if there are significant differences in the background, training, and capabilities of personnel. In recognition of this Colby says that "... in the case of labor services in health and education, we apply a 20 percent quality discount based on a consideration of standards of training (for example, the number of years devoted to the training of doctors and teachers). . ."<sup>21</sup> Significantly, no adjustment is made in the dollar valuation of the Soviet armed forces. Yet twice as many Americans complete high school as Russians; the same is true of college.<sup>22</sup> Further, according to the CIA,<sup>23</sup> the American armed forces spend more than twice as much per soldier on military operating costs (maneuvers, etc.) as do the Soviet armed forces and turn out a much better trained soldier. A, say, 20 percent allowance for this factor in the dollar pay scales applied to the Soviet 4-½ million person defense establishment would remove perhaps one-fourth of the 1976-77 differences in the defense expenditures of the two nations measured in dollars, a smaller fraction in rubles.

#### *"Sovietizing" American Equipment*

A similar factor operates to inflate U.S. estimates of Soviet expenditures on military equipment. The CIA attempts, to the extent possible, to adjust for the "physical and performance characteristics of the individual weapons. . ." (JEC, 1975, p. 83) when costing Soviet military equipment. This procedure is called "Sovietizing" (*Ibid*). In response to a question by Senator Proxmire, Director Colby said: "To the extent that we are not able to 'Sovietize,' and U.S. weapons used in the cost estimating methodology are more complex, our estimates tend to overstate the costs of producing the Soviet design. *This is probably the general case. . .*" (*Ibid*, my italics). That is to say, Colby admits there is a systematic upward bias in the valuation of Soviet equipment although he does point out that there are instances in which specific items are undervalued. This factor would affect both the dollar and ruble comparisons.

21. JEC, 1975, p. 85.

22. Derived from G. Maksimov, "The Educational Level of the Population of the USSR," *Vestnik Statistiki*, 1972 No. 6; CIA, *School Enrollment in the USSR, 1950-1975*, Sept. 1966; and U.S. *Census of Population*, Washington, 1970.

23. JEC, 1974, p. 33.

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This is not just a problem in comparing military equipment, but has complicated the efforts of those comparing Soviet and U.S. civilian products. As one scholarly study has put it in explaining the tendency to overvalue Soviet equipment: "... differences ... in the quality of the machines being compared ... are impossible to quantify or adjust for. Thus, even a perfect match of 4-6 basic engineering features of a Soviet and an American machine does not mean they are truly identical. The length of useful life, frequency of repair, convenience in operation, safety features, down time during required maintenance, the grades of basic materials used, the finishing and design are either not available or can not be quantified..."<sup>24</sup> A seminal study of Soviet technology, in its chapters on "military technology" and on "rocketry," concludes that, relative to the United States, there is a Soviet emphasis on standardization of parts, simplicity, retention of old models with modifications as opposed to the introduction of radically new models, and goals of design to meet "minimum acceptable requirements."<sup>25</sup> All of these factors would lead to a tendency to overvalue Soviet military equipment for the same reasons adduced above by Trembl for overvaluing civilian equipment. Such overvaluations are, of course, difficult to quantify. However, Trembl and Kostinsky point out that for the past 20 years, Soviet enterprises which export manufactured products have received subsidies recently averaging some 40 percent of the domestic price to cover "... the additional costs of meeting world quality standards. ..." If accurate, this can be taken as order of magnitude of the overvaluation of civilian equipment which could result from using American prices in absence of full information regarding the quality of Soviet equipment. Corroboration of the magnitude cited by Trembl is found in the actual discounts below world market prices for comparable goods at which the Soviets offer their manufactured products: transformers — 30 percent, machine tools — 40-50 percent, turbines and compressors — 40-50 percent, color television sets — 25-31 percent etc.<sup>26</sup>

These magnitudes are suggestive. However, we have no precise information on what percentage of Soviet military equipment is overvalued and by how much. It may well be, however, that overvaluation of Soviet military equipment is in the same ballpark as that of Soviet civilian equipment. Referring to this problem, the U.S. Arms Control and Disarmament Agency asserts:

"Whether this type of bias may be more or less prevalent in the military sector than in the economy as a whole is difficult to judge. On the one hand, Soviet efforts to eliminate any quality gap may be greater than in other fields. On the other hand, the qualitative and technological disparity may be larger and more difficult to overcome in the military sector due to a greater relative prevalence of innovations on the technological frontier."<sup>27</sup>

In light of this judgment and of the fact that the former Director of the CIA admits that quality overvaluation is the "general case," one can only conclude that both dollar and ruble estimates of Soviet defense expenditures contain a significant upward bias on this account.

#### *The CIA Error on Ruble Prices*

In 1975, the Department of Defense and the CIA presented the American public with a revelation, namely, that *ruble prices* of Soviet tanks, missiles, and other military equipment *were twice as high as previously estimated*. This was the result of a "lack of understanding of the price inflation in the USSR and a change in pricing policy that occurred in 1967. ..." <sup>28</sup> The CIA quickly revalued upward the Soviet defense/GNP ratio (both figures in rubles) for all years since 1967. The 1976 defense figure—the most recent—was raised from 6-8 percent of GNP (in rubles) to 11-13 percent. If the new CIA figures

24. Vladimir G. Trembl and Barry Kostinsky, *Soviet Foreign-Trade and Domestic Pricing*, Foreign Demographic Analysis Division, U.S. Dept. of Commerce, (Spring, 1980).

25. R. Amann, J. M. Cooper, and R. W. Davies, *The Technological Level of Soviet Industry*, New Haven and London, 1977, Chaps. 9-10.

26. Paul Ericson, "Soviet Efforts to Increase Exports of Manufactured Products to the West," in *Soviet Economy in a New Perspective*, Jt. Econ. Committee, U.S. Congress, Washington, 1976, p. 723.

27. U.S. Arms Control and Disarmament Agency, pp. 14-15. It is worth noting also that in their recent paper comparing US and Soviet GNP (Edwards, Hughes, and Noren), the CIA representatives note that Soviet GNP is overstated relative to that of the US because of the higher quality of US products which is not reflected in the comparison.

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are correct, this is a very significant change. At the time of revelation, then Secretary of Defense, James Schlesinger, used the new figures to argue for higher U.S. defense expenditures by implying that they indicated a greater Soviet defense commitment and capability. In fact, the CIA specifically stated that the higher ratio does not indicate a greater capability since, as noted, it results simply from higher prices placed on the same bundle of weapons. It does indicate, however, that the USSR is committing more resources to defense than was previously believed. But this should be cause for rejoicing rather than for Cassandra-like warnings, since it indicates that in the military race, the Soviets have been forced to work much harder than had been imagined because productivity in the military sector was lower than had been assumed.

While the recalculation of ruble prices has major implications for the share of Soviet GNP devoted to defense, it may not change significantly the index number spreads discussed above, although this is hard to predict with certainty without much more information. A higher ruble price of military equipment should raise the ruble value of U.S. defense expenditures more than those of the Soviets because our armed forces are relatively equipment-intensive. But, since there is a smaller difference between the two nations in quantity of equipment added each year than there is in manpower, the effect should not be large. These ruble price revisions may explain the slight increase in the CIA's military index number spread (Table 1, col. 3) between 1974 and 1976—although one would have thought that increase should have been greater.

The price revisions have one further implication for our evaluation of the CIA data. As noted above, the CIA judges that its "... probable maximum error in dollar estimates [is] 15 percent. ..." They did not disclose a judgment on the probable maximum error in their ruble estimates, but certainly it must have been at least an order of magnitude less than the almost 100 percent error finally admitted to. The question may well be raised: How do we know now that the new ruble—or even the old dollar—figures are reliable?<sup>29</sup> Unfortunately, the CIA does not present enough information for outsiders to make independent judgments. Yet much undisclosed information (e.g. price data) would hardly seem to need classification! From whom, after all, is the CIA hiding data on Soviet military expenditures—Americans or Russians?

#### *CIA Estimates: An Attempt at Revision*

We have indicated several respects in which the CIA methodology has exaggerated Soviet relative to U.S. defense expenditures. It is impossible to quantify these exaggerations with any precision. But it is possible and seems highly probable that alternative methodologies would indicate that the United States is spending as much or more on defense than the USSR. Some back-of-the-envelope calculations are presented in the appendix. These suggest some changes in the CIA estimates for 1976-77 and similar changes to estimates for other years. To begin with, let us assume that the CIA estimates of USSR/US defense expenditures in dollars and rubles, respectively, of 1.40 and 1.25 are correct except for the amendments to be suggested below. First, we adjust the ruble ratio conservatively to 1.15 for index number effects which would result from greater disaggregation. Then we adjust the two ratios for the fact that Soviet military personnel are less educated and less well-trained than American. Applying the same 20 percent pay discount that the CIA uses for personnel in the fields of health and education results in a

28. JEC, 1977, p. 17.

29. As one British expert put it: "The interested layman might be more than a little suspicious about estimates that suddenly double ruble costs while leaving dollar costs unchanged. This suspicion must amount to concern when such revisions do not even appear to disturb the regular annual assessments, nor the confidence with which they are quoted in Congress during the passage of the American defense budget," (Paul Cockle "Analysing Soviet Defence Spending: The Debate in Perspective," *Survival*, Sept./Oct. 1978, p. 209.

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drop from 1.40 to 1.30<sup>30</sup> in the USSR/US dollar defense expenditure gap; and from 1.15 to 1.13 in rubles.<sup>31</sup> An adjustment for the overvaluation of Soviet equipment was more difficult to pinpoint because we had no precedent from which to draw. We assume that all weapons were overvalued (obviously an overstatement) but then assumed the overvaluation fell within a range of from 10 to 40 percent. This reduces the dollar gap, now at 1.30, to 1.18-1.27 and the ruble gap from 1.13 to .89-1.07.

The ruble ratio is further reduced by the serious undervaluation in ruble prices of the value of U.S. high technology equipment. We assume, on the basis of ambiguous statements in the JEC hearings (see appendix), that high technology weapons amount to 30 percent of U.S. weapons procurement and that their true ruble prices should be, successively, two, three and four times the prices used by the CIA. This, along with the previous adjustments, puts the ruble range between .70 and .97. At Colby's "almost uncountable" prices, of course, the ratio would be driven much lower toward zero. That is to say, if the USSR cannot produce a good portion of our equipment at almost any cost, then the price approaches infinity and the ruble ratio becomes indeterminate in a downward direction toward zero.

This is as far as we can go with quantitative illustration.<sup>32</sup> So far, the dollar gap is reduced almost in half and the ruble gap is either just about eliminated or, more probably, reversed. That is to say, in rubles, the United States is almost certainly outspending the USSR and probably by as much as the USSR outspends the United States in dollars. In earlier years (1972-1974) when the USSR was supposed to have been outspending the United States, but by lesser amounts, we were probably spending more than they were by either ruble or dollar measure.

There would appear to be little basis, at present, for claiming that either nation is currently outspending the other on defense. Since the USSR spends more in a dollar comparison and we spend more in a ruble comparison—and dollar and ruble comparisons are equally valid—who outspends whom is indeterminate. This modified quantitative evaluation seems a little more consistent than the CIA's with widely accepted views that the United States as the equal of the USSR—if not militarily stronger—because its superior technology offsets Soviet quantitative superiority in both personnel and weapons.<sup>33</sup>

#### *Conclusions and Implications for Policy*

The CIA has a difficult job assessing the magnitude of Soviet defense expenditures because of the secrecy with which the USSR has shrouded all data on defense. In making the US-USSR comparisons, the CIA is faced with a number of methodological and data choices. In the instances cited above, the choices have all leaned in the direction of exaggerating Soviet relative to US expenditures. It is true that some of the alternative choices have involved difficult measurement problems and much guesswork. However, at least some of these do not appear to be of a different order of magnitude from measurements already attempted by the CIA. Moreover, many other choices not considered above have to be made as well—such as in the interpretations

30. A similar effect, reducing the ratio from 1.30 to about 1.20, would result from using the lower US pre-volunteer army pay scales. That is to say, the shift to a volunteer army by the US raised Soviet expenditures on manpower in dollars by almost twice as much as those of the US. However, we do not introduce this change into the calculations because the high volunteer army pay scales undoubtedly more appropriately represent the true value (opportunity cost) of members of the US armed forces.

31. The impact of the adjustment is smaller in rubles than in dollars because, in rubles, expenditures on manpower are so much smaller a percentage of total defense expenditures. The reverse is true, of course, of the adjustment for the value of weapons made directly below.

32. Below, we postulate that CIA security analysts have asymmetric loss functions. If this is true, then it is highly probable that both the dollar and ruble ratios need to be reduced by another, say, 10 percent to allow for further overestimation of Soviet defense expenditures from this source.

33. None of the official estimates presented by the CIA include retirement costs although such costs are included, domestically, among our military expenditures. Inclusion of such costs for both nations in 1977 would reduce the USSR/US ratio from 1.40 to 1.33 according to the CIA (JEC, 1978, p. 33) because US retirement costs substantially exceed those of the USSR. Exclusion of such costs by the CIA would seem to make sense since the CIA is concerned with current military capabilities to which retirement costs are irrelevant.

**CONTINUED**

of quantities of weapons from satellite photos and in dollar costing of Soviet equipment—and one wonders if a similar bias, conscious or unconscious, infects these choices. It would seem reasonable to argue that those working with the U.S. Government on US-USSR military expenditure comparisons, whether they are deciding how to value military personnel, or whether to publish a ruble comparison, or are interpreting satellite photos of weapons factories, are all likely to be possessed of what might be called an "asymmetric loss function." That is to say, the danger from underestimating Soviet military output is likely to be viewed greater than the danger (loss) from overestimating it. Overestimation would, at worst, simply lead us to waste another 5-10-20 billion dollars worth of resources trying to catch up; underestimation could result in military inferiority and even defeat. So it appears wiser to err on the side of overestimation. Though the extent of this effect can only be speculated, it is clearly a factor at work.

The preceding discussions have important implications for the annual debates over the U.S. military budget and the current debate over SALT II.<sup>34</sup> These debates have long been confused by statistical smokescreens<sup>35</sup> and it behooves us to remove such obfuscations whenever this is possible. The military expenditure gap presented by the CIA is one such smokescreen. Index number effects plus other estimation biases noted above radically change the picture presented by the CIA. The CIA admits, either explicitly or implicitly that: ruble and dollar comparisons are equally valid; the index number spread would be greater if it were possible to disaggregate; Soviet soldiers are less well-trained than American, hence overvalued; Soviet equipment is generally overvalued; U.S. high technology equipment is massively undervalued; its military expenditure estimates in dollars are subject to a possible error of  $\pm 15$  percent—in light of the asymmetric loss function posulated above, the range is more likely to be from +25% to -5% and; for years it made an almost 100 percent error in its estimate of ruble prices. The CIA might legitimately claim that it cannot make precise estimates of some of the factors presented above. In that event, they should either make the best imprecise estimates of which they are capable or present no estimates at all. For the fact is that the errors of estimate which result by default are not evenly distributed and, as a result, do not balance out. In fact, they reinforce each other with the result that a totally false picture emerges. True, this picture is qualified under Congressional interrogation. Nevertheless it is still presented outside of the relative seclusion of Congressional Committee rooms to the unwitting public, including the full Congress, with unrelieved bias and exaggeration. It is a serious disservice to our policymakers and the public to have the national security debates use the CIA's dollar comparisons, particularly as they are presently calculated. Either dollar and ruble figures, correctly estimated, should be presented—or neither should be.

Second, it is extremely important to recognize that there are undoubtedly Soviet counterparts to the CIA. At the aggregative level, for purposes of comparison, they probably calculate U.S. defense expenditures in rubles.<sup>36</sup>

34. According to Congressman Les Aspin, "Defense Secretary Rumsfeld, for example, used his dollar comparison chart four times during his budget presentation to the House Armed Services Committee. No other chart rated such frequent attention." Cf. Les Aspin, "Soviet Strength, U.S. Purpose," *Foreign Policy*, No. 23, Summer 1976, p. 44. *The New York Times* (December 13, 1979, p. A24), referring to President Carter's message on the military budget, said, "The principle rationale for the increased military budget proposed by the President was the Soviet Union, which he said has been increasing its real military spending by three or four percent a year for 'nearly twenty years.'"

35. Let me present four examples: 1) the oft-made comparison of trends in defense expenditures over the past 10 years which exaggerates the relative U.S. drop since this was due to a considerable extent to the wind-down of the Vietnam War; 2) the willingness of the Secretary of Defense and others to foster the idea that the rise in percentage of Soviet GNP taken by defense expenditures (in fact, the result of the discovery that ruble prices of military equipment had been too low) implied an increased Soviet military capability; 3) the effort, successful for several years, to avoid presenting publicly the fact that a considerable part of Soviet defense expenditures is oriented toward China, not the United States; and 4) the failure to stress that total NATO military expenditures substantially exceed those of the Warsaw Pact, even in dollars.

36. A CIA spokesman says there is no evidence that they do (JEC, 1975, p. 27). However, in light of the fact that the USSR only publishes a single figure on its defense expenditures each year, and we have no direct clues regarding its breakdown, it is hardly likely that estimates of U.S. expenditures, if calculated, would be visible.

CONTINUED

They are undoubtedly aware of index number effects but whether they make calculations in dollars or not we do not know. It seems reasonable to argue that the vested interest of those making the calculations in the USSR is to build up, as much as possible, the Soviet military-industrial complex. In this event, they would only make a ruble calculation or, at least, would stress the ruble calculation<sup>37</sup> just as our policymakers stress the dollar calculation. They are also likely to be possessed of asymmetric loss functions which, in numerous ways, would lead them to overstate U.S. military outlays and effectiveness relative to their own. The frightening thing about this highly probable scenario is that (although other important factors certainly exist) each nation, viewing the other's defense expenditure through exaggerated index number lenses and from the standpoint of an asymmetric loss function, is apt to try to increase its own defense expenditures beyond what is necessary to achieve any preassigned goal. So, for example, if both nations would be satisfied with aggregate expenditure parity, and actually have parity, each would nevertheless chase the other forever in upward escalation under the impression that it was behind. A ruble's-eye view of U.S. defense expenditures, plus an asymmetric loss function, might even offer a plausible explanation for the continuous rise over the past decade in Soviet defense expenditures.<sup>38</sup>

This Appendix shows how the CIA comparisons of U.S. and Soviet defense expenditures for 1976 and 1977 in both dollars and rubles were revised above in light of the discussion in the rest of the paper. These estimates are admittedly very crude because of the absence of reliable data for many of the relevant variables. But they do indicate unambiguously the direction of adjustment and hopefully are also in the right quantitative ballpark.

