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Executive Reg
82-13681

29 December 1982

MEMORANDUM FOR: Director of Central Intelligence

FROM: Director, Office of External Affairs

SUBJECT: Telephone Conversation with Philip Taubman, The New York Times - 29 December 1982

1. At 10:30 a.m. on December 29th, I contacted Philip Taubman at the Pink Beach Hotel in Bermuda and relayed the following information attributable to you:

(a) We cannot afford to let stand unchallenged the charges that we fashion intelligence to fit Administration rhetoric. The charges are absolutely false -- we go to great pains to see that intelligence is just that, intelligence.

"From the Spring of 1980 to the January 1981 statement of recently departed Secretary of State Ed Muskie, the previous Administration in various statements recognized that the insurgents in El Salvador were being supported by Cuba and Nicaragua.

During 1981/82 the Intelligence Community issued a good number of separate National Intelligence Estimates on Central America. Each of these was concurred in by all 12 of the separate components of the American Intelligence Community."

2. Taubman stated he did not know present status of story and whether it was too late to get these remarks in. I urged him to make every effort to do so and reemphasized that you felt quite strongly that these positions be stated.

3. [redacted] of my Office, were parties to the conversation.

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[redacted]

cc: DDCI
EXDIR

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Central Intelligence Agency

Washington, D.C. 20505

16 November 1982

Mr. Philip Taubman
The New York Times
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Phil:

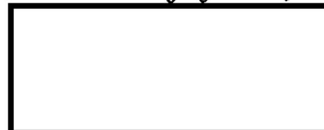
Mr. Casey has, in accordance with our agreement, reviewed your submission and approved these quotations and attributions as attached.

Mr. Casey does not hold the "relatively simple" view that the U.S. "must" make extensive use of covert operations because the Soviets do. He does believe that to be, or perceived to be, unable or unwilling to act in support of friendly governments facing destabilization or insurgency from aggressor nations or to prevent groups standing for our values from being snuffed out would undermine our security and leadership as well as peace and stability in the world.

Mr. Casey does not believe that he should express any views publicly on his qualifications. He does believe a fair and balanced treatment would have to reflect that he came to his present post with experience, which would rate high in any Cabinet, in directing four substantial and complex Government organizations, including intelligence in World War II, and that in books, magazines and newspaper articles by those who studied these activities he has been credited with effective and decisive leadership and with lifting the spirit and morale of the organization.

Also attached and approved are the quotes from Bob Gates.

Sincerely yours,



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Director, Office of External Affairs

Enclosures

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CASEY QUOTATIONS APPROVED

On the estimating process: "We found that estimates had been kicking around for close to a year, going through different drafts. We set up a fast track system. Rather than a lot of pulling and hauling and papering over of differences between agencies, we want to highlight differences and give policymakers a range of views."

On having senior analysts brief top Administration officials every morning and return to the C.I.A. with feedback: "It helps us determine and develop the information and the analysis they need for the next day and for dealing with issues on their forward agenda."

On the weekly watch meeting: the group assembles every Thursday to survey world events, review trouble spots and, as Casey said, "warn of potential surprise or other significant developments."

On covert operations: Casey calls covert actions "special activities."

"Through all the investigations and examinations of covert activities," Casey said, "very few people came away with the conclusion that the nation should deprive itself of the ability to move quietly in private channels to react to or influence the policies of other countries."

In practice, according to Casey, that means a series of "low-key, low-level" efforts, involving a "small number of people" which are in support of other governments, closer to the area of operation, and with a bigger stake in it and ready to take the main responsibility." This means, he said emphatically, avoiding anything like the Bay of Pigs invasion of Cuba in 1961. What it does cover, according to Casey, are efforts to provide

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countries threatened by externally supported guerrilla forces with equipment and training to "help them defend themselves."