The CIA puts Soviet defense expenditures for 1976 and 1977 in dollars at 1.40 times those of the U.S. Thirty-six percent of Soviet defense expenditures in dollars are for manpower (M),<sup>39</sup> approximately 20 percent are for weapons (W);<sup>40</sup> leaving roughly 44 percent for the rest (N). Adjusting for a 20 percent lower quality of Soviet soldiers reduces the dollar expenditure gap from 1.40 to 1.30. Adjusting for a 10-40 percent assumed lower quality of Soviet weapons lowers the gap further to 1.18-1.27.

**Table 2.**  
Hypothetical Figures Based on Dollar Ratios

|         | (1)  | (2)  | (3)       |
|---------|------|------|-----------|
| USSR    | 140  | 130  | 118-127   |
| M       | 50   | 40   | 40        |
| W       | 30   | 30   | 18-27     |
| N       | 60   | 60   | 60        |
| US      | 100  | 100  | 100       |
| USSR/US | 1.40 | 1.30 | 1.18-1.27 |

The overall ruble ratio in 1976-77 was estimated at 1.25. This is reduced (conservatively) to 1.15 for the index number effect. We know that Soviet personnel expenditures (M) are 14 percent of total Soviet defense expenditures in rubles (JEC, 1978, p. 71). We have no ruble figure for U.S. (M). However, knowing that it would be smaller than the Soviet percentage we arbitrarily assume that it is 10 percent although it might be slightly less.

37. An econometric study by Paul Gregory strongly suggests that a major determinant of changes in the level of Soviet defense expenditures is changes in U.S. defense expenditures. We don't need an econometric study to prove that U.S. defense expenditures are geared to Soviet expenditures—our Congressional debates are sufficient evidence. Cf. Paul Gregory, "Economic Growth, US Defence Expenditures and the Soviet Defence Budget: a Suggested Model," *Soviet Studies*, Jan. 1974.

38. If one fleshes out the "ruble's-eye view" one finds the Soviets eyeing a competitor which is spending only 5% of GNP in comparison with their own 11-13% and yet which can generally 1) produce weapons of superior technology as well as 2) higher quality weapons at the same technological level and 3) has better-trained armed forces.

While not precisely to this point, General Harold Aaron, Deputy Director of the Defense Intelligence Agency expressed the opinion that the US\$R "rates" the U.S. "... higher than we rate them. . . ." JEC, 1978, p. 264.

39. JEC, 1978, p. 71).

40. Weapons amount to about one-third of Soviet defense spending in rubles (CIA, *Estimated Soviet Defense Spending in Rubles, 1970-75*, Washington, 1976, p. 13). Since in dollars, wages are higher and weapons prices lower, we assume weapons cost approximately 20% of defense in dollars.

**CONTINUED**

**Table 3.**  
Hypothetical Figures Based on Ruble Ratios

|         | (1)  | (2)  | (3)      | (4)     | (5)     | (6)     | (7) |
|---------|------|------|----------|---------|---------|---------|-----|
| USSR    | 115  | 115  | 115      | 115     | 115     | 115     | 115 |
| US      | 100  | 102  | 107-129  | 119-141 | 131-153 | 143-165 | →∞  |
| M       | 10   | 12   | 12       | 12      | 12      | 12      | 12  |
| W       | 40   | 40   | 45-67    | 57-79   | 69-91   | 81-103  | →∞  |
| N       | 50   | 50   | 50       | 50      | 50      | 50      | 50  |
| USSR/US | 1.15 | 1.13 | .89-1.07 | .82-.97 | .75-.88 | .70-.80 | →0  |

Using the same approach, we assume that procurement of weapons (W) amounts to 40 percent of U.S. defense spending measured in rubles since the comparable Soviet figure, which must be lower, is "about one-third" (cited above).

In column 2, we adjust U.S. manpower expenditures upward by 25% for the assumed 20 percent lower quality of Soviet military personnel. In column 3, the ruble value of U.S. weapons is adjusted upward by from 11 to 66½ percent to adjust for the assumed 10-40 percent lower quality of Soviet military equipment. These two adjustments reduce the defense expenditure gap to a range .89-1.07.<sup>41</sup>

We next assume that 30 percent of U.S. high technology equipment (as valued in column 1) is significantly underpriced and in columns 4-6 we double, triple, and quadruple their prices. The 30 percent figure is based on an ambiguous statement by General Wilson, in which he quotes a statement of Admiral Turner. Speaking of the quantity of technologically superior U.S. equipment which cannot be produced by the USSR, General Wilson said "I think Admiral Turner's use of 70 percent, which would apply in reverse to about a third of the weapons, also probably is correct. . ." (JEC, 1977, p. 87). The adjustment for undervaluation of high technology equipment drives the ratio considerably below unity, implying that in rubles, the United States would be outspending the USSR by about as much as the USSR outspends the United States in dollars.

41. The quality of military equipment adjustment contains an overlap with the high technology adjustment directly below. Allowing for overlap would raise the range to .95-1.09.

The inspiration to write this paper came from attending a meeting at the Stockholm International Peace Research Institute. A first draft was completed while I was a research fellow at the Atlantic Institute in Paris, where I benefited from discussions with Gregory Flynn, Martin Hillenbrand, and Robert Lieber. Later versions benefited from discussions with my colleague at Tufts, David Dapice, and from a presentation at the Harvard Russian Research Center in late 1979, where the comments of Abram Bergson, Edward Hewett, and Barney Schwalberg were particularly helpful.

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# China Said to Put Military Second to the Economy

By CHARLES MOHR

Special to The New York Times

WASHINGTON, Aug. 9 — The modernization of China's large but antiquated armed forces is likely to be a slow process spread over decades, according to an analysis by the Central Intelligence Agency.

An unclassified research paper produced by the C.I.A.'s National Foreign Assessment Center and made public this week expressed the opinion that Chinese leaders "now more than ever recognize that they must correct the funda-

mental weaknesses in the economy before they can undertake an extensive upgrading of defense capabilities."

The C.I.A. estimated that China is making slow, if steady, progress in repairing the disruption to its technological capability and its industrial base caused by the ideological turmoil of the Cultural Revolution in the late 1960's. Military procurement largely depends on — and will take second place to — restoration of lost ground in those fields, the paper said.

The Department of Defense, which essentially shares those views, confirmed in a separate announcement that the Pen-

tagon chief of military technology would visit China this fall to discuss possible technological aid.

## No Sales by United States

William J. Perry, Under Secretary of Defense for research and engineering, will not discuss with Chinese officials sales of sophisticated United States military equipment, a Pentagon spokesman said. United States policy against such sales to China "is fixed," the spokesman said, adding that "China is not interested in buying weapons, recognizing it would be much too expensive."

Dr. Perry will discuss the possible transfer of certain electronic, radar, communications and other equipment that may have both civil and military applications, the Pentagon official said. The trip is likely to take place in September.

The C.I.A. research paper said that after a decline in the opening months of the Cultural Revolution, military spending in China rose sharply from 1967 to 1971, increasing at an average of 10 percent a year.

However, although defense plant capability was almost tripled in that period, it largely consisted of "antiquated production processes" that turned out Soviet-designed weapons of a 1950's vintage, the report said.

Since 1972, when more pragmatic leaders began to reassert control in China, defense procurement was first cut and then began increasing at only 1 to 2 percent a year, the report said.

Even if China got an infusion of foreign defense technology and aid, "the impact on force capabilities would not become apparent until the late 1980's," the report said.

ARTICLE APPEARED  
ON PAGE 160-161

THE NATION  
2-9 August 1980

# Whitewashed Oil

**T**he Carter Administration, in whitewashing the big oil companies' responsibility for the horrendous gasoline lines of 1979, has apparently adopted the philosophy that if it didn't play the first time in Peoria, just try, try again. Last summer, with evidence mounting that the gasoline "crisis" was contrived to drive prices higher [see Fred J. Cook, "How Big Oil Turned Off the Gas," *The Nation*, July 28-August 4, 1979], President Jimmy Carter sternly ordered the Justice Department and the Department of Energy to investigate the charges. The D.O.E.'s report, exculpating the big oil companies, became an instant embarrassment. It blamed everything on the cutoff of Iranian oil—the much-ballyhooed "Iranian shortfall"—but an investigation by *The Washington Post* established conclusively that the report had been compiled without any real investigation and was, in fact, nothing more than "a propaganda exercise."

Instead of blowing his Presidential stack at having been delivered such a phony piece of goods, President Carter lapsed into silence about the matter. Almost a year passed—and then, on July 17, the Justice and Energy Departments filed reports that were ostensibly pure, pristine endeavors. Just like playing a cracked record on the old Victrola, they resurrected the tune of "the Iranian shortfall" and held Big Oil blameless.

The key to this second-time-around conclusion is probably contained in this paragraph in the Justice Department report: "In summary, the United States experienced a deficit in crude oil imports in the first nine months of 1979 because of a world crude shortage and that shortage was, in large part, the result of the Iranian production cutback."

This statement defies all the evidence in every official study that did not emanate from the oil-controlled D.O.E. or, as one Congressional investigator described them, "the eunuchs" in the Justice Department. The critical period was, of course, not the first nine months, but the first four months of 1979, when the gas lines developed. An item-by-item listing of other official studies reveals the Carter Administration's Big Oil bias. For example:

§ A Federal Trade Commission study showed that, depending on the month taken for comparison, U.S. gasoline supplies were up from 4 to 8 percent during the first four months of 1979 compared with 1978.

§ Customs figures showed that imports during the first five months actually increased 10 percent over 1978.

§ The Central Intelligence Agency reported that free-world oil production in the first quarter of 1979 had increased over 1978 and that imports in the first five months outstripped those of 1978. In the critical first quarter, C.I.A. figures showed imports averaged more than eight million barrels a day. In 1978 this figure had been reached in only two of the first five months.

§ A study by Cathryn Goddard and J. D. Polash, Treasury Department experts, showed that "the Iranian shortfall" had been more than offset by increased production elsewhere. In fact, they concluded, Big Oil actually benefited from the cutoff of Iranian oil because the new replacement crudes were of better quality, could be processed more cheaply and yielded higher quantities of gasoline. "Iran's shortfall in exports has not produced any real shortage of crude in the United States," they stated flatly. Then-Secretary of the Treasury Michael Blumenthal smothered the report, and Goddard, its principal architect, was forced out of Government service.

§ Terence O'Rourke, energy adviser to anti-inflation chief Alfred Kahn, found, in an exhaustively documented report, that "a handful" of major American oil companies had diverted low-priced crude to the high-priced spot market in Rotterdam. Then, O'Rourke reported, these majors cut off deliveries to smaller companies they ordinarily supplied. The smaller oil companies were forced to buy on the spot market; they had to charge American drivers more—and this drove up prices.

§ Brian Ross, of NBC *Nightly News*, forced the Exxon Corporation to admit that, at the time of our direst need, it had diverted fifteen Exxon tankers from its Aruba refinery to Europe. Exxon wouldn't say where four of them went—presumably to the spot market.

§ The Oregon Attorney General's office, in an independent probe, blamed the oil companies for inflicting gasoline lines on California *first* at a time when Alaskan oil was literally inundating the West Coast. It exposed the Iranian shortfall myth, reporting that there had been virtually no imports of Iranian oil to the West Coast since 1977. The Justice Department, in its recent exculpation of Big Oil, had blamed the D.O.E.'s allocation system for part of last year's havoc, but the Oregon Attorney General's office had also exposed this myth. It reported: "While gas allocations are accomplished through D.O.E., the requests to commence allocations, the statistical data on which allocations have been based and the calculation of the details of the actual allocations all originated with the oil companies themselves."

Such is the undeniable record. In light of it, it is hard to see how the Carter Administration's second whitewash of Big Oil will play any better in Peoria than it did the first time.

THE ECONOMIST  
9-15 August 1980

# NATO AND THE WARSAW PACT

## Good-small vs good-big

"God", according to Voltaire, "is always on the side of the big battalions." Technology has changed warfare enormously since Voltaire's day, yet counting up the numbers is still the best way—short of actually fighting—to judge a potential enemy's strength.

People in the west, observing that Russia and its Warsaw pact allies have more of almost every sort of military power than Nato does, have long been tempted to believe that this communist advantage in sheer numbers can be cancelled out by "other factors"—morale, quality of equipment, political will, what have you. Western governments, asking their parliaments for defence budgets which provide less than the Russians have of almost everything, argue that superior western quality can somehow overcome Russia's big battalions.

There are three things wrong with this quality-beats-quantity fallacy: (a) nobody really knows what "quality" is (and westerners tend to think of it as synonymous with advanced technology, which sometimes results in complex gadgets that break down frequently if not maintained by highly trained technicians); (b) the Russians are making rapid improvements in the performance of almost all of their weapons, and are rapidly overtaking Nato in technological excellence; and (c) Voltaire was probably right.

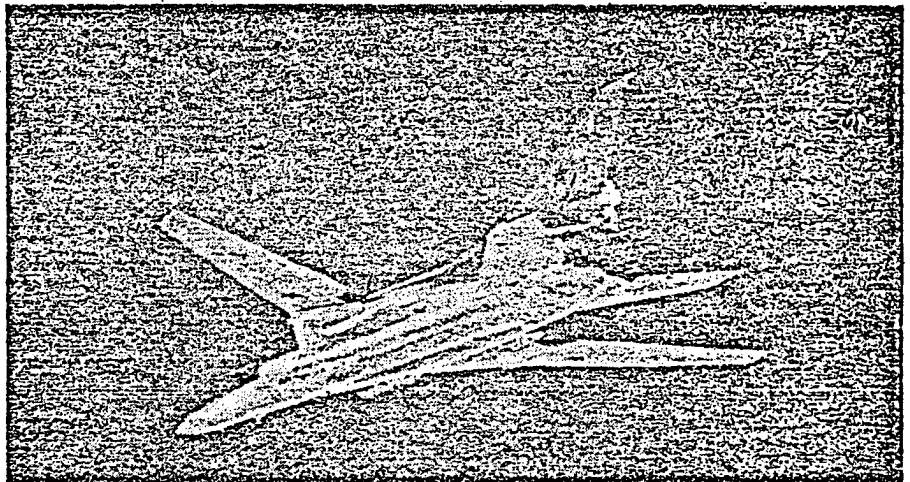
The next three pages will discuss some of the most revealing numerical comparisons between Nato and the Warsaw pact

in mid-1980, examine some of the qualitative differences, and make a guess at what the balances might look like in a few years' time.

1. Defence spending. Money is not a weapon, but it is the basis of all military power: a measure of what is being produced at the moment, an indication of

several different groups of western analysts have calculated what lies behind the figleaf, the most comprehensive job probably being that done by the CIA. These analyses vary, but present the same broad picture. Military spending is now taking somewhere between 11% and 18% of the Soviet Union's gnp (the lowest and highest of the serious estimates), compared with 5.2% of America's, 4.9% of Britain's, 3.3% of West Germany's and 4% of France's.

There are two main ways to compare Russian spending with the west's: (a) the dollar estimate, which tries to measure how much it would cost the west to build



Russia's heavyweight Backfire floats like a butterfly

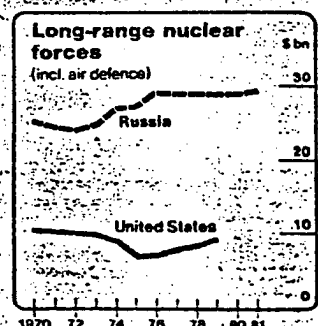
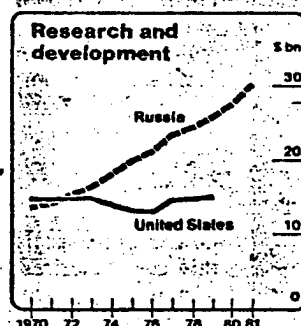
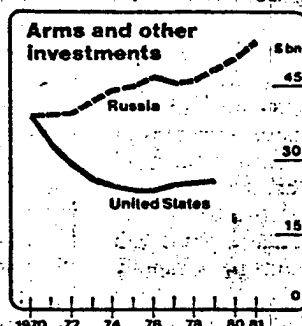
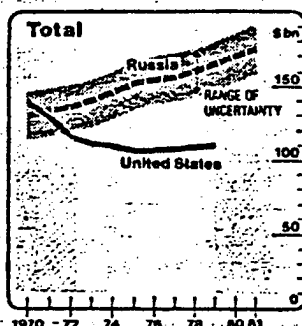
what will be available in the future and a strong clue to the political will behind it all. The sustained growth of Russian defence spending over the past 15 years is one of the most alarming features of its policy towards the west.

Russia's published spending figures are worthless, a mere statistical figleaf. But

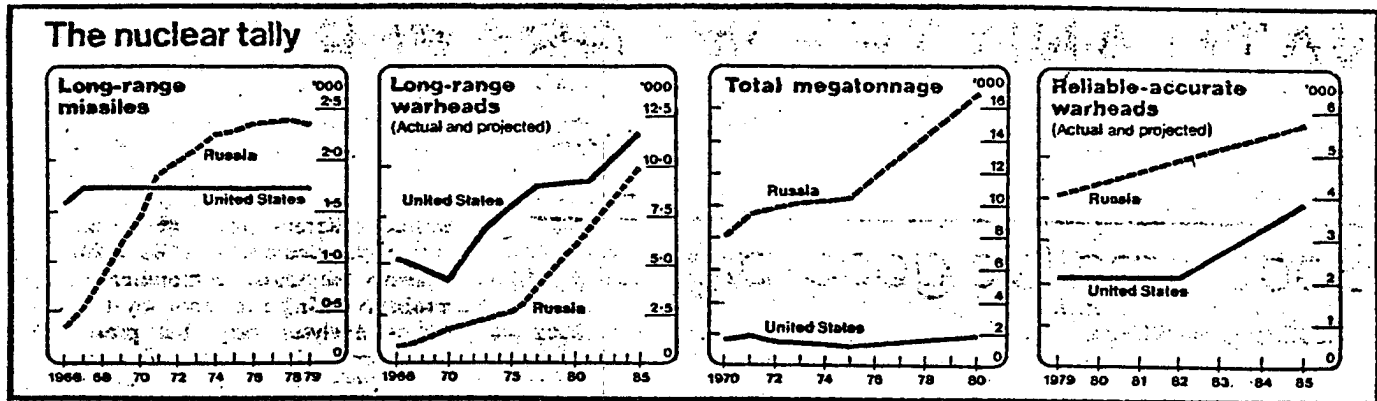
a force equal to Russia's, and (b) the rouble estimate, which tries to measure the burden of the Russian military establishment on the Russian economy by estimating its cost in Russian currency.

The CIA's dollar comparison between Russia and the United States is shown in the charts below. The crossover point

### The money



## The nuclear tally



between the two countries came in 1971, and the margin has been widening ever since as Russian outlays have continued to grow at 3-5% a year in constant prices, while those of the United States have declined. By the end of the 1970s the dollar cost of Russian military spending was about 50% higher than that of the United States, the rouble cost about 25% higher. Some other estimates make the Russian-American gap smaller, some make it bigger. All agree that Russia spends substantially more than America.

What is it spending it on? Not men in uniform (though it has more; it pays them much less). The money goes on buying new weapons, construction work and other sorts of military capital investment, immediate and solid additions to military strength. (Research and development, however, is a separate category, on top of these figures.) Chart two of the group on page 35 shows that since 1970 Russia has out-invested the United States by over £100 billion. If this seems an astonishing figure, consider some of the main things the Russians have bought in the past 10

years:

- four new models of intercontinental ballistic missiles;
- a new kind of tank;
- a whole family of new tactical aircraft;
- the largest fleet of armed helicopters in the world;
- dozens of new warships for the Soviet navy.

Despite the growing disparity between Russia and America, Nato as a whole still seems to be ahead of the Warsaw pact as

### 1979 Russian production of major weapons

250 intercontinental ballistic missiles  
40,000 anti-aircraft missiles  
1,800 combat aircraft  
(including helicopters)  
3,000 tanks  
4,000 armoured personnel carriers  
5 major surface warships  
9 submarines

a whole in total defence spending: American outlays are only just over half of Nato's, whereas Russia accounts for about 85% of the Warsaw pact's. However, it seems unlikely that Nato's spending on weapons and equipment equals that of the Warsaw pact. The table above shows one year's Russian output of major weapons, which exceeds Nato's combined production in every category.

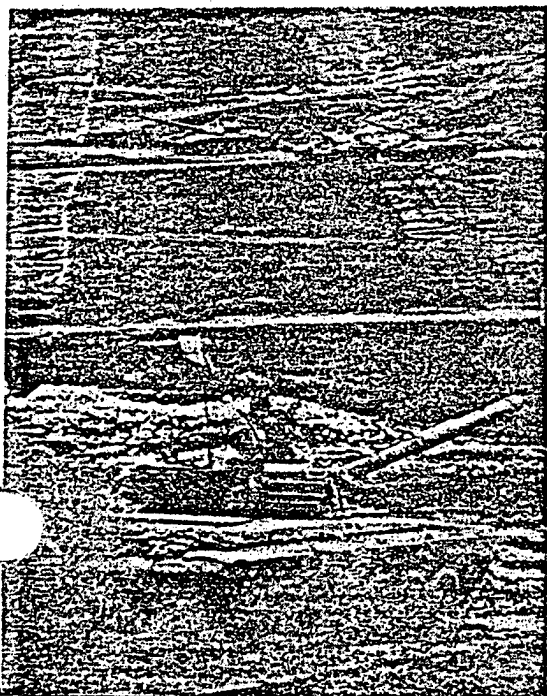
2. Nuclear weapons. Russia has modernised its nuclear armoury rapidly over the past six years. It is about to reach equality (at least) with the United States in intercontinental power, and has increased its nuclear challenge to western Europe by a breathtaking margin.

For several years Russia has out-reached the United States in most measures of nuclear strength—megatons of explosive power (1 megaton=1m tons of TNT), numbers of missiles and the total weight that can be lifted to the target. Only in numbers of warheads has the United States remained ahead. But even this last American advantage is rapidly disappearing as the Russians deploy large numbers of independently targetable re-

entry vehicles on their big new missiles. The charts above show the recent rapid change in numbers of warheads—including those carried by bombers as well as missiles—together with the likely trend until 1985.

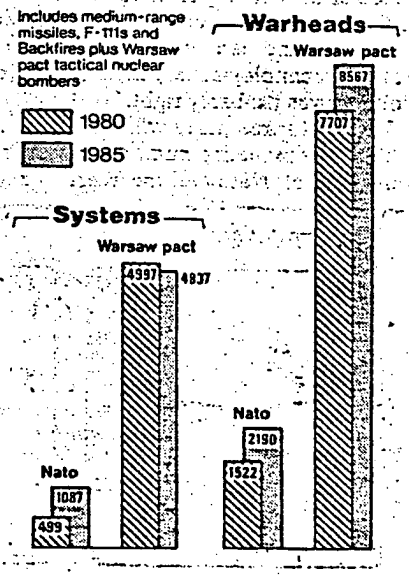
And the raw warhead totals do not tell the whole tale, anyway. A much higher percentage of America's warheads are carried by manned bombers and submarine-launched missiles. The bombers have a much smaller chance of getting through than missiles do, and the submarine missiles are not only much less accurate than the land-based ones—not accurate enough to destroy the other side's missile silos—but also less readily usable (only about half the American missile submarine fleet is at sea and ready for action at any given time). Thus a tally of "reliable and accurate" warheads—those on land-based ballistic missiles and cruise missiles—while still failing to tell the whole story (as any single measure must) nevertheless gives a sobering second view of the warhead balance.

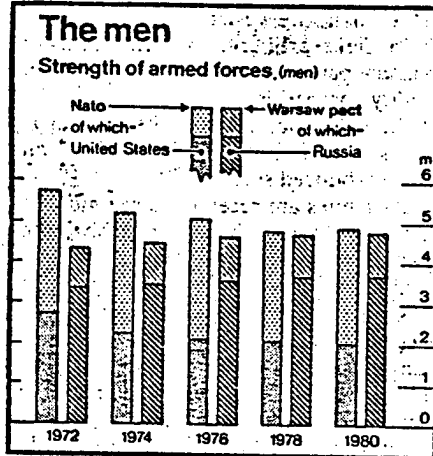
The best tanks have red stars



## The Euro-nuclear tilt

Includes medium-range missiles, F-111s and Backfires plus Warsaw pact tactical nuclear bombers





The future is no brighter. Although Russia will probably not quite catch up with the United States in total numbers of warheads by 1985, it will remain well ahead in reliable and accurate warheads even after the United States has deployed its super-accurate air-launched cruise missiles, now entering production. The addition of these new missiles will not close this particularly worrying gap; it will merely stop it getting any wider.

That is the America-Russia stratospheric picture. In Europe, a little closer to earth, there is a large and growing disparity between the medium-range nuclear forces of Nato and those of the Warsaw pact—the weapons that could hit Nato Europe from Russia and vice versa. The chart on page 36 shows the number of systems and warheads each side possesses.

Both the systems totals and the warhead count are tilted sharply the Russian way. Moreover, quite a lot of the Russian warheads are contained in the mobile, multiple-warhead SS-20 ballistic missiles and the high-speed Backfire bomber—both more modern than almost anything in Nato's European nuclear armoury, and both still rolling off the production lines. More than a third of Nato's warheads are in the 40 American Poseidon and Trident-1 missiles which are assigned to Nato, but which also double up as part of America's own deterrent. Russia also has several thousand tactical aircraft which can attack targets in Nato Europe with nuclear weapons; Nato has only a few aircraft that can reach Russia from Europe.

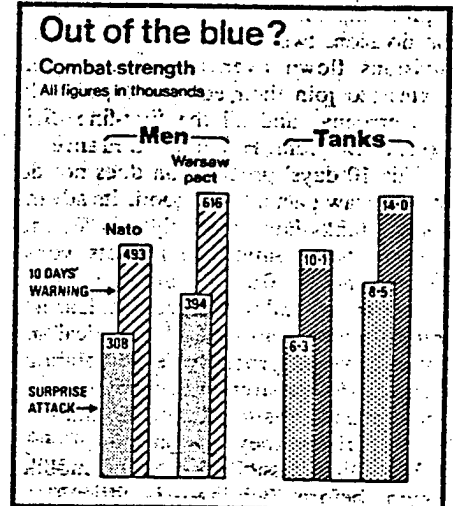
Since last December, Nato has had a programme to add 464 ground-launched cruise missiles and 108 Pershing-2 ballistic missiles to its European arsenal, starting in 1983 (but two of the five countries scheduled to take them, Holland and Belgium, are still having trouble with their local nuclear disarmers). The frightening arithmetic of the Euro-nuclear balance is shown by one simple fact. Even if

Nato's reinforcement plan goes through intact, the new SS-20s and Backfires still being produced—the Russians are expected eventually to have, 500 and 150 respectively aimed at Europe—mean that by 1985 the Warsaw pact will be even farther ahead in the Euro-strategic warhead count than it was before Nato started its "catching-up" plan last December.

3. The armies in central Europe. In non-nuclear forces, the Warsaw pact outnumbers Nato in most things, although Nato has as many men under arms (see chart, left). The main concentration is on the central European front, and here the Warsaw pact has more men, tanks, artillery, tactical aircraft and, probably, a better air defence system (see chart, right). This is dangerous: a Russian thrust could do great damage to the defending Nato armies, and perhaps even reach the Channel, before Nato could stop it. But not quite as dangerous as the raw figures suggest.

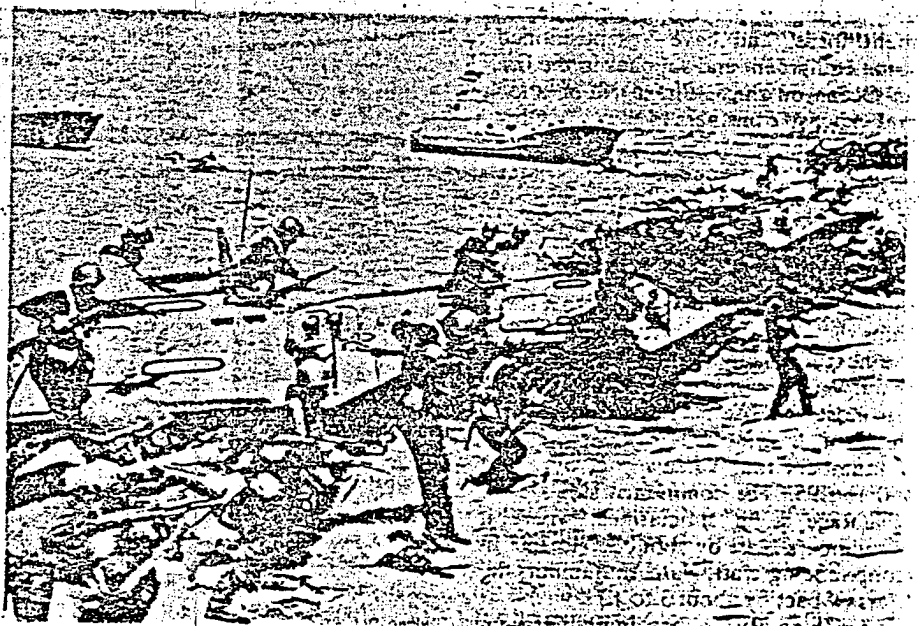
If the Warsaw pact chose to launch an offensive on the central front, there are three ways it could go about it: (a) a complete surprise attack; (b) an attack following a short period of preparation, including some concentration of the existing forces; or (c) an attack preceded by a more general mobilisation. The chart at the right shows how many combat soldiers and tanks would be available to each side in (a) and (b).

In a surprise attack, Nato would have to start fighting with the forces now stationed in Germany, and the Warsaw pact with those in East Germany and Czechoslovakia. These are shown in the smaller bars. The overall ratios—about 1½ to 1 in the communist side's favour in



both men and tanks—are a good deal less than the 3 to 1 ratio generally accepted as necessary for victory. But "overall" can be misleading. The trick is for the attacker to assemble an overwhelming force in a small area so as to punch a hole through the defenders' line before help can reach it. Since Nato's army is in peacetime scattered over West Germany, the extra 100,000 well-armed, first-line troops at the Warsaw pact's disposal, properly used, might be the punch-through factor.

The taller bars on the chart show what each side might do with about 10 days' preparation. The Warsaw pact figures then rise to include the first-line Russian forces stationed in the western districts of the Soviet Union and just inside eastern Europe, plus the first-line Polish and Czech divisions (although there is some doubt about the loyalty and efficiency of these two satellite armies). The Nato



Coastal defence no more—now the Russian navy can land troops where the action is



figures expand to include one extra British division, two "dual-based" American divisions flown over from the United States (to join their equipment, already in Germany) and all the first-line divisions of Belgium, Holland and France.

This 10 days' preparation does not do the Warsaw pact a lot of good. Its advantage in tanks improves only a little, and the manpower ratio actually gets worse for it. And in 10 days Nato could reinforce its tactical air forces in Europe much more vigorously: the tactical air balance would probably settle at about 7,000 to 6,000 aircraft in favour of the communist forces instead of the almost 2 to 1 superiority they now enjoy.

The third possibility—general mobilisation before fighting—is difficult to quantify. What would the Nato countries do if Russia started to mobilise? What would the less stalwart members of the Warsaw pact reply if Russia asked them to get ready to fight the west in four weeks' time? The imagination boggles. The only half-plausible guess seems to be that mobilisation is unlikely to leave the Soviet alliance much better off than it would have been from a standing start.

All these nice calculations apply only to Europe. In the oil-bearing region of south-west Asia around the Gulf, which may be the focus of east-west tension in the next few years, the Russians' current military advantage can be summed up in one word: overwhelming. Russia's move into Afghanistan is an entirely new card in the game. The Russians are already within fighter-bomber range of the Gulf and can probably get their ground troops there with little trouble; the United States could get its forces into the area only with great difficulty. The Americans are starting to prepare a rapid deployment force, and have "prepositioned" some equipment and supplies in the Indian Ocean on ships. But it will be a long and expensive business to create anything like a balance of power in south-west Asia, and the attempt is bound to mean diverting American resources from the defence of Europe.

4. The navies. Russia's great naval building programme of the 1960s levelled off some time ago, leaving it with a lot of ships that will become obsolescent within the next few years. The Warsaw pact has about 900 warships in all, to Nato's 700, but most of those 900 are small ones: in ships of frigate size and larger Nato outnumbers the Warsaw pact by about 460 to 195. The communist side's chief advantage is in submarines, where it outnumbers Nato by about 360 to 260. In troop-landing craft, Nato outnumbers the Warsaw pact by about 3 to 1.

The ships Russia has built in recent years have tended to come in packets of

two or three of a type; this suggests that the Russians are still experimenting to find out what they need. The *Kiev* class of light aircraft carrier, the first of which appeared in 1975, showed that Russia wanted to move into naval air power. Although it now seems that only three *Kiev*-class ships will be built, recent intelligence reports say that a large aircraft carrier may appear in the late 1980s. A 32,000-ton nuclear-powered battle-cruiser is due to be completed next year. It will carry a wide range of weapons, including 300-mile cruise missiles and, probably, helicopters and Yak-34 jump jets.

Both these developments point to the lengthening reach of Russia's navy, which was once (except for its submarines) a mainly short-range fleet. Two other recent ships seem to underline this. The 11,000-ton *Ivan Rogoff* is the first Russian attempt to build a ship that can carry assault troops over long distances. The *Berezina* is a supply ship which can transfer stores and fuel to warships on the move at sea, a technique in which Russia has long lagged behind western navies. But there is no sign yet of plans to build more *Berezinas* or *Ivan Rogoffs*.

#### Quality plus quantity?

What are the lessons of all this, as the west shuffles into the dangerous 1980s? In the past, the Russians and their allies on the whole used simple military equipment (standardised, because all designed by Russia) operated by large numbers of men. Now, in almost every category, their weapons are getting as good as, or

better than, the west's. For instance:

- In field artillery, gun for gun, the Warsaw pact may already be ahead in the quality competition.

- At least four fifths of its tactical air forces now consist of "late model" aircraft (produced since 1970).

- Its armies are receiving large numbers of the T-72 tank, which is probably better than any tank now deployed by Nato (although not as good as the new Nato tanks just entering production—the American Abrams and the German Leopard-2).

- The Soviet navy is building large titanium-hulled submarines that may be the deepest-diving submarines in the world.

Part of the explanation may lie in the fact that, with their particularly low birth rates, the Warsaw pact countries have got a manpower problem looming ahead. But there is no sign yet that they are moving towards a Nato-like policy of small armies equipped with fine weapons. Their numbers of men under arms show no marked downward trend.

It is entirely possible that Russia and its allies, which have means of social discipline unavailable in the democratic world, will keep the numbers up while at the same time continuing to spend enough money on defence to go on improving the quality of their weapons. If that happens, Nato will soon face a hard choice. It can use its continuing technological lead to produce weapons and equipment so vastly superior that they will, once again, make up for greater Russian numbers. Or it can start thinking again, and go back to Voltaire.



Russia takes the high-technology road

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BOOKS

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ON PAGE **F8**THE WASHINGTON POST  
14 August 1980

# The Ludlum Identity

Reviewed by  
**Joseph McLellan**

The reviewer is a reporter and critic for the Style section of The Washington Post.

The sound you hear in the distance, under the tinkle of the windchimes, is that of publicity drumbeating. St. Martin's is going all out for this action-suspense story, although it is that most risky of investments, an unsolicited first novel by a completely unknown writer.

"There was an initial hesitancy," reported editor Barbara Anderson in a special pre-publication edition for critics. But that was the past: "St. Martin's now believes." And so, by implication, must the reader.