An example often cited by Casey is the behind-the-scenes role the C.I.A. played in assuring free elections in El Salvador earlier this year. By providing the Salvadoran military with equipment and training to help it locate guerrilla units, reduce the flow of weapons from Cuba and Nicaragua, and anticipate rebel offensives, Casey said, the Agency helped the government prevent the pre-election attacks that insurgents promised would disrupt the voting.

On the appointment of Max Hugel as DDO: Casey now calls the appointment "a mistake."

On the cutbacks in money and manpower: During the 1970's, according to Casey, there was a 40% reduction in funding for intelligence agencies and a 50% cut in manpower.

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GATES QUOTATIONS APPROVED

On exchanging ideas with the academic community and sponsoring seminars and conferences: "The object is to keep the intellectual juices flowing. Sometimes we don't look enough at unorthodox views. By sending analysts out to the field, by sponsoring conferences and seminars, and by consulting more widely with outside experts we're trying to counter the bureaucratic tendency toward insularity and being satisfied with the conventional wisdom.

On the quality of finished intelligence: "We produce some work that is absolutely brilliant. We also do a lot of good competent analysis and research. If we have a problem, it's the difficulty of instilling creativity, imagination and independence of thought in a large bureaucracy."

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The New York Times
WASHINGTON BUREAU
1000 CONNECTICUT AVE., N. W.
WASHINGTON, D. C. 20036
202 862-0300

Nov. 15, 1982

[redacted] STAT
External Affairs
Central Intelligence Agency

Dear [redacted] STAT

The article is almost finished, so I'd like to let Bill Casey and Bob Gates know what parts of our interviews I have used. I'm leaving town this afternoon, but I will call you on Tuesday morning to see if they have any objections to the material.

CASEY

(1) On the estimating process: "We found that estimates had been kicking around for a year or more, going through different drafts. We set up a fast track system. Rather than a lot of pulling and hauling and papering over of differences between agencies, we want to highlight differences and give policymakers a range of views."

(2) On having senior analysts brief top Administration officials every morning and return to the C.I.A. with feedback: "It helps us know what we should be doing the next day."

(3) On the weekly watch meeting: the group assembles every Thursday to survey world events and, as Casey said, "identify trouble spots."

(4) On covert operations: Casey calls covert actions "special activities."

"Through all the investigations and examinations of covert activities," Casey said, "very few people came away with the conclusion that the nation should deprive itself of the ability to influence events in other countries." For Casey, the equation seems relatively simple: the Soviets make extensive use of covert operations to advance their interests around the world so the United States must do the same, though absent some of the more extreme Soviet techniques such as assassination.

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In practice, according to Casey, that means a series of "low-key, low-level" efforts, involving a "small number of people" that are "confined to situations where other governments, closer to the area of operation and with a bigger stake in it, are ready to take the main responsibility." This means, he said emphatically, avoiding anything like the Bay of Pigs invasion of Cuba in 1961. What it does cover, according to Casey, are efforts to help provide countries threatened by guerrilla forces with equipment and training to "help them defend themselves."

An example often cited by Casey is the behind-the-scenes role the C.I.A. played in assuring free elections in El Salvador earlier this year. By providing the Salvadoran military with equipment and training to help it locate guerrilla units and anticipate rebel offensives, Casey said, the agency helped the government prevent the pre-election attacks that insurgents promised would disrupt the voting.

On the appointment of Max Hugel as DDO: Casey now calls the appointment "a mistake."

On the Senate Intelligence Committee report on his background and personal finances: He calls it a "stinking report."

On criticism of his qualifications to run the C.I.A.: "I get annoyed by people who say I'm here because I ran Ronald Reagan's campaign. The press has portrayed me as someone who doesn't have the qualifications for this job. That just doesn't shape up. The reason I'm here is because I've got a good track record."

On the cutbacks in money and manpower: During the 1970's, according to Casey, there was a 40% reduction in funding for intelligence agencies and a 50% cut in manpower.