Actually, St. Martin's claim is relatively modest. "A.W. Mykel is the next Robert Ludlum," says a typical statement sent out with the book, and a chorus of

## Book World

### THE WINDCHIME LEGACY

By **A.W. Mykel**

(St. Martin's, 423 pp. \$12.95)

accompanying blurbs echoes: "Ludlum. Ludlum. Ludlum" like a tire going flat on an open highway. If that's all that they are looking for—well, yes, perhaps Mykel is the next Ludlum. Not only does his title, "The Windchime Legacy," capture the indefinable charm of "The Matarese Circle," "The Bourne Identity" and "The Rhinemann Exchange," but Mykel has mastered several other elements of the Ludlum Formula. He crams his 400-odd pages with a complex, fast-moving series of incidents that makes it hard to stop reading. He also fills many of these pages with prose the dryness, flatness and awkwardness of which are worthy of the master himself. He handles the language sometimes with a sub-literacy that will be the despair of those who love words and their skilled use. And he is probably going to make a lot of money.

Question: Can you take seriously as a writer anyone who refers to "the welfare roles of this country," and reports that everything a character said "had jived with the facts"? Such a person may be taken seriously only as a symptom of decay in our language.

But—and it is an enormous but—Mykel's humble literary talents are put at the service of a mind naturally adept in the techniques of popular plotting, the art of evoking exotic scenes and the trick of sprinkling the pages with exactly the prescribed amount and flavor of slightly kinky sex. His writing style, for that matter, is not always flat and arid; in a couple of erotic scenes it becomes so vivid that one might almost think he had subcontracted this part of his job, and it is often most effective when there is violent action—though in these scenes (unlike the sex scenes), there is sometimes a bit of momentary confusion about who is doing what to whom.

There is also some confusion about who is doing what in the plot of "The Windchime Legacy," but this is as it should be in a cloak-and-dagger novel. The story includes not only the standard Russians and Americans, but a highly secret and powerful organization of neo-Nazis which emerges in full view only toward the end of the book, although there are hints from the beginning. There are schemes within schemes, situations deliberately set up so that the appearance of failure is almost a guarantee of success, sleeper agents who have been hoarded, unused for half a lifetime waiting for the proper moment to strike a blow for the Soviet Union. Mykel has established a high quota of defectors (from both sides), double agents and professional assassins—a slightly richer than usual recipe for this kind of novel. But there is more: At the heart of the story is SENTINEL, an invention as fascinating as it is chilling.

SENTINEL is a new super-computer developed by the United States in top secrecy; a machine with real intelligence rather than the ability to manipulate data and follow orders. Ordinary computers do not really think like human beings, although their programs can be designed to give that illusion, but SENTINEL does; it has self-awareness, an enormous capacity to receive information and make decisions and even to set its own long-range goals. With the ability to eavesdrop on other computers and tap telephone lines, with satellite sensors watchfully circling the globe and with its own small army of secret agents (so secret that even the CIA—particularly the CIA—doesn't know about them), SENTINEL bids fair to be the first—and thereby the only—computer to rule the world. Its intelligence organization is more efficient than any other because all its key agents are wired directly into the computer; each has a small sending and receiving apparatus implanted in his skull for instant two-way communication. What the agents don't realize is that the latest models of this device also include an explosive charge. This is a handy if drastic protection for agents who get captured and might succumb to torture—and it could even take out a few Russkies if they're standing close enough. It is also security for SENTINEL, of course. If an agent loses his head, he loses his head.

The problems begin when a disgruntled American computer whiz, who knows how to build a newer and bigger SENTINEL, decides that his talents would be better appreciated in Moscow than they are here, and begins the complex process of selling out. If a SENTINEL in American hands is a scary idea, think about a SENTINEL in the hands of the liberators of Afghanistan. This powerful plot mainspring moves a story as complicated as a stopwatch and considerably more interesting. By the time it is finished, addicts of suspense fiction will probably be willing to overlook the fact that much of the book is awkwardly written.



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ON PAGE 74TIME  
18 AUGUST 1980

## Books

# False Friend

THE NOBEL PRIZE

by Yuri Krotkov

Translated by Linda Aldwinckle

Simon &amp; Schuster; 348 pages; \$12.95

**W**hen Yuri Krotkov defected to the West in 1963, carrying a micro-filmed manuscript detailing his experiences as a Soviet secret police agent, he might have chosen a new career as a writer of thrillers. Certainly he had enough material in hand. One of his first assignments for the KGB involved informing on boyhood friends. Later he specialized in the sexual entrapment of foreigners. His job was to introduce ambassadors and attachés to beautiful Soviet women, known as "swallows" in secret police parlance. Once a diplomat was caught nesting with a swallow, there followed a blackmail attempt and—the KGB hoped—recruitment of the victim as a Soviet agent.

Yet Krotkov seems uninterested in writing conventional thrillers. Instead, he has produced *The Nobel Prize*, a spy story of a different kind, about Boris Pasternak. According to the dust jacket, which does not mention Krotkov's secret police background, the author enjoyed "a close personal friendship with the Pasternak family." Though such a friendship between a KGB agent and Russia's great 20th century poet seems unlikely, Krotkov was indeed a frequent visitor to the home of Pasternak after he received the Nobel Prize for Literature in 1958.

**T**he plot turns on actual events, beginning with the Nobel award. The Soviet authorities had been outraged by the publication abroad of Pasternak's novel, *Doctor Zhivago*, which they had banned as anti-Soviet. When the prize was announced, they launched a vast campaign of vilification against the author.

Pasternak cabled his acceptance of the award saying "infinitely grateful, touched, proud, surprised, overwhelmed." Six days later he declined it "in view of the meaning given the award by the society in which I live." He then wrote a letter to Nikita Khrushchev pleading not to be expelled from the U.S.S.R. In spite of these and other concessions, the attacks against him scarcely subsided, and he died in disgrace in 1960 at the age of 70.

Building on these facts, Krotkov has strained for verisimilitude. There are knowing touches of trivia: a mention of the poet's favorite felt slippers, the real names of his dogs. Bits of Pasternak's works and quotes from the Soviet campaign against him are cited with precision. Only the essence of the book is false. Krotkov's defection from the U.S.S.R. seems hardly to have been for ideological reasons, nor does he sympathize with the poet's struggles. For his portrait of Pasternak immeasurably coarsens him while

it diminishes his martyrdom. In addition, it has reduced him to the image purveyed by Soviet propaganda.

Pasternak is made to inveigh against capitalism, under which "every man must be prepared to commit any crime for the sake of money." In the U.S.S.R., on the other hand, "the Bolsheviks are reshaping human nature, directing man toward a better future." Metamorphosed into a true Soviet patriot and Communist, the fictional Pasternak has little trouble turning down the Nobel Prize: "What if I really am just a puppet in the hands of the imperialists?" In any case, he concludes, the prize was "not worth having."

Krotkov's book even demeans one of the most celebrated love stories of modern literary history. Olga Ivinskaya, Pasternak's model for Lara in *Doctor Zhivago*, had been the poet's companion and secretary for 14 years. Now 68 years old and living in Moscow, Ivinskaya has survived two terms in concentration camps



Yuri Krotkov

*He was straining for verisimilitude.*

for her association with the poet.

To judge by this book, Ivinskaya's fate was well deserved. As Krotkov tells it, she was responsible for *Doctor Zhivago*'s publication abroad, thus causing all the troubles. Pasternak is said to have repudiated her when she supposedly pocketed some of the novel's foreign royalties. That allegation corresponds to the line taken by the Soviets in 1960 to justify the eight-year sentence meted out to Ivinskaya, who was convicted on a trumped-up charge of speculating in foreign currency.

Actually, as Pasternak's frantic letters to friends abroad show, his greatest fear during the terror-filled months following the Nobel award was for Ivinskaya. "She and her children are a kind of hostage for me," he wrote. In large part, his refusal of the Nobel Prize and his other concessions had been attempts to save her. Shortly before his death, he managed to send a letter to the West saying: "If, God forbid, they should arrest Olga, all toxins should ring, just as would have been done in my own case, for an attack on her is in fact a blow at me." Twenty years later the blows are still falling on Olga—and on Pasternak. —By Patricia Blake

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NEW YORK TIMES  
11 AUGUST 1980

# Books of The Times

By Philip Taubman

**THE AGE OF SURVEILLANCE.** By Frank J. Donner. 554 pages. Knopf, \$17.95

**T**HOUGH it was only five years ago when each day seemed to bring new revelations of misconduct by America's intelligence agencies, including extensive efforts to monitor and stifle domestic political dissent, the drive to reform and control Government intelligence gathering has lost steam.

The "temporary" administrative controls instituted by the Ford and Carter Administrations are still in place. Formal governing charters for the intelligence agencies, seen as permanent ways of keeping the agencies within the boundaries of the Constitution, are moving through Congress at a glacial pace. A comprehensive charter for the Central Intelligence Agency and its sister agencies was recently set aside in favor an abbreviated bill that gives Congress new authority to oversee the C.I.A., but does not deal with such sensitive issues as establishing standards for the surveillance of American citizens.

## Need for Charters

Frank J. Donner's "The Age of Surveillance" is a powerful reminder of the need for permanent charters. Based on information collected by Mr. Donner during a long career as a civil liberties lawyer, the book chronicles in painstaking detail a long string of Government attempts to muzzle political activities and organizations that have not conformed with mainstream American attitudes.

Beginning with the roots of America's political intelligence system in the last century, and tracing it through the Palmer Raids of 1920, the rise of J. Edgar Hoover and the Federal Bureau of Investigation, and the apex of intelligence abuses during the 60's and 70's, Mr. Donner charts the development of a system that became a kind of

vigilante state unto itself. "No aspect of our common life has been so battered by misconduct and betrayal as our commitment to the fullest measure of political freedom," he writes.

The agents of that betrayal, he finds, were the F.B.I., the C.I.A., the military, the Congress, the Internal Revenue Service, the White House and what he calls "kangaroo grand juries." Most of the details of how these agencies abused civil liberties have been published before — by Congressional committees, newspapers and others. But this book is more than a rehashing of old news.

Mr. Donner has performed an invaluable service by wading through the mountains of reports, legal briefs, newspaper clips and Government documents, separating the hard evidence of misconduct from the rumors, and then binding the information together within a historical and cultural framework. The result is a cohesive, important examination of how and why the United States drifted into the gravitational pull of police-state repression.

Mr. Donner, who is director of the American Civil Liberties Union's Project on Political Surveillance, succeeds best when he presents evidence of institutional abuses. His account of how the I.R.S. was used for political purposes does not merely restate the story of misconduct during the Nixon Administration, when the agency was used to harass political enemies. Mr. Donner goes back to the Kennedy Administration, showing that officials tried then to use the I.R.S. to unsettle political groups.

When he deals with grand juries, Mr. Donner recounts with chilling detail the way the Nixon Administration's Justice Department manipulated the grand-jury process to conduct far-reaching inquiries of antiwar groups. The conviction and plea rate for the nearly 400 indictments that resulted from these investigations was less than 15 percent, compared to 62 percent in



Frank J. Donner

ordinary criminal cases.

Little wonder, as Mr. Donner notes, that Mr. Nixon warned H. R. Halde- man and John W. Dean 3d in 1973, as Watergate unraveled, that "grand juries are not very fair sometimes."

## 'Nativist Syndrome'

The book is less successful where Mr. Donner seeks to be a political theorist. He finds intelligence abuses rooted in what he calls a "nativist suppressive syndrome" in America, which he believes produced a demonic, destructive antiradicalism. He sees this phenomenon as the spawning ground for a series of unenlightened leaders who have been supported by "nativist cadres." J. Edgar Hoover would be the quintessential example.

Although there may well be a repressive streak in our national character, Mr. Donner's repeated references to "nativism," and his effort to link all surveillance abuses to it, weigh down the book and make the going slow in some sections.

But, as Mr. Donner acknowledges, the subject of excessive surveillance has become something of an obsession for him. If so, it is an obsession from which we can all profit. The misconduct, Mr. Donner says, appears to have stopped for the moment. The challenge is to assure that it doesn't resume.

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BOOK WORLD  
10 August 1980

# Specter of Nuclear Blackmail

**THE FIFTH HORSEMAN.** By Larry Collins and Dominique Lapierre. Simon and Schuster. 478 pp. \$13.95

By **RICHARD HELMS**

**I**N A PLOT which sets up a contest between the wills and skills of the president of the United States and Libyan strongman Muammar al-Qaddafi, the leading character turns out to be a detective first grade in the New York Police Department, Angelo Rocchia.

*The Fifth Horseman* is a novel about thermonuclear bombs in the hands of terrorists. Whence this title? Those who are up on chapter six of *The Revelation of Saint John* may recall that white, red, black and pale horses had riders who might be called Pestilence, War, Famine and Death. These were known as "The Four Horsemen of the Apocalypse," enshrined many years ago in the title of a book by Blasco Ibañez. "Now . . . a Fifth Horseman has emerged from the entrails of hell to scourge humanity with terror, with arms so terrible even John's hallucinating imagination could not have conceived them," to quote from this book.

In the genre of *The Crash of '79* and *The Day of the Jackal*, this suspense novel is readable and in places exciting. It mixes fact and fiction—names, places, events and details—so relentlessly that a word of caution is in order. The reader had best regard the entire book as fictional and not attempt to judge which details are fact and which are fiction. If he does attempt this, he is bound to form an exaggerated opinion of the technological prowess of our country and the extent to which a deity looks after our affairs.

But for some, especially Washington readers, it will be intriguing to note which officials in this book are given their real names and which have new identities. The secretary of state, Andrew Peabody, is fictional. Warren Christopher, his deputy, gets his real name. Harold Brown is secretary of defense and William Webster is director of the FBI. The head of the CIA, however, is Gardiner "Tap" Bennington, said to be a devotee of Allen Dulles. (Since when did that distinguished director of Central Intelligence spell his name "Allan"?) One is bound to wonder whether the

authors felt that certain of these individuals had more assured tenure than others, and if so, what crystal ball they used. Providentially, the president is not given a name.

It would spoil the story to say more about the plot than that the terrorists have smuggled a hydrogen bomb into Manhattan to blackmail the president. But it is fair to note that inhabitants of greater New York will find themselves thoughtfully figuring how they would evacuate that great city on short notice. It is the old shouting "Fire" in a crowded theater syndrome, only on a far more massive and agonizing scale. In Washington a little-known organization called the Federal Emergency Management Agency is responsible for such matters. The reader will quickly come to the prayerful hope that this agency is on top of its job and among other things is checking its shelters dutifully. How reassuring is it to know that as of 1980 FEMA's "new civil defense policy" has among its programs one which includes "planning for population relocation during times of international crisis as well as be adaptable to help deal with natural disasters and other peacetime emergencies"?

In a setting of power, advanced technology and international negotiation, the one figure in the book who has true-to-life identity and emotions is our New York cop, Angelo Rocchia. His street smarts, his experience, his personal woes make him stand out among the plastic figures who dot the landscape. Perhaps he belongs to the wrong generation, but the treatment he receives from his paramour, Grace Knowland, a reporter for *The New York Times*, makes one wonder about certain modern attitudes. Professionally, however, he is what every citizen wants in a detective, and he may be forgiven his resentment of the FBI since most big-city cops share it.

The authors, Larry Collins and Dominique Lapierre, former journalists for *Newsweek* and *Paris Match* respectively, have collaborated on five books of which this is the first novel. Their initial effort, *Is Paris Burning?* was an exciting recreation of life in the French capital during World War II as seen through the eyes of intensely human par-

CONTINUED

participants. It is perhaps for this reason that the French characters and settings in *The Fifth Horseman* have a particularly solid resonance.

The publishers of this book could hardly have counted on the recent publicity given to Billy Carter's arrangements with the Libyan government. From the point of view of sales it is almost too good to be true. But don't let this distract us from the fact that Libya, in the words of President Carter, "has repeatedly provided support for acts of international terrorism." In an unclassified study a few years ago the Central Intelligence Agency made the judgment that "Colonel al-Qaddafi has been one of the world's least inhibited practitioners of international terrorism."

George F. Will, the columnist, wrote a year ago, after an international conference on terrorism in Jerusalem: "When a government, such as that of Libya, is involved in terrorism from Ulster to Israel, then only prudential considerations on the part of the nations attacked can weigh against actions to change that government. This subject comes under the heading of thinking the unthinkable. But the beginning of wisdom in dealing with terrorism is to face this fact: no act is unthinkable when so many terrible acts are successful."

It may perhaps give a shudder to the readers of *The Fifth Horseman* to hear another judgment written in the same CIA study noted above: "The prospect of nuclear-armed terrorists can, in fact, no longer be dismissed. But because of the major problems that would be involved in the acquisition, storage, transport, and employment of a nuclear device, a more likely scenario—at least in the short term—would be a terrorist seizure of a nuclear weapons storage facility or a nuclear power plant to exploit the publicity and the bargaining power inherent in the attendant threat of radiological pollution."

The plot of this book is by no means as farfetched as it may at first appear. The combination of nuclear power and terrorism has indeed created a "fifth horseman" to menace man's survival. The implications are sobering in the extreme.

**RICHARD HELMS** spent 30 years in intelligence. He is a former director of the Central Intelligence Agency, a former ambassador to Iran and is now an international consultant in Washington.

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ISRAEL

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CHRISTIAN SCIENCE MONITOR  
14 August 1980

# Israel's intelligence agency penetrates Arab cells

By Abraham Rabinovich  
Special to The Christian Science Monitor  
Jerusalem

The recent murder of an officer in Israel's security services (Shin Bet) by a Palestinian double agent — and that agent's subsequent slaying after a manhunt on the occupied West Bank — illustrates one of the principal questions remaining to be resolved in the currently stalled autonomy talks.

It is the extent to which Israel would be able to enter West Bank cities to root out guerrilla groups or terrorist cells after autonomy is granted the Palestinians.

Israel insists on the right to continue carrying out such anti-terrorist activity during the five-year interim autonomy period, even though Palestinians will have routine police responsibility. (The permanent status of these territories is to be decided by the end of the five years.)

Egypt, meanwhile, insists that internal security within the autonomous area should be entirely the responsibility of the Palestinians during the interim period and certainly afterward.

[Shin Bet itself now has come into the public eye. According to a Reuters dispatch from Tel Aviv, Israel's attorney-general has ordered an investigation to determine whether David Halevy, a reporter for the Washington Star, broke censorship laws by identifying the

head of the Israeli security service, whose identity is never disclosed.]

The highly efficient intelligence network Israel has woven in the territories occupied in the six-day war of 1967 is one reason for what is seen here as Israel's remarkable success in curbing terrorism.

The Israeli agent slain last month, Moshe Golan, apparently was an important figure in the operation of this network, to judge by the presence of Prime Minister Menachem Begin and other Israeli dignitaries at his funeral.

Mr. Golan was killed by Bassam Mahmoud Habash, a resident of a refugee camp outside the West Bank city of Nablus. Mr. Habash had served as an informer for years and had supplied information that led to the uncovering of at least one terrorist cell, according to official Israeli sources.

Mr. Golan's meeting with him was on safe ground inside Israel, and the Shin Bet officer had no reason to expect double-dealing. Three days after Mr. Golan's death, Mr. Habash was spotted by security forces in downtown Nablus. According to the authorities, he opened fire when called upon to halt and was killed in the exchange. He was found to be holding Mr. Golan's pistol.

Numerous Arab informers in the West Bank and Gaza Strip have enabled the Israelis to round up most terrorist cells before they launch even their first operation. Of the 138

cells smashed last year, according to official sources, 114 had not yet undertaken an operation.

The Palestinian cells in the occupied territories now are far better equipped and trained than in the past. Nevertheless, the Shin Bet security service has managed to keep well ahead of them. The perpetrators of 85 percent of terrorist actions in Israel and the occupied territories have been identified and the bulk of them arrested, according to official sources.

Although the Palestinian underground has proved adept at getting explosives through to its operatives despite tough Israeli security along the border and at ports of entry, and although it rapidly sets up new cells to replace those destroyed, it has been unable to create an atmosphere of terror, say Israeli sources.

The occasional bomb set off inside Israel is little more disturbing to the general population than traffic accidents, which take a far higher toll. In the occupied territories themselves, Israelis travel almost freely.

Credit for this is usually given to the Shin Bet, which bases its operation on sophisticated intelligence rather than counter terror. But if the Shin Bet cannot operate within the West Bank and Gaza after autonomy, terrorist cells would have a safe haven from which to foray against Israeli targets.

ARTICLE APPEARED  
ON PAGE A-4NEW YORK TIMES  
13 AUGUST 1980

## Washington Star Correspondent Due to Be Indicted by the Israelis

Special to The New York Times

TEL AVIV, Aug 12 — Israeli officials said today that the correspondent of The Washington Star would be indicted for revealing the identity of the head of Israel's Internal Security Service in a dispatch to his paper. The officials said he is to be charged under the Official Secrets Act, which carries a maximum penalty of 15 years imprisonment.

A Government statement said that Attorney General Yitzhak Zamir had found that the journalist, David Halevy, an Israeli citizen, had committed a prima facie violation of Israeli law in publishing the name of Avraham Achitov, the chief of the agency known here as Shin Bet. The Attorney General instructed the police to investigate and prepare an indictment.

Haaretz, an Israel newspaper, interviewed Mr. Halevy, who was in Washington, by telephone yesterday and reported that he said he was prepared to return to Israel to stand trial or face a parliamentary investigation of the truth of his dispatch.

His dispatch, published on Thursday, alleged that the Shin Bet chief had resigned because Prime Minister Menachem Begin had obstructed the investigation of bomb attacks against three West Bank Arab mayors on June 2. The agency, which is in charge of counterintelligence and antiterrorist activities inside

Israel and the occupied areas, requires the Prime Minister's approval for telephone tapping, bugging and penetration of political groups.

The Prime Minister's office denied Mr. Halevy's allegation and said "never was a calumny so odious." The security chief, in unprecedented interviews and in testimony before Parliament's Foreign Affairs and Security Committee, said the allegation was unfounded. He said there had been no political interference in the investigation and that months before the attacks on the mayors he told Mr. Begin he wanted to retire at the end of 1980 after 31 years service.

Mr. Halevy's dispatch was published under a Tel Aviv dateline but an official said it had not cleared Israeli military censorship.

The Israelis received advance information about the report when David Aikman, Time magazine bureau chief and an occasional contributor to The Star, requested reaction and comment from the Prime Minister's office.

Mr. Aikman said today that at the request of the Prime Minister's office, he conveyed a request to The Star not to publish the security chief's name.

ARTICLE APPEARED  
ON PAGE A 6

THE WASHINGTON POST  
13 August 1980

## Israel to Probe Possible Violation Of Secrets Act

By William Claiborne

Washington Post Foreign Service

JERUSALEM, Aug. 12—Israel's attorney general today ordered the national police to begin an investigation of a "prima facie" violation of the state secrets act by a correspondent of the Washington Star and Time magazine for publishing the name of the chief of the secret security service.

It would be the first time a journalist was prosecuted under an espionage statute of the secrets act. Conviction carries a prison sentence of up to 15 years.

Attorney General Yitzhak Zamir said the correspondent, David Halevy, who is currently in the United States on leave of absence from Time magazine, would be investigated "in preparation of an indictment" on charges of passing secret government information without authorization.

In a dispatch filed from Israel last week, Halevy, an Israeli citizen, reported that the head of the General Security Services (Shin Bet) had resigned in protest because Israeli Prime Minister Menachem Begin obstructed the investigation into the planting of bombs in the cars of three West Bank mayors on June 2.

[The story, appearing in the Washington Star last Thursday, identified the head of the Israeli security services as Avraham Achituv, 54.]

Nablus Mayor Bassam Shaka lost both legs and Ramallah Mayor Karim Khalaf lost a foot in the bombings, which ultranationalist Jewish civilian settlers living in the West Bank are thought to have carried out.

While denying the substance of Halevy's report as a "total fabrication," government officials today stressed that the issue being considered for possible criminal prosecution is the publication of the security chief's name.

Identities of security and intelligence officials are never officially disclosed in Israel, and the names of Shin Bet officials are particularly guarded because of the danger to them and their families, according to Dan Pattir, Begin's spokesman.

The issue has become controversial in the West Bank because several Palestinian leaders and members of their families have maintained that the Security Service were giving only token attention to the case and had not even interviewed Shaka, Khalaf or any of their relatives.

Halevy, in interviews published in Israeli newspapers, denied allegations by several government officials that his charges against Begin were politically motivated and stemmed from Halevy's long association with the opposition Labor Party. He said he never was a member of the Labor Party.



ARTICLE APPEARED  
ON PAGE A15THE WASHINGTON POST  
9 August 1980

# Israeli Intelligence Chief Denounces Report That Begin Obstructed Probe

By William Claiborne  
Washington Post Foreign Service

JERUSALEM, Aug. 8—In an unprecedented public statement on radio, the head of Israel's secret intelligence service today branded as "malicious lies" a report published yesterday in the United States that he resigned in protest because Prime Minister Menachem Begin attempted to obstruct the investigation into assassination attempts on three Arab West Bank mayors last June.

For his part, Begin declared through a spokesman, "From the day malicious people first began spreading their lies, never was a calumny so odious." The story was published by The Washington Star and written by David Halevy from Tel Aviv.

The chief of the General Security Services (Shin Bet) said in an interview on the Voice of Israel that he submitted his resignation before the car bombing attacks on the West Bank mayors, and that he had never had any interference from the prime minister in conducting the investigation.

Halevy reported that the intelligence chief quit because of "stonewalling" by Begin over the West Bank investigation. His story said the security chief sought permission from Begin to form a special intelligence unit to wiretap and infiltrate the ultranationalist Gush Emunim settlement movement to collect evidence against six persons suspected in the bombings of Nablus Mayor Bassam Shaka and Ramallah Mayor Karim Khalaf, and the attempted bombing of El Biera Mayor Ibrahim Tawil.

The Shin Bet chief quit the story

said, when Begin replied that there was no need to investigate the case in that manner. Identities of Shin Bet officials are never officially disclosed in Israel, and although the security chief's was disclosed in the Star's report and in an Israel television broadcast last night, the Israeli military censor tonight ruled that the name could not be included in dispatches filed from Israel.

The censor, Lt. Col. Yehuda Katz, said, there were "very real reasons concerning the safety" of the security chief and his family to justify the ban on the official's name, even though it had already been made public elsewhere.

[The Washington Star identified the man as Avraham Achituv, 54.]

The Shin Bet commander, when asked why he had broken precedent and appeared in a radio interview, replied, "I was angry and disliked tremendously the fact that the security service is being used to publish a lie on this political level, in this case against the prime minister, which has no basis."

The security chief was not identified by name in either the radio interview or in interviews that were published today in two Hebrew-language afternoon newspapers.

He said that before the bombings, he went to Begin and said he had served six years as chief of Shin Bet,

as well as 30 years in security services, and felt it was time to retire. He said Begin asked him to reconsider, and he agreed to stay on the job until the end of this year.

He stressed that Begin had given the West Bank bombing investigation "high priority," and that the prime minister never suggested how the probe should be handled.

An aide to the prime minister said that on three occasions during the probe, the security chief had gone to Begin and asked permission to take "extraordinary steps" that require approval of the prime minister. Permission was granted in each case, said the aide, who would not say what the steps entailed.

Dan Pattir, the prime minister's spokesman, said The Star's story was "a fabrication from beginning to end. It requires an examination of the motives." Other Begin aides suggested that Halevy is a confidant of opposition Labor Party leader Shimon Peres and has been active in Labor Party affairs, and that the article was politically motivated.

The leftist United Workers' Party today seized on the issue and demanded either a parliamentary or judicial review of the published account of the resignation and parliament member Shmuel Toledano also demanded an official investigation.

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CARIBBEAN AREA

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ARTICLE APPEARED  
ON PAGE 17WALL STREET JOURNAL  
11 August 1980

# Manley's Opponent Stumps in Jamaica

By JOHN HUEY

Staff Reporter of THE WALL STREET JOURNAL

MONTGO BAY, Jamaica — For 24 hours, people have been streaming into a little plaza here, where the reggae music is booming and the smell of marijuana is pungent.

These Jamaicans—more than 10,000 of them, mostly black and mostly poor—have gathered to hear Jamaica Labor Party leader Edward Seaga rail against the man whose job he hopes to win in the coming election: Prime Minister Michael Manley.

Under a huge billboard promising "Deliverance Is Near," the JLP candidates introduce themselves, sing hymns, lead chants, ring bells and preach sermons. Finally, after six hours and a rousing post-midnight chorus of "We're Ready With Eddie," Edward Phillip George Seaga—a wispy, 50-year-old, Harvard-educated sociologist-turned-financial consultant—steps to the microphone.

An unlikely looking "deliverer" of a country that is 95% black, he is of Lebanese descent and one of the whitest men present. But like his eloquent opponent, Mr. Manley, this 18-year veteran of Parliament slips easily from Colonial English into native patois when on the stump.

"When the people elected Manley," he says, "they drew a bad card." He praises the crowd for turning out despite severe gasoline shortages and "despite the fact that fear and violence rule this land like no time in history." He blames Mr. Manley's party—the People's National Party—for an alleged speargun attack earlier in the day on former JLP Prime Minister Hugh Shearer, who sits, bandaged, behind Mr. Seaga. He accuses the PNP of plotting to "starve laborites and fatten Communists." And he calls the government-controlled television network a "political sewer pit."

All of this—religion, violence, theater and lush rhetoric—is part of Jamaican political tradition. But this year's election is profoundly different in the eyes of many observers, who see it as a classic, and perhaps final, showdown between two opposing political ideologies.

Traditionally, the two parties—while shooting at each other freely during election campaigns—have embraced similar philosophies, and each has come to expect

an ouster after two terms in office. But since sweeping into power in 1972 and winning reelection in 1976, Mr. Manley's socialist administration has moved steadily to the left. Doctrinaire Marxists have gained power in the PNP, and at a time of severe economic need, Jamaica has chosen to isolate itself from the Western financial establishment, to which it remains heavily in debt. At the same time, Jamaica has moved closer to the Soviet-bloc nations, most notably Cuba, to little economic benefit.

## A Move to the Right

If anything, the JLP has moved further to the right in its "free-market" philosophy, and Jamaica's dreadful economic plight has apparently driven a substantial number of middle-class PNP voters into the traditional JLP coalition of capitalists and trade unionists.

Thus, the island nation is severely polarized, and many foreign observers believe this election—if Mr. Manley calls it at all—could be the last under the two-party system. "If the JLP loses this one, it will disintegrate," says a high-ranking foreign diplomat based in the capital of Kingston. Most of the country's remaining entrepreneurs will flee the country, he speculates, and "the conclusion will be a left-wing authoritarian government sooner rather than later." He adds: "For Seaga, a slight win is as bad as a loss. He must win 40 (out of 60) seats in Parliament to have real control."

With so much at stake for both sides, neither shows any sign of moderation or compromise, and each blames the other for the unprecedented bloodshed of this campaign. In one recent 24-day period, 114 murders were recorded, and a group of eight men slaughtered in a political massacre couldn't be buried for days, because gunmen kept interrupting the funeral.

## JLP Blames Cubans

It's impossible to assign the blame for these incidents because both sides have traditionally staged such events to make the other party look bad. Generally, the JLP blames the Cubans for the increased violence, while the PNP claims it's all the result of "destabilization" programs staged by the U.S. Central Intelligence Agency. (This particular political rally in Montego Bay ended, as most rallies do, with shooting and helicopter chases.)

The latest and most reliable public-opinion polls show Mr. Seaga leading by a comfortable margin. But they also indicate that the charismatic Mr. Manley remains the nation's single most-popular political figure. With at least two months left until the election, it isn't certain that the less-charismatic Mr. Seaga can maintain his lead.

To be sure, he gives his best in his speeches, reaching the height of his eloquence when denouncing the Marxist conspir-

acy that he says exists to "destroy the system by creating chaos."

While Mr. Seaga's view of Communism is clear, what he could actually do to "deliver" Jamaica isn't so clear. Essentially a technocrat, he publishes lengthy economic-recovery plans, talks of bringing back the investors who have been pulling out, and proposes the creation of jobs in the garment, shoe, woodworking and agribusiness industries.

Clearly, his election would trigger some reinvestment, though most foreign observers doubt that it would be sizable. "Where the hell is the foreign exchange going to come from when the rest of the world is in a recession?" asks a foreign diplomat. As for the JLP's management capabilities, a U.S. executive here says: "The JLP says a lot of appealing things, but you don't have to go very deep in that party to start hitting the yo-yos."

## Hardly a Fanatic

Mr. Seaga is in many ways as enigmatic as his opponent, who leaves almost everyone confused as to exactly what he believes. Though some of Mr. Seaga's supporters describe him as "cold" and "vindictive," he hardly appears to be the right-wing fanatic that PNP detractors depict. (Some even claim he is connected with the Ku Klux Klan, ignoring the fact he has a black wife, a former Miss Jamaica.)

He has a history of involvement in social programs, which he describes as "very necessary in a small democratic country." In an interview, he speaks glowingly of the Scandinavian models of social-welfare programs, though he complains that Mr. Manley has "advanced the social programs without establishing the necessary economic buoyancy."

Born the son of a travel agent in the Salvation Army hospital in Boston, Mr. Seaga first studied sociology and anthropology in the hope of becoming a psychiatrist. He later abandoned that idea and went to live in the Jamaican outback to study rural child development and revival spirit cults. Later, he entered banking. But he says his view of how to correct poverty "doesn't come from the middle-class point of view, but from sleeping five across the bed" when he was studying in the country-side.

His election is important to the West, he says, because "We aren't really talking about a Jamaican election; we're talking about a 32-nation Caribbean scenario." Jamaica, he says, holds the key to the 20 English-speaking nations in the region.

The winner of this bitter political war will probably emerge about the same time the next U.S. President is elected. But the losers here are almost certain to create a lot more trouble for the winner.

"The real danger here," says a U.S. diplomat, "is that both sides are so absolutely convinced they're going to win."



Edward P.G. Seaga

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SAN FRANCISCO CHRONICLE  
27 July 1980

# State, Defense departments at odds over Caribbean policy

By Philip W. Smith

Newhouse News Service  
WASHINGTON — The entire Caribbean basin, from Central America on the west to the tiny and newly independent island states on the east, is in the midst of sweeping and often violent social and political change.

The upheaval has sharply divided the U.S. government, with the State Department advocating continued pressure on the right-wing governments of the region to improve their human rights records and the Defense Department (supported by the CIA and National Security Council) urging renewal of broad military assistance to the same governments.

As with current U.S. foreign policy in many areas of the world, the major concern in the Caribbean centers around a single issue — oil.

There's a lot of it in the region, and much more passes through it on the way to the United States or its NATO allies in Western Europe.

About half of the 6 million barrels of oil imported by the United States each day passes through the Caribbean, and half a million barrels a day come from Venezuela on the northern coast of South America.

Mexico may have up to 200 billion barrels of recoverable reserves, considerably more than Saudi Arabia if the estimates prove to be correct.

These huge Mexican reserves lie only a few hundred miles north of Nicaragua, where last July leftist Sandinista revolutionaries ousted the Somoza family that had ruled the country for 43 years.

El Salvador is in chaos as extremists of the left and right battle daily. A low-key but violent civil war is under way in Guatemala, which shares a border with Mexico just south of Mexico's oil fields.

Conservative U.S. political groups are warning of what they see as a domino effect in Central America, with the dominos falling toward Mexico.

At the other end of the Caribbean, the tiny island of Grenada off the Venezuelan coast underwent the first revolutionary change of government in the history of the English-speaking West Indies in March 1979.

Maurice Bishop, 35, ousted Prime Minister Sir Eric Gairy in a coup and formed a "People's Revolutionary Government." Bishop immediately asked Cuba for security assistance.

Thus far, the primary reaction of the United States to all of the turmoil along its southern flank has been one of confusion.

There are few U.S. military forces in the region and no Navy ships assigned to patrol the Caribbean on a regular basis. Military assistance to the governments there has been drastically reduced.

The Carter administration's arms transfer policies have sharply reduced weapons sales to the Caribbean region, but defense officials say this simply causes the countries there to turn to other suppliers, including the Soviet Union, France, Great Britain and Israel.

These Pentagon officials, who favor renewed military assistance, contend that by selling arms and providing training, the United States is in a much better position to both control the level of sophistication of weapons reaching the region and to put pressure on the right-wing governments to improve their human-rights records.

By refusing to support the right, the United States is offering tacit support to the revolutionary left, these U.S. defense officials contend.

Cuba is providing both arms and training to the leftist revolutionaries, and the specter of "many Cubas" just to the south is increasingly being raised by defense hard-liners and conservatives in Congress.