I have incorporated a lot of the other things Bill said in the story as background, not attributed to him or to intelligence officials. The material is weaved into the story. That also goes for most of the interview with Bob: there was lots of useful background information that is included throughout the story without attribution to him.

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GATES

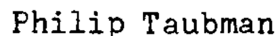
On exchanging ideas with the academic community and sponsoring seminars and conferences: "The object is to keep the intellectual juices flowing. Sometimes we don't look enough at unorthodox views. By sending analysts out to the field, by sponsoring conferences and seminars, we're trying to counter the bureaucratic tendency toward isolation and insularity."

On the quality of finished intelligence: "We produce some stuff that is absolutely brilliant. We also do a lot of good competent analysis and research. If we have a problem, it's the difficulty of instilling creativity, independence and imagination in a large bureaucracy."

I don't quote Jim Glerum.

The article has yet to be edited, so there may be revisions that involve the use of other quotations. If so, I will let you know. Thanks for your help.

Best regards,



Philip Taubman

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OEXA 82-1356

The New York Times
WASHINGTON BUREAU
1000 CONNECTICUT AVE., N.W
WASHINGTON, D.C. 20036
(202) 862-0300

August 3, 1982

[redacted] STAT
External Affairs
The Central Intelligence Agency
Washington DC 20505

Dear [redacted] STAT

The New York Times Magazine has asked me to do a story on the C.I.A. It has been awhile since the Times Magazine, or any major magazine, for that matter, has taken a comprehensive look at the agency. The last piece published by the Times Magazine appeared in July 1979. Written by Tad Szulc, it was a look at the agency in the wake of the overthrow of the Shah of Iran and Admiral Turner's shakeup of the operations directorate. In September 1976, Taylor Branch wrote a piece about covert operations and the Church Committee investigation. Not surprisingly, both articles concentrated on upheaval and problems.

It's time for a dispassionate, in-depth look at the agency. The Reagan Administration has clearly set out to rebuild American intelligence capabilities and Bill Casey has put a premium on improving the quality of intelligence analysis. There's been much talk in the press about improving and expanding operations and an increased use of covert actions. However, no one has stopped to pull all this together in a single story that, in effect, gives the public a status report on the C.I.A.

If you strip away the frills, I guess it boils down to a basic question: how good is the C.I.A.? That means beginning with the ultimate product, the intelligence analyses and reports. How accurate are they? How timely? How useful to decision-makers? Since the reports reflect the quality of intelligence collection, I would like to examine the steps that have been taken to make improvements in that area. Given the public fears about covert operations, I should try to report what the agency is, and is not, doing.

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Obviously, I can write a story based on interviews with intelligence consumers, members of congressional oversight committees and intelligence officials from other agencies, but to do justice to what's happening at the C.I.A., I really should spend time with agency officials. I realize I'm asking for unusual access, but I think it's in both our interests. Because the hysteria about intelligence abuses has passed, this is a good time for an even-handed assessment of the C.I.A. The best way for me to understand what the agency is doing, and the best way for the agency to dispel a lot of public rumors and suspicions, is to let me talk with agency officials.

Let me give you some examples. For an overview of the C.I.A. I should talk to Mr. Casey and John McMahon. If I am to understand and report on improvements in intelligence analysis, I need to talk to Bob Gates and some of his analysts. I need to find out what problems this Administration inherited in analysis and how you've gone about correcting them. I need to know what changes have been made in the content and timing of intelligence reports. In this area, I would also like to meet with STAT and some of the national intelligence officers. STAT

In operations, I clearly must address the issue of what rebuilding means. What improvements have been made in the collection of foreign intelligence? One interesting issue is training--how does the C.I.A. go about finding and training people for foreign assignments? Without compromising your operations, I'd like to write a little about the teaching of tradecraft. What sorts of covert operations are considered acceptable these days? For all these questions, I'd like to have some time with John Stein and his people.