The State Department has a different view.

"The model that Cuba offers others is, in my judgment, unattractive," says Philip Habib, U.S. special ambassador to Central America and the Caribbean.

The difference in approach toward Latin America being taken by the departments of State and Defense is vividly demonstrated by a recent interdepartmental squabble over a naval exercise.

On June 27, five U.S. warships left Roosevelt Roads, Puerto Rico, for an annual exercise with South American navies from Venezuela, Colombia, Ecuador, Peru, Argentina, Uruguay and Brazil.

Missing from the list for "the first time in 20 years is Chile.

Because the Chilean government has refused to prosecute three former Chilean intelligence officers accused by the FBI of murdering former Chilean ambassador to the United States Orlando Letelier and an American aide who was with him, the Chilean navy has been excluded.

"The decision not to invite Chile to participate in this year's Inter-American Naval Exercises is consistent with the other measures taken to reflect our concern," a State Department spokesman said.

The Pentagon argued unsuccessfully within the administration that the issues are separate. Chile has a relatively modern navy from which the United States would need assistance in keeping the sea lanes of the South Atlantic open in the event of a war, defense officials argued, and it makes no sense to exclude that navy from a purely military training exercise for a purely political reason.

Since taking office, Carter has taken one step to increase U.S. military presence in the Caribbean, but many senior officers view it almost as a joke.

Last August, after Sen. Frank Church, D-Idaho, chairman of the Senate Foreign Relations Committee, announced the presence of a Soviet 3,000-man "combat brigade" in Cuba, Carter ordered a Joint Caribbean Task Force headquarters established in Key West, Fla.

The headquarters is now functioning with about 65 officers, but doing virtually nothing that isn't already being done by other U.S. commands.

"If a management team ever takes a look at that operation, it won't be there for long," says one senior officer directly involved with operations in the Caribbean.

Besides the joint task force, U.S. military presence in the region consists of one Army brigade in Panama whose sole mission is to defend the Panama Canal, a Special Forces battalion in Panama, a Marine battalion at the Navy base at Guantanamo Bay in Cuba and several naval training facilities in Puerto Rico.

What concerns defense officials is not the small number of U.S. forces in the area but what they see as shrinking political support from the United States for the governments around the Caribbean.

"The problem is not that the Russian brigade in Cuba is going to invade anybody," says one senior officer, "but that they will be invited in by a leftist government to help preserve our revolution."

"If that happens, we've got an Afghanistan right in our back door."

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IRAN

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10 August 1980

## Iran's Dirty Tricks

FIRST THERE was the Iranian revolution. Then came reports that Ayatollah Khomeini had part inherited, part created an intelligence agency, known as SAVEMA, capable of serving the revolution abroad. There followed some events in Washington and other cities—the assassination of an exile, disciplined demonstrations, propaganda activities—suggesting notable planning and coordination. Now law-enforcement officials report Iranian sources have secretly funneled \$5 million to finance pro-Khomeini activities here by Iranians and some black American Moslems. The indications are that Iran may now be conducting a large, well-financed, multifaceted intelligence operation in the United States. (Iran's apparent use of American Embassy facilities in Tehran to process identity and travel documents for its own agents, by the way, gives a bitter twist to its stock depiction of the embassy as a "spy nest.")

For many Americans—maybe all of us—outrage will be the immediate response to any suggestion of Iranian-directed spying, "destabilization" and murder. Fine. But outrage can hardly be the only response. It should surprise no one that a regime that illegally holds American hostages and that deals out death promiscuously and with great relish to its foes at home is prepared to export the same revolutionary fanaticism.

The question is how the American emotions should

be directed and made reasonable and useful. What should be done? The answer is diligent, effective counter-intelligence and police work within the framework of the law. Our sense of the thing is that at various levels the U.S. government has been slow to credit the possibility that the ayatollah may be cranking up something devious and nasty *inside* the United States. That possibility must now be taken seriously.

The resources of government at several levels have to be concentrated and focused in particular on the thousands of Iranians, including students and businessmen, who are in this country as aliens, and on certain naturalized Americans of Iranian origin, and on any foreign embassies that may be facilitating their criminal acts.

The legal activities of pro-Khomeini activists must not be interfered with, however vexing it is to many Americans to see them taking advantage of freedoms unknown in their homeland to provoke the American people and government. But their illegal activities, whatever they are, must be found out and closed down. It's not just murderers who need to be pursued. Visa offenses, violations of the Foreign Agents Registration Act or of foreign exchange laws: these acts are intolerable, the more so if they are being committed at the behest and direction of a hostile foreign regime.

ARTICLE APPEARED  
ON PAGE A-1WASHINGTON STAR  
9 AUGUST 1980

## Iranian Police Link to Tabatabai Murder Probed

By Michael Isikoff  
and Bob Gettlin

Washington Star Staff Writers

Law-enforcement officials are investigating reports that the head of the Iranian secret police was in the Washington area several days before the assassination of former Iranian Embassy press attache Ali Akbar Tabatabai.

Law-enforcement sources said yesterday that Gen. Hossein Fardoust, the head of SAVAMA, the secret-police agency of Ayatollah Ruhollah Khomeini, was reportedly seen in the area shortly before Tabatabai was gunned down in the doorway of his Bethesda home July 22.

Fardoust was also in Paris about a week earlier at the time of the attempted assassination of former Iranian Prime Minister Shahpour Bakhtiar, the leader of exile forces opposed to Khomeini, according to French newspaper reports.

Fardoust reportedly came to the United States recently to step up pro-Khomeini activity here, including acts of violence against Khomeini opponents, according to information provided law-enforcement agencies.

Law-enforcement officials said yesterday they expect to present evidence about the Tabatabai murder and activities in the U.S. of pro-Khomeini groups to a federal grand jury.

Daoud Salahuddin, a 29-year-old District man who worked at the Iranian Interests Section of the Algerian Embassy, is expected to be indicted by the grand jury, sources said. Salahuddin, who is believed now to be in Iran, has been charged by federal authorities with the murder.

But the grand jury will also be presented with evidence that other persons, both here and abroad, may have been connected with the killing of Tabatabai, a prominent Khomeini critic. It also will investigate reports that as much as \$5 million has been funneled into the United States from Iran to finance pro-Khomeini groups, sources said.

One law-enforcement official said investigators are seeking to determine who was "acting as a conduit" for Iranian funds and what role those activities might have played in Tabatabai's murder.

In addition to the reported sightings of Fardoust, there have also been reports within the Iranian exile community that another high-ranking SAVAMA official, Gen. Ali Akbar Farazian, was in the country recently, probably on the West Coast. Some Iranian exiles have drawn a connection between Farazian's presence there and the shooting of a student outside the Los Angeles home of anti-Khomeini activist Cambyse Shah-Rais Aug. 1.

Rumors that SAVAMA chief Fardoust was in Washington have been circulating among Iranians here for weeks. One widely circulated story is that he was seen dining in a French restaurant in Georgetown.

But law-enforcement officials said yesterday that, although they are aware of these rumors, their information comes from independent intelligence sources they categorize as "reliable." The officials said they are actively investigating the information.

Fardoust has been viewed as a mystery man of Iranian intelligence whose loyalty has been questioned by both supporters and opponents of Khomeini's Islamic revolution. He was a friend and military school classmate of the late shah of Iran and later rose to become deputy chief of SAVAK, the shah's secret police.

Ironically, Fardoust was also a boyhood neighbor of Tabatabai's in Tehran in the early 1940s, according to Mohammed R. Tabatabai, brother of the slain Iranian dissident.

But earlier this year Fardoust was identified by U.S. intelligence and Iranian exile sources as the head of Khomeini's SAVAMA, described by some sources as a mirror image of SAVAK. In fact, Tabatabai charged in a newspaper interview shortly before his death that SAVAMA contained virtually the same organizational structure and many of the same agents as SAVAK.

Fardoust's change of loyalties embittered the shah and his family. In her memoir, "Faces in a Mirror," the shah's sister, Ashraf Pahlavi, accused Fardoust of deliberately withholding SAVAK information about a sharp increase in anti-shah sermons in Iranian mosques by religious mullahs.

Pahlavi wrote that the SAVAK's failure to provide the shah with this information during the final years of his reign contributed to his sudden downfall. She said she was "convinced" that Fardoust was negotiating with the still-exiled Khomeini during this period.

Tabatabai's brother, Mohammed, said yesterday that he is confident that the stories that Fardoust and Farazian had recently been in the United States are accurate.

"There were newspaper articles that said that both of them were in Paris at the time of the assassination of the shah's nephew," he said. "There were articles that they were again in Paris when they tried to kill Bakhtiar. If you look at the trend, it is clear that they have come here to eliminate the enemies of Khomeini."

Tabatabai also said that Fardoust's wife and children are now living in the United States, "in the Boston and Connecticut area."

But he said that he is convinced, after talking to many other Iranian exiles, that the two SAVAMA officials came here "to carry on their terrorism."

"They killed my brother and now they're probably going to try to kill me," he said.



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"BILLYGATE"

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ARTICLE APPEARED  
ON PAGE A-23NEW YORK TIMES  
13 AUGUST 1980

# Spilling 'A Hill Of Beans'

By Bruce J. Ennis

The controversy over President Carter's discussion of classified information with his brother, Billy, illustrates three overlooked key points: The Government unnecessarily classifies much information that is trivial while claiming falsely

that its release would damage national security. Government officials routinely leak classified information favorable to themselves; unnecessary classification and selective leaking increase the likelihood that secrecy laws will be enforced against critics of government but not against friends. The convictions of Ronald Humphrey and David Truong underscore these points.

In 1978, the Administration prosecuted Mr. Humphrey for giving "confidential" documents to Mr. Truong, allegedly an agent of North Vietnam. Mr. Humphrey and Mr. Truong claimed, unsuccessfully, that the documents did not contain information that could harm national security; they were sentenced to 15 years. (In a similar case prosecuted by the Administration, the court ruled that "the propriety" of a classification is irrelevant; the fact of classification "is enough.") Mr. Truong was also convicted of acting as a foreign agent without notifying the Government. Unlike Billy Carter, he was not given an opportunity to avoid prosecution by filing belatedly.

The Senate is investigating the possibility that President Carter gave "confidential" documents to his brother, an agent of Libya. Like Mr. Humphrey and Mr. Truong, Mr. Carter claims that the documents do not contain information that could harm national security. As his press secretary, Jody Powell said, the information in those documents did not amount "to a hill of beans."

Mr. Powell was right. One "confidential" cable reveals that Libyan news-media coverage of Billy's visit was "routine throughout," that 400 Americans attended an embassy reception, and that Billy noted "rapid progress" in Libya, "particularly in the agricultural field." Not much there to shake the nation's security. A second "confidential" cable reveals the embarrassing fact that our chargé d'affaires in Libya had not received a shipment of household effects, but he had enjoyed a "private swim-lunch" with Billy, who was "strictly on the wagon." Another "confidential" cable complains that the "secretarial problem" at the embassy is "genuine," and notes that the Libyans had tried unsuccessfully to delay Billy's visit "because of shortage of hotel space." Cables are supposed to be marked

"confidential" only if unauthorized disclosure would "damage" national security. Under those standards, the Libyan cables should never have been classified.

According to The New York Times, the State Department admits that classi-

fied but "nonsensitive cables were, in practice, routinely released," and according to The Washington Star, the former State Department spokesman Hodding Carter 3d acknowledged that the department "leaks like a sieve," and said that the White House, National Security Council and the Defense Department also leaked information "for self-serving reasons and for policy reasons."

Control of information increases political power. By classifying information unnecessarily, leaking favorable information, and prosecuting those who leak embarrassing information, the Government augments its power and shapes public perception of its actions.

Following our failure to rescue the hostages in Iran, the Government countered questions about the competence of the operation by leaking much unnecessarily classified information to show how thoroughly the attempt had been planned. Some of the leaked information may have been properly classified, and leaking it may have jeopardized lives. We learned, for example, as did Iran, that Central Intelligence Agency agents posing as European businessmen had leased warehouse space as rescue staging areas.

I do not suggest that Mr. Carter should be prosecuted if he gave "classified" documents to Billy. No one should be prosecuted for disseminating improperly classified but harmless information. No do I suggest it was wrong to warn Billy to register or face prosecution.

But there should not be one standard for the politically powerful and another for the politically weak. The same rules that apply to a President and his brother should apply to Mr. Humphrey and Mr. Truong.

Government officials are unnecessarily classifying harmless information, leaking favorable and politically advantageous information, and selectively enforcing the law. Although the contents of the Libyan cables did not amount to "a hill of beans," the incident should prompt us to question the reality of our constitutional commitment to equal justice under the law.

Bruce J. Ennis is national legal director of the American Civil Liberties Union.

CONTINUED



ARTICLE APPEARED  
ON PAGE A-2BOSTON GLOBE  
10 August 1980

# US to investigate possible leaks to Billy Carter

By David Rogers  
Globe Staff

WASHINGTON — A Justice Department unit investigating Attorney General Benjamin R. Civiletti's role in the Billy Carter case has been given broad powers to expand its inquiry to include whether the President's brother was tipped to the government's case by someone in the Administration.

In a special order to be published in today's Federal Register, the Office of Professional Responsibility is given authority to conduct proceedings before grand juries and investigate "possible improper disclosure of confidential information to (Billy) Carter."

The grand jury power is not unprecedented for the internal unit, but the language of the order gives a much broader scope to the inquiry than was expected when it was announced July 25.

The order was signed last Friday by Deputy Attorney General Charles Renfrew, who has been acting attorney general in Civiletti's absence, and a Department spokesman said the language had been drafted by the Office of Professional Responsibility under Michael Shaheen.

"It's fair to say," said the official, "that now that they've put this down on paper, this investigation is much more than most people would have thought it would be."

Shaheen's unit began to investigate Civiletti's role when the Attorney General revealed that, contrary to previous statements by himself and the Administration, he had talked to the President about Billy Carter's dealings with Libya before Billy settled the case with the Justice Department by registering as a foreign agent.

Civiletti, who has been traveling in Hawaii and the Pacific this week, revealed Wednesday he also waited nearly two months this spring before informing Justice investigators of intelligence information he had received regarding payments by Libya to the President's brother.

Shaheen's office already is believed to be looking into this statement by Civiletti, but the broad authority now given the internal unit goes beyond the Justice Department or the specific actions of the Attorney General.

The first section of the new order gives a mandate "to investigate for criminal, civil and administrative purposes, any offenses arising from the activities of Billy Carter in acting as an alleged agent of the Libyan government, including, but not limited to, the conduct of any and all government employees or appointees, or any other persons, in connection with the investigation of

those activities, the activities of Mr. Carter, improper disclosures of information relating to the investigation of Mr. Carter, and possible improper disclosure of confidential information to Mr. Carter, or others, relating to Mr. Carter's activities."

Apart from the authority to conduct grand jury proceedings, the order states Shaheen's unit can obtain and review all documentary evidence from any source; receive appropriate national security clearances in case of classified information; and inspect the original or a copy of any tax return.

Whether Billy Carter was tipped by the Administration is a question that has interested members of a Senate committee investigating the case, and most attention has focused on Billy Carter's sudden interest in June in discussing inquiry with Justice.

A call to the Department by Billy Carter's attorney, and then one the next day by Billy Carter himself in early June, seem to coincide with evidence received by the Department then that the President's brother had received payments from Libya.

The White House has denied receiving or passing on any pertinent information then to the President's brother, and in his conversation with the President June 17, Civiletti said he did not mention the \$220,000 Billy Carter had by then admitted receiving. He said it was a loan.

Of that sum, \$200,000, was received from Libya in April, and the intelligence information then turned over to the Attorney General is believed to pertain to this payment. Civiletti said this week he did not want to jeopardize his source and the transaction by telling Justice investigators. It was not until June, shortly before Billy Carter's calls, that he made the information available.

Sen. Robert Dole (R-Kan.), a member of the Senate panel investigating Billy Carter, said yesterday Civiletti might have "deliberately" obstructed justice. The Attorney General has denied any wrongdoing.

Faced with a sensitive situation, Civiletti said he took the precaution of advising his Criminal Division to be certain not to close the Billy Carter inquiry, and after his investigators found out about the payments through their own sources, he readily made the intelligence report available.

That report, which never went to the White House, according to the Administration, has been described as critical evidence. But it still is not certain if Civiletti's cautiousness slowed the investigation. Assistant Attorney General Philip Hymann, chief of the Criminal Division, has refused any comment pending his expected appearance

before the Senate committee this month, and Joel Lisker, the chief investigator on the case, also has been unavailable for comment.

In contrast with Civiletti's caution, National Security Adviser Zbigniew Brzezinski called Billy Carter himself after receiving a second, slightly earlier, intelligence report regarding Billy Carter's role as broker with Libya for an oil company.

In a report to the Senate this week, Brzezinski said he made the call in March, and White House press secretary Jody Powell said yesterday the Administration believes the date was Mar. 31. Brzezinski made no specific mention of the classified nature of the information he had received from CIA Director Stansfield Turner, but did allude to it.

"As you probably know, in the nature of my job a great deal of information flows across my desk," Brzezinski remembers telling the President's brother. "I have recently seen some information which seems to suggest that you are engaged in an oil deal, and that you are seeking an increased allocation from Libya for a US oil company."

Brzezinski's office said yesterday he does not recall telling Turner first that he intended to call Billy Carter, but through a spokesman, the national security adviser said he took care not to make any reference to the information being classified.

Brzezinski and Civiletti are expected to be called by the Senate committee when it begins full hearings after the Democratic Convention. It is less certain the President will appear. For the moment, the bigger concern for the panel is to find a special counsel; former Watergate prosecutor James Neal yesterday declined the job because of the demands of his private practice.

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ON PAGE 2

CHICAGO TRIBUNE  
4 August 1980

# Stories of Libyan terrorism to open Billy probe

By James Coates

Chicago Tribune Press Service

WASHINGTON—The Senate subcommittee investigating the Billy Carter matter will hear a horror story Monday. An expert will tell about United States intelligence regarding a monster called Libya.

Recent writings by Henry Schuler, one of the lead-off witnesses, provide a taste of the hearings' tone.

Schuler, a former foreign service officer with access to the most sensitive U.S. data on Libya, blames strongman Moammar Khadafy for these incidents:

- The murders of 11 Israeli athletes at the Munich Olympics in 1972.
- The murders of two American diplomats in Khartoum, Sudan, in 1973.
- The slaughter of 32 people, including 10 American children, at a Rome airport in 1973.
- The 1975 kidnaping of Organization of Petroleum Exporting Countries ministers in Vienna by the notorious terrorist known as "Carlos."
- The airlifting of well-trained shock troops into Uganda in an unsuccessful attempt to preserve the rule of dictator Idi Amin in 1979.
- The systematic elimination this spring of nine dissident Libyans in cities around the world by hitmen paid directly by Khadafy.

IT HAS BEEN nearly a decade since world attention was drawn to the activities of Khadafy's terrorist associates. And, noted one Senate Foreign Affairs Committee adviser preparing for Monday's hearings, many people may have forgotten about Libya.

In the months after the Israeli athletes were slain at the Munich Olympic Village, it was disclosed that the killers were trained in Libya. Their guns and grenades were sent into Germany via Libyan diplomatic couriers.

Furthermore, Khadafy announced he had given the killers a \$10 million reward. That, Schuler noted recently, amounts to roughly half a day's payments by the United States for Libyan crude oil.

Khadafy boasted further that his \$2-million bonus to "Carlos" was paid for with less than a hour's worth of Libyan oil production.

The United States alone buys 600,000 barrels of Libyan crude a day at \$35 per barrel, according to Energy Department figures.

KHADAFY, AN eccentric arch-Moslem who operates his desert country from a "Green Book" which he wrote, has established 20 terrorist training centers.

One of the most notorious, on Libya's Mediterranean coast, uses submarine pens built by the Germans during World War II for Marshal Erwin Rommel to train terrorists in the latest explosive devices.

The CIA estimated that at the beginning of 1980, Libyan terrorist camps held more than 7,000 recruits from all over the world. There were representatives of most known terrorist groups, including those from Ireland, Japan, Italy, the Philippines, and throughout the Mideast and Africa.

British military officials have said that when they confiscate Soviet-made arms from the Irish Republican Army in northern Ireland, desert sand often is still clinging to them. Geologists traced the sand to North Africa.

THE CIA DISCOVERED that Khadafy's own shock troops were planning to use a SAM-missile to destroy Egyptian President Anwar Sadat's airplane over the Azores earlier this year as it was en route to Washington.

The CIA, according to Schuler, learned of the plot and rerouted Sadat's plane.

The most recent atrocity which intelligence analysts blame on Khadafy occurred in March when 30 Filipino civilians died and more than 250 were wounded in a grenade attack on Mindanao movie theaters by the Moro National Liberation Front.

The political leader of the Moros maintains headquarters in Tripoli, and the camps are used to train Moro troops, Schuler has said.

CHICAGO TRIBUNE

LONDON DAILY TELEGRAPH  
4 August 1980

## The Intelligence War

# BILLY CARTER'S LIBYAN LINK

By ROBERT MOSS

WITH his popularity slumping in the run-up to the Democratic convention, "Billygate" may prove as fatal for President Carter as Watergate was for President Nixon.

Mr Carter can no longer hope to escape being tarnished by the Press revelations of his brother Billy's role as a paid agent of Libya's erratic dictator, Col Gaddafi. It has been publicly admitted that the White House actually sought to use Billy as a "back channel" in its dealings with Tripoli.

One of the more serious charges that the specially appointed Senate investigating committee will explore is that the White House improperly alerted Billy to Justice Department moves to indict him for failing to register as a foreign agent—after he had already received \$220,000 (£93,000) in cash from the Libyans.

### Scandal breaks

The full enormity of the scandal is only beginning to dawn on the American public. Billy Carter chose to enter the service of a state that is one of the foremost backers on international terrorism. He allowed the Libyans to use him as an agent of influence in Washington.

Some of the Libyans with whom he was involved are closely associated with Gaddafi's intelligence service, or Mukhabarat, which in turn is subject to influence from KGB and, in particular, East German liaison officers stationed in Tripoli.

The key Libyan involved was Ahmed al-Shahati, the head of Gaddafi's "foreign liaison office," who was introduced to some of the leading citi-

zens of Atlanta by Billy in January last year.

According to intelligence sources in Washington, Shahati works in close collusion with Gaddafi's secret service and the East Germans. Significantly, the first contacts between the Libyans and Billy Carter were reportedly arranged via Libyan operatives stationed in Italy: Gaddafi's ambassador, Gibrill Shalouf, made two trips to Georgia to persuade the American President's brother to make his first visit to Tripoli.

According to Italian security officials, the Libyans have made a big investment in covert action and support for extremist groups in Italy. In the course of their investigation of the kidnapping and assassination of the Christian Democrat leader, Aldo Moro, in 1978, the Italian police found maps of Lebanon showing the location of terrorist training camps.

On the back was the name and private telephone number of a director of the Libyan National Bank who is known to have been a conduit for funds to Palestinian and West European revolutionary groups, making frequent visits to Cyprus in order to arrange the transfers.

In 1978 alone (again, according to Italian security officials) Gaddafi provided \$2,000,000 (£840,000) for Sardinian separatists. In the course of the Moro investigation, Italian police received a tip that the politician was being held in the basement at the Libyan Embassy. Short of invading the Embassy, they were unable to check whether or not this was a false trail.

The murder in London of two of Gaddafi's exiled opponents

last April by a Libyan hit-team was further evidence of the direct involvement of Billy Carter's friends in world-wide terrorism.

In fairness, it must be said that the Libyan regime makes little secret of its activities. Gaddafi's Information Minister, Muhammad al-Zuwayy, has publicly announced that "we assert to the whole world that we provide material, moral and political support to every liberation revolution in the world."

Beneficiaries range from the IRA, the Italian Red Brigades and the Basque guerrilla group ETA to the radical Palestinian organisations, Moslem secessionists in the Philippines, and Latin American terrorists, including those who are currently seeking to overthrow non-Communist Governments throughout Central America.

The Libyans have trained PLO recruits as pilots, supplied Joshua Nkomo's Zapu movement with the heat-seeking Sam-7 missiles that were used to bring down two civilian planes in Rhodesia, and awarded the notorious Venezuelan terrorist chief "Carlos" \$2,000,000 for his much-publicised abduction of Opec oil ministers in Vienna in 1975.

Gaddafi has also used his country's oil riches in a massive programme of covert action, seeking to influence the media and political circles in many Western and Third World countries.

Pro-Libyan propaganda publications like GREEN DAWN in London (to which a leading British supporter of the CIA defector, Philip Agee, is a contributor) are one element in this campaign. Under the counter bribes to influence

business or political decision-making are more effective and are being widely disseminated.

Though the mercurial Gaddafi is an unreliable puppet for Moscow, it would be myopic to ignore the extent to which Libyan covert action programmes provide a useful vehicle for his Soviet allies.

Libya is dependent on Russia for massive arms deliveries (under a huge deal, valued by some experts at no less than \$12 billion (£5 billion), that was concluded in 1976) and for military guarantees against an attack by Egypt—which Gaddafi has provoked by financing repeated attempts to assassinate the Egyptian President.

### Soviet interests

By playing a vanguard role in the bid to sabotage President Carter's Middle East peace strategy, Libya has served Soviet interests well. Libya may also provide Russia with a convenient intermediary, or "cut-out," in channelling support to terrorists around the world with whom the Soviet leadership would not wish to be publicly identified.

It is ironic that the East German Ministry of State Security (MfS) should have been delegated by the KGB—according to West European intelligence sources—to take primary responsibility for liaison with the Libyan secret service and its "special action" squads, which carry out assassinations.

The East German spy Chief, Markus (or "Misha") Wolf, who holds Soviet as well as East German citizenship, happens to be the only Jewish intelligence director in the Soviet Bloc.

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MISCELLANEOUS

Approved For Release 2009/05/06 : CIA-RDP05T00644R000501410001-3



HOUSTON POST  
20 July 1980

# Tactics of CIA and S-O are lamented

Two separate items June 30 had they been printed side by side, might have raised a few eyebrows.

They are a) The article that calmly details the of Sen. Malcolm Wallop and five colleagues, all Reagan advisers, who plan to introduce a charter which would remove the CIA one step further from the restrictions of democracy, and b) The letter by F. H. Potthoff III which not-so-calmly details his fears of the CIA in general and Donald Morris in particular.

The only thing I disagree with in Mr. Potthoff's letter is the tone of anger and fear, two heads of the same beast, and also two of the most powerful weapons at the disposal of the people that Mr. Potthoff is calling to task, as they are excellent fuel for the fires of confusion.

Mr. Potthoff is merely stating the obvious that the more power a government agency obtains, the further above the law they place themselves.

(The IRS, FBI and CIA are notorious for this ...)

The Wallop charter would "allow intelligence agencies to write their own guidelines, in consultation with Congress, for using mail-opening, burglary and electronic surveillance against American and foreign intelligence targets without court warrants."

My, my, suppose I tried that? How quickly would Congress look the other way? And where in the Constitution does it say that a private citizen is not entitled to the same rights as are employees of a government agency? Or is it that I have only to join the CIA and I, too, may be allowed to break into people's homes, read their mail and bug their living rooms without penalty?

As usual Sound-Off chose to dismantle Mr. Potthoff's main argument, this time with a smug reference to democracy, a favorite tactic. I wonder why the editors never attach their witticisms to the syndicated columns



Stansfield Turner, CIA director

Kent Haskins

4554 Warm Springs Road, Houston, Texas 77035

One item at a time.

1) Although E. H. Potthoff III called Donald Morris' writing "awesomely FRIGHTENING," Sound-Off, which has printed a number of F. H. Potthoff III's letters, does not believe that F. H. Potthoff III is scared of Donald Morris or the Central Intelligence Agency or S-O or you or anybody else. (This includes the Internal Revenue Service, which you put first on your horror list.)

2) S-O comments appear only in S-O. There is nothing syndicated here, so what you suggest is not possible. Editor.

## The answer

Donald Morris' unimpeachable right to write (no pun intended) in favor of the CIA has no bearing whatever on the question of whether his opinions are patently undemocratic (Sound-Off June 30) or unpatently democratic. The answer to that question lies wholly within the opinions he expresses, with which I happen to agree about 90 percent of the time — but that fact is not relevant to the question, either.

J. D. Thomas

4025 Bluebonnet Drive, Houston, Texas 77025

In most democracies, an aye vote of 90 percent is enough. Editor.



## WEST DOUBTS SOVIET ON TROOP PULLOUT

Intelligence Aides in Berlin Do Not  
Believe Cut of Forces in East  
Germany Was Completed

Special to The New York Times

WEST BERLIN, Aug. 13 — Western allied intelligence officers here say they view with some skepticism a Moscow announcement that the Soviet Union has completed its planned withdrawal of 20,000 troops and 1,000 tanks from the 400,000-man force in East Germany.

In announcing completion of the withdrawal earlier this month, the Soviet Union said it had fulfilled a pledge made by Leonid I. Brezhnev in October. In a speech in East Berlin, evidently designed to discourage Atlantic alliance planning for a modernization of its nuclear arsenal, the Soviet leader said the pullback would be carried out within a year.

"The Russians want us to take their word, but there is no evidence that all of these troops have really gone," one official said. He said he doubted in particular that all the 1,000 tanks had been removed.

According to British sources, 16,000 men and 800 tanks have been withdrawn. Most of the tanks belong to the outdated T-54 and T-62 series, which the Soviet Union has been replacing with the newer T-64 and T-72 models.

### Withdrawals Began on Dec. 5

The withdrawals began on Dec. 5, when Western reporters were invited to witness the departure of the first contingent of a few hundred men and some tanks from Wittenberg. By the end of May, it had become apparent to Western intelligence that the Russians had pulled back one entire division, the Sixth Armored Guards, from Wittenberg and Halle. At that time Western officials estimated that 10,000 soldiers and 350 tanks had been moved out.

Since then, according to Western reports, the Russians have pulled back only small units from various garrisons, in what was seen as a military reorganization rather than an outright cutting of strength. On the other hand, allied officials say they have no proof confirming reports that the Russians brought in additional troops.

"There are always fluctuations when the Soviets bring in new recruits and take those back home finishing their service," one aide said. "But we have not noticed any drastic changes or reinforcements."

He said doubts about the completion of the withdrawal were partly kindled because of the lack of publicity toward the end of the withdrawal.

Western sources also doubt that the troops were pulled back all the way to the Soviet Union. According to intelligence officials, there is evidence that at least some of the units have been moved to Czechoslovakia.

With the Sixth Armored Division gone, the Russians now have 19 divisions in East Germany. They also maintain two divisions in Poland, five in Czechoslovakia and four in Hungary. These troops and the 40 East European divisions face 27 Western divisions maintained by the Atlantic alliance.

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THE WASHINGTON POST  
12 August 1980

## **JACK ANDERSON**

Born-Again Brezhnev?—According to Karl Marx, religion is the opiate of the people. But the pragmatic athiests in the Kremlin don't boggle at the use of religion to serve their purposes when all else fails. According to intelligence sources, the Soviet bosses are believed to have employed an itinerant Syrian faith healer to work whatever magic he can on aging, ailing party secretary Leonid Brezhnev.

EXCERPTED

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ON PAGE A-14

THE WASHINGTON STAR (GREEN LINE)  
12 August 1980

## Letters to the editor

### Clarification

An article in the July 18 editions of *The Star* by John Wallach of Hearst Newspapers concerning C130 aircraft for Libya has been brought to my attention. The article states that I went to the State Department last year and asked them to release the airplanes to Libya.

This is absolutely not true. In fact, I strongly oppose delivery of any kind of equipment to the Kadafi regime that could be used in a hostile manner.

Prior to my visit to Libya in early 1977 as part of an Idaho agricultural trade delegation, I received classified-level briefings by the CIA and the State Department. After my return I reported certain observations of pertinent interest to CIA. Subsequently, I met with Mr. Philip C. Habib, undersecretary of state for political affairs, and reported to him matters that were discussed with the Libyans. At that time Mr. Habib gave me the history of the C130 controversy, and I completely concurred with the State Department position that the planes should not be delivered. That remains my position today.

I hope this will clarify any misunderstanding or misinformation that has surrounded this matter.

Steven D. Symms,  
Member of Congress, R-Idaho  
Washington, D.C.

GRANITE CITY PRESS-RECORD (ILL.)

11 August 1980

## '10-4' to receive national coverage

A new national magazine, the Explorer Journal, which will go to several hundred thousand young people, will feature in a future issue the forth coming Washington D. C. trip of Explorer Post 10-4.

Robert E. Hood, editor in chief of Exploring magazine, wrote W. F. "Mick" Strange, coordinator of Post 10-4 and assistant to the editor of the Granite City Press Record, requesting photos and texts of the trip.

Explor Post 10-4 is sponsored by Madison Police Unit 110, Police Benevolent and Protective Association.

Officer William Weidner is the post adviser.

The Explorers will leave Saturday, Aug. 16, and return Aug. 23.

The group will stay in the Holiday Inn-Telegraph Road, Alexandria, Va., which is the same motel the group stayed at in 1974 when they made a similar trip.

At 9 a.m. Monday, Aug. 18, the Explorers will meet with H. Stuart Knight, director of the U.S. Secret Service, Jack Warner Jr., assistant to the director, and Special Agent James Boyle whom many of the Explorers know from a law enforcement conference in Michigan held in July 1979.

They will spend the better part of Monday getting an indepth look at the functions of the agency.

Post 10-4, it is believed, is the first and only Explorer group to be allowed inside the main headquarters of the Central Intelligence Agency (CIA).

As in 1974, the 10-4 Explorers feel honored that Tuesday, Aug. 19, they will again be allowed to visit and receive a briefing on the agency by Paul Chretien, presentations officer of the CIA.

From the CIA the Explorers will then go to a personal meeting with William Webster, director of the FBI, after which they will be given a special tour of the new J. Edgar Hoover building.

Congressman Mel Price will meet the young men at 11 a.m. when they visit the House of Representatives Rayburn building and the Explorers will have a lunch of the famous Senate bean soup.

On Wednesday evening the group will take a professional three-hour bus tour "Washington at Night," seeing the historical monuments all brightly lighted.

The Explorers will also spend at least one day at the Smithsonian complex.

Plans to meet with an Explorer Post, sponsored by the Fairfax County Police Department for a party are also being made.

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SAN DIEGO TRIBUNE  
9 August 1980

## WENCKE SOUGHT JOB IN CIA IN 1979, DOCUMENT REVEALS

By CLAUDE WALBERT

TRIBUNE Staff Writer

Fugitive financier Walter Wencke may have asked the U.S. government to provide him the best of all hiding places — within the Central Intelligence Agency.

During a hearing yesterday to determine if Catheryn Wencke should be held in contempt for concealing information about her former husband, a counsel for the Securities and Exchange Commission revealed that a letter bearing Wencke's name had been prepared for the CIA's personnel department.

The SEC's Ernest T. Kaufmann said he could not tell how he obtained the document.

In the unsigned letter, Wencke said he didn't believe the CIA had anyone with his "unique combination of business and language expertise."

Wencke was reportedly a military intelligence specialist during and after World War II. In his letter he claimed to have been trained by the Army in Chinese and Japanese, and said he could also speak Russian, French, Spanish and German.

"My primary business was the investigation and acquisition of financially troubled companies," Wencke wrote, explaining how he could walk through a manufacturing plant and assess its production.

Wencke's letter said he was enclosing a newspaper article describing his troubles with federal law-enforcement agencies.

He said he expected to be a "guest" at the federal prison in Lumpoc as a result of those troubles and, rather than spending 20 months "playing tennis or playing cards, I would prefer to spend it productively utilizing my knowledge for the benefit of the government."

"In other words, I want to use my time and energy for the government rather than sit idle at its expense."

Wencke has been accused of acquiring financially troubled companies with the intent of looting them.

During his heyday in the late 1960s, he assembled a financial empire of dozens of companies, hotels in five states and thousands of acres of California farmland.

He was convicted of securities fraud and has been missing since Oct. 9, when he was to surrender to begin serving his term. Kaufmann said Wencke transferred \$25,000 to banks in the Bahamas shortly before he vanished.

Wencke's former wife has been accused of failing to divulge all she knows about his tangled affairs and of failing to turn over all documents to his receiver, Robert Gould.

Yesterday, she first denied typing any letter for her husband in 1979 in which he sought employment.

But when Kaufmann produced the letter, she said, "It seems he contacted the federal government or somebody."

Then she recalled that maybe he had contacted the CIA. Still later she said she did remember typing a letter to the CIA.

Mrs. Wencke said she didn't know if the government responded.

U.S. Magistrate Harry R. McCue commented that Mrs. Wencke seemed to have difficulty recalling events until she learned that documents were to be produced.

"She had a miraculous recovery of her memory when she knew you had that letter," McCue said to Kaufmann.

McCue strongly urged Mrs. Wencke to try to remember events such as the letter to the CIA, noting that anything that could have kept her husband from going to prison probably would have made a vivid impression on her.

Wencke's letter to the CIA said, "Why don't you give me a call and let me know what I can do for you?"

"That can be characterized generously as a rather bizarre proposal," McCue said.



## Television monitor

### And now, 'The CIA'

By GARY DEEB

Remember how "The FBI," the ABC Sunday night law-and-order program, glorified the exploits of J. Edgar Hoover's boys? It was the phoniest cop show on television, and for nine years it ranked as the biggest weapon in the real FBI's propaganda arsenal.

Well, a similar whitewash could hit the air on CBS sometime in 1981. It would be called "The CIA" — and yes, the weekly program would tell us about that swell bunch of courageous patriots and freedom fighters who populate our beloved Central Intelligence Agency.

Now that our nation seems to be tilting to the right politically, the CBS bosses are anxious to try to develop a show that would pander to that dominant conservative mood. It also wouldn't hurt CBS in the eyes of Official Washington, especially if Ronald Reagan gets elected and brings his 20-mule team into the White House.

Larry Thompson, executive producer of the proposed "CIA" program, admitted that America's neo-conservatism and "anti-foreign" attitude have a lot to do with the creation of the TV series. "Ideally, we'd like to show that the people in the CIA are American citizens with families and a job to do," he declared.

He further said the fictional series would get "technical assistance and advice" from the Association of Former Intelligence Officers, an outfit comprised largely of ex-CIA agents.

To me, that sounds dangerously close to the cozy deal between producer Quinn Martin and top officials of the FBI, a relationship that resulted for nearly a decade in the most censored and propagandistic weekly series in TV history.

Martin allowed FBI officials to screen all scripts for "The FBI," to dictate changes and to veto story ideas. In addition, he hired only actors and screenwriters who were "politically acceptable" to the FBI. Indeed, Efrem Zimbalist Jr., the star of the show, was the personal choice of the late FBI director J. Edgar Hoover.

Between 1965 and 1974 on ABC, "The FBI" fed us contrived tales of murder, bank robbery, kidnaping, drug smuggling, organized crime (never referred to as the Mafia, of course) and Communist espionage. Those were the old reliable cops-n'-robbers staples that the FBI built its reputation on in the 1920s and 1930s, and so Hoover & Co. insisted that the TV series adhere to those topics.

Meanwhile, the FBI rejected scripts dealing with civil rights, wiretapping, anti-war protests, draft resisters, police brutality, corporate anti-trust violations and anything else remotely connected with controversial issues of socio-political import.

And so with Quinn Martin as a willing dupe, the FBI distorted its own image and blue-penciled all stories in which it appeared to be anything less than a well-oiled machine virtually incapable of malfunction.

It's disgustingly clear that the potential CBS series about the CIA is headed in that same jingoistic direction.

"America's moving to the right," said Scott Siegler, a CBS vice president based in Los Angeles. "No matter who's president, the people want the United States to protect its interests abroad. The time is right for this show."

It isn't hard to read between those lines. In a bid to exploit the widespread blood-lust emotion against Iranians and other foreign people, CBS plans to insure that the CIA comes off as a wonderful outfit fighting that never-ending battle for truth, justice and the American way.

## The intelligence struggle

Ronald Reagan must sometimes feel like a character in a Graham Greene novel, so varied are the struggles now raging for his soul. All the conservative intellectual action is taking place now within the Reagan campaign, and this is healthy, because it has provoked some welcome reconsiderations of national policy on subjects from defense to economics.

One such struggle concerns legislation to govern the operation of intelligence agencies, and if the proposed charter for the FBI being circulated by Sen. Paul Laxalt (R., Nev.) is any indication, the stakes are very high.

Sen. Laxalt's bill would attempt to turn back the clock past the FBI's unpleasant days before the Church Committee investigating intelligence abuses, past the Justice Department's reforms of procedures for the gathering of information on domestic political groups, back to the days when it all seemed so simple.

In those days the FBI operated under a series of vaguely worded presidential directives that urged the bureau, essentially, to do what it thought necessary to protect the country from subversion. The FBI gladly complied, and its idea of what was necessary included some programs—such as the ghastly COINTELPRO operation to discredit and destroy dissident groups—that had no place in a free society.

After Watergate the FBI, along with other agencies with intelligence responsibilities, went through the torment of having to relive this history in public under national circumstances far different from those that had prevailed during the intelligence heyday. Though the FBI itself was certainly blameworthy, in fairness it must be recognized that suddenly all the rules had changed. And the vaguely worded directives provided it no protection.

Recognizing that vague or unstated rules invite just such painful exercises

in hindsight, the FBI came around to the view that it would be well served by specific executive guidelines and congressional legislation stating what its duties and obligations in the field of intelligence really are. For the past several years the bureau has been working with Congress to this end, and now Sen. Laxalt suggests that the whole effort was misguided.

His proposal would empower the FBI "to gather and maintain such intelligence as is necessary" to combat terrorism, a return to the old nonstandard and ah implied condemnation of all the carefully drafted restrictions the FBI and Justice Department, in consultation with Congress, have come up with in the past half-decade. It also authorizes bureau investigation of any individual or group that intends to use any unlawful means to change the policy of state, local, or federal government. A full-blown FBI investigation, once again, could theoretically be predicated on a plan to violate a parade permit.

The civil liberties dangers involved in the Laxalt proposal are clear, but what Mr. Reagan should also consider as he undergoes this particular struggle for his soul is how precarious this kind of legislation would leave the FBI. It would be foolish, following the overzealous congressional investigations of the post-Watergate period, to leave the FBI vulnerable to a repeat performance. And it would be unfair to FBI agents to send them into the field once again knowing that if they make the wrong, unguided guess about history they could end up discredited.

The country does go through these cycles, and they can be vicious. This was a point made by former Atty. Gen. Edward Levi at a recent American Bar Association—University of Chicago conference on intelligence. The protection of civil liberties and of the intelligence agencies can best be served by legislation that strikes the difficult balance and states it explicitly as national policy.



COLUMBUS DISPATCH  
29 July 1980

## U.S. Security State Causes Uneasiness

**A**MERICANS do not want their land of the free to be turned into a police state where federal agents surreptitiously kick in doors at midnight.

But neither do they countenance a situation in which the nation's internal protective devices have been so eroded that America's tranquillity and security have been placed in jeopardy.

Yet just that situation may exist and it has become increasingly apparent since the mid-1970s when the intelligence arms of the United States government came under fire and were both discredited and demeaned.

Although some of the criticism against the Federal Bureau of Investigation and the Central Intelligence Agency were justified, the cure may be proving to be more harmful than the original malady.

Incidents of the last week illustrate the point.

An Illinois congressman, Paul Findley, has raised serious questions about the cultural exchange program this country has with the Soviet Union. Created in 1958, it allows each nation to send 70 of its university-level students to the other country for specialized study.

What apparently bothers Findley is that the average Russian student is in his 30s and has a wealth of technical experience while the average American student is in his early and formative 20s.

Too, notes the congressman, a majority of the Russians are taking advanced courses in high technology in the fields of physics, chemistry, lasers and aircraft design. Sensitive information is being made available.

Also last week, Ali Akbar Tabatabai, press attache in the Iranian embassy in Washington during the tenure of the late shah, was assassinated at his Maryland home. The killer is believed to be a member of the so-called Guerrilla Army of Islam, a terrorist group loyal to Ayatollah Ruhollah Khomeini's regime which has pledged to eliminate all pro-shah officials, even those living abroad.

Where were the FBI and CIA in all this? Frankly, they were pretty well handcuffed. As a result of congressional panic in the mid-1970s, many vital FBI and CIA files have been destroyed and the techniques of using undercover agents and wiretaps severely restricted.

If the price of liberty is eternal vigilance, it is getting dangerously high.

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## Viewpoints

# The Reagan Plan for a Super Spy Agency

*If the GOP ticket wins, the CIA's prospects might improve, but a Reagan intelligence white paper calls for a new service with sweeping powers. It could overshadow Bush's old outfit.*

**By Jeff Stein**

When Ronald Reagan finally picked ex-CIA Director George Bush to be his running mate last week, I was sitting around the television with a group of Latin American exiles. "This is just like Brazil!" one exclaimed. "The head of the secret police is going to end up running the country."

It will be interesting to see just what influence the CIA will have if the Reagan-Bush ticket is elected in November. It is true that Bush was immensely liked by the cloak-and-dagger crew during his short stay at its Langley, Va., headquarters (June, 1975, to January, 1976), and he employed perhaps 40 ex-CIA officers in his campaign organization, including his own director of security, Robert Gambino. But predictions of some kind of a CIA *putsch* organized out of the vice president's office are perhaps off the mark.

For one thing, there exists a definite anti-CIA feeling among Reagan's closest foreign-policy and national-security advisers, many of whom were members of the Ford administration's "B-team," which was set up to offer competing analyses of CIA estimates of Soviet missile strength. And in lengthy conversations with Richard V. Allen, Reagan's principal adviser on these matters, I came away with the definite feeling that Allen thought the CIA was just not "tough enough" when it came to sizing up the Russians.

The principal evidence of my conclusions exists in a special white paper on the intelligence community put together by a group of ex-military and ex-CIA officers under Allen's direction last year.

While the white paper certainly expresses fondness for covert action at home and abroad—popularly known as "dirty tricks"—it also leaves an impression that the CIA may have to share the back alleys of the

world with other U.S. agencies, particularly the FBI and the Pentagon, and may have to be prepared to give up some of its power to a new "intelligence czar" in the White House. All this portends, of course, a classic Washington power struggle come January if Reagan wins.

Here are the highlights of the intelligence reorganization plan:

• Domestic spying.

The plans call for maintaining joint CIA-FBI files on "counterintelligence and counter-terrorism" in a special section to be created in the Justice Department or a wholly new, independent agency. "Here," the policy paper proposes, "joint teams of officers from both the domestic and foreign intelligence services would lawfully look at the same data."

• Checks on CIA analysts.

Among Reagan's advisers, there is a congenital suspicion of Russian military analysts at the CIA. To correct that, it is proposed that the role of the Defense Intelligence Agency be strengthened as a source of "alternative analysis," and that a permanent kind of "B-team" be set up to further checkmate the CIA, similar to the "wise old men" of the defunct Foreign Intelligence Advisory Board.

• Shift covert action away from the CIA.

"The clandestine services have been of inestimable value to our national security," the white paper claims. "They have performed some of the most important of CIA's unique functions, and they should be strengthened."

But the Reagan team doesn't think the CIA can do the job and wants to create a brand new "Foreign Operations Service" that would bring under one roof both information-collection and counterintelligence activities. As a new intelligence superagency combining many functions of both the FBI and CIA, the FOS would actually be a mirror image of the dreaded Soviet KGB. It would, the plan proposes, be "wholly clandestine."

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### • White House control.

The Reagan team would like to create the position of the president's "Chief Adviser for Intelligence Matters," a job that would be quickly dubbed "The Intelligence Czar." He would serve on the White House staff and thus be out of the reach of congressional confirmation. The adviser would "communicate the president's priorities to the intelligence community" and "present to the Congress the president's views of the community's needs." Rather naively, the plan also proposes that this person "should be the community's *sole* (their emphasis) contact with the news media."

### • Providing "cover" for agents overseas.

The Reagan team would also like to mobilize the entire government and business community for intelligence missions.

The new Foreign Operations Service, according to the white paper, would have at its disposal *every government agency*, and these agencies would be "required to furnish . . . full credentials, working assignments abroad for purposes of 'cover,' and full cooperation."

Meanwhile, a Reagan administration would provide private companies "immunity in connection with any lawsuits directed against them for permitting intelligence officers to use their activities as 'cover.'"

It is easy to find both potential abuses and tragedy in such an idea. First of all, it would make every Peace Corps worker a legitimate target of revolutionary groups abroad (or, for that matter, a Department of Commerce bureaucrat). Do we need another hostage situation?

Secondly, considering the Reagan team's ideas about new, domestic spying and foreign espionage programs, it makes one wonder whether terrorism directed at American businessmen abroad, already epidemic, might increase, and whether future Howard Hunts and Gordon Liddys might be able to find legal refuge under commercial cover.

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While, for now, the apprehension of my Latin American friends about the ascendancy of Bush may have been misplaced, there obviously exists in the Reagan team's white paper firm ground for their worries. Some of these Latin Americans have spouses, relatives, or friends who have "disappeared" under dictatorships—in Argentina, Brazil and Chile, among others—that were helped into power by the CIA or were supported by the United States.

During the Carter administration, the United States has distanced itself somewhat from these dictatorships under the banner of the "human rights" policy. As unsatisfactory as that policy has been—to many people here as well as in Latin America—recent travels on the part of some members of the Reagan team augur worse for the future.

For example, National Public Radio reported recently that Daniel Graham, the former head of the Defense Intelligence Agency, visited Argentina last month and told business, political and military leaders there that the Carter human rights policy had had "disastrous effects on our relations with Latin America." Graham said that a Reagan administration would "abandon the policy of throwing old friends to the wolves." In response to accurate descriptions in the Latin American press, which covered the event heavily, that he was a Reagan adviser, Graham protested that he was just a private visitor.

Some of the "old friends" mentioned by Graham would naturally welcome a return of the Republicans and particularly Bush. The CIA gladly trained Chile's dreaded secret police, the DINA, after the United States helped put Gen. Augusto Pinochet into power, and Bush was CIA director in 1976 when DINA agents blew up Orlando Letelier and Ronni Moffitt in a Washington car-bombing.

According to a new investigative book on the Letelier murder ("Assassination on Embassy Row," by John Dinges and Saul Landau), Bush had advance knowledge at the time of the assassination that DINA teams in the United States were up to no good but he withheld that information from FBI investigators and the U.S. prosecutor, Eugene Propper.

"Bush . . . did not say a word . . ." Dinges and Landau charge, "nor did Bush . . . or anyone else from the CIA subsequently volunteer their information about Chile's undercover mission to Propper or the FBI." The authors' conclusions are bolstered by FBI affidavits.

Instead, the newspapers were full of "CIA sources" concluding that "DINA was not involved" in the murders. Of course, FBI agents read newspapers too, and without the evidence Bush apparently kept to himself, they went chasing other wrong leads for months.

Bush has refused to comment on the matter, referring all inquiries to the CIA, which has so far refused to release such items as Bush's telephone logs on the day of the assassination. (The Reagan white paper, by the way, claims that the Freedom of Information Act has been subject to "grotesque abuse" and needs "tightening.")

In the end, however, with the Reagan team's early enthusiasm for tinhorn dictators and covert action, it may not matter much after all if Bush becomes vice-president. He *would* be good at one traditional vice-presidential detail, however.

Reagan could send him off to Buenos Aires, Brasilia and Santiago—as a "goodwill ambassador."

Jeff Stein, a former Army intelligence officer, writes frequently on national security issues and is Washington editor of *The Progressive* magazine.

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Hugh Haynie, Louisville Courier-Journal

SAN DIEGO UNION

10 July 1980

# CIA Chief's Testimony Sought In Wencke Case

By BILE OTT

Staff Writer, The San Diego Union

Attorneys trying to unravel the corporate labyrinth left by fugitive millionaire Walter Wencke say they want to ask Central Intelligence Agency Director M. Stansfield Turner if Wencke managed to disappear by going undercover as an agent.

Attorneys Alex Harper and Michael Zybala said this yesterday in the wake of a disclosure that Wencke had written a letter on April 2, 1979, offering his talents to the CIA.

Harper said Turner will be asked if Wencke was allowed to join the CIA. Locating Wencke is paramount to bringing him to justice, he said, adding that if necessary, steps will be taken to question Turner under oath.

Wencke, in his 1979 letter to the CIA, said he has a background of Chinese, Japanese, Russian and other languages and was in military intelligence during World War II. The letter stated, in part: "It would take many individuals with different skills to accomplish what I can do alone."

That was before he jumped \$100,000 bail last Oct. 9 by failing to surrender to begin serving a five-year term on his conviction of mail fraud in the operation of his Sun Fruit Ltd. He had been free on bond pending appeal, but the higher court upheld his conviction.

Wencke's overture to the CIA came to light Tuesday before U.S. Magistrate Harry R. McCue as Harper, Zybala and Ernest Kaufmann, an attorney for the Securities and Exchange Commission, pressed their quest for massive volumes of business and stock records

from the corporate maze that Wencke created. The records are sought by R.N. Gould, court-appointed receiver over much of the Wencke empire, involving in the neighborhood of 100 corporate entities and trusts.

"It's a bowl of spaghetti," Gould said yesterday, but he promised to bring some semblance of order at minimal cost so many public shareholders can be returned as close as possible to their original position of ownership.

Mrs. Wencke, again on the witness stand yesterday, said she has at her Rancho Santa Fe mansion a carton of mail that had been arriving over a period of time for Wencke. McCue authorized a screening of the mail, but only if Mrs. Wencke were present.

With that, Kaufmann and Zybala accompanied her to her home. She had volunteered to cooperate and, at the end of the court session, wept on the witness stand after the magistrate found no cause to hold her in contempt.

"I don't care about myself anymore," Mrs. Wencke sobbed. "It's my children. They're such outstanding young people to go through an ordeal like this."

Mrs. Wencke had faced a possible contempt citation for failure to cooperate in disclosing business records, but she insisted she had relinquished virtually all she thought were significant.

Harper said late yesterday that Zybala and Kaufmann, after the visit to the Wencke mansion, "got a clear impression there are additional documents" that are of importance to Gould.

He said the decision to pursue answers from the CIA was based on "what we didn't find in the mail" screened by Kaufmann and Zybala.

Conspicuous by its absence was personal correspondence to Walter Wencke," Zybala said.