Similarly, I'd like to interview E.R. Hineman about his science and technology shop and Harry Fitzwater about support and logistics. On the issue of internal checks, I'd like to interview and the new inspector general, if one has been named. STAT Because there is a great deal of interest in, and misunderstanding about, counterintelligence, I would like to talk with STAT

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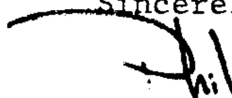
I am open to discussion about ground rules for some of these interviews. I would like to do as many as possible on the record, but in some of the more sensitive areas, you may prefer background sessions. My deadline for reporting is mid-September, so, if the agency is willing to help, I'd like to get started with interviews as soon as possible.

Sincerely,



Philip Taubman

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ARTICLE APPEARED ON PAGE 13

THE NEW YORK TIMES MAGAZINE
29 July 1979

SHAKING UP THE C.I.A.

By Tad Szulc

Jimmy Carter was furious. He sat in the Oval Office on this chill November day, staring at the note paper before him. Riots were sweeping Iran. The Shah had just been forced to impose a military government on his nation. And the President of the United States hadn't even known a revolution was coming — had, in fact, been assured all along by the American intelligence community that there was no such danger. Mr. Carter lifted his pen and wrote: "I am not satisfied with the quality of political intelligence." The notes were addressed to "Cy," "Stan" and "Zbig" — Secretary of State Cyrus R. Vance, Director of Central Intelligence Stansfield Turner and National Security Adviser Zbigniew Brzezinski.

Those handwritten messages of last Nov. 11 were not the President's first expression of concern over the state of American intelligence, but they were by all odds his strongest. They removed any doubts of White House determination to force change upon the intelligence apparatus. It had failed him in a most astonishing manner.

A nation Jimmy Carter considered America's linchpin of stability in the Middle East, a nation in which the United States had essential strategic and economic stakes, was in the midst of a profound crisis. By February, Mr. Carter would see Shah Mohammed Riza Pahlevi's government replaced by a radical Islamic re-

Tad Szulc is a Washington writer who specializes in international affairs.

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gime with which the United States had established no contact. The loss of America's secret tracking stations that monitored Soviet missile testing would damage prospects for Congressional approval of the latest strategic arms limitations talks (SALT II.) The cutoff of Iranian oil production would spark shortages that plague American motorists to this day. Yet the President, until the end was almost at hand, had not known the depth or extent of the Shah's problems. That kind of failure over the last few years has led to the most comprehensive shake-up in the history of the nation's intelligence community. A major reorganization, begun early in 1978, continues. Special groups have been created to critique the community's efforts, including a new top-level unit, the Political Intelligence Working Group, that is forcing traditionally turf-conscious agencies to work together. Hundreds of Central Intelligence Agency operatives have been fired, sending the organization's morale — already low following the traumatic investigations of the mid-70's — plummeting to new depths. Congress is putting together legislation that would, for the first time, legally define the powers of, and limitations on, the intelligence community.

Only a few years ago, the C.I.A. and its partner agencies were being attacked as too aggressive and too powerful. Now, irony of ironies, some of the same liberals in Congress and the Administration who had led the charge have begun to worry over the failures in political intelligence. And they are calling upon the C.I.A. to assert itself, to take a greater role in policy formulation. The watchdog Senate Select Committee on Intelligence is actually approving clandestine missions that would have been taboo as recently as 1976.

Meanwhile, the uproar over the nation's intelligence record has come full circle. The brickbats are no longer reserved for the "producers" of intelligence, such as the C.I.A. Critics charge that preconceptions and misconceptions on the part of the "consumers," the top policy makers, have prevented good decisions, regardless of the quality of the intelligence material presented them. The "consumers," of course, are primarily the National Security Council — and an angry letter-writer named Jimmy Carter.

THE GATHERING STORM

"We will continue to anticipate tomorrow's crises as often as we can," says Adm. Stansfield Turner. "But our record here will never be as good as we would like it to be." Admiral Turner rules an empire with an estimated annual budget of $15 billion and an army of tens of thousands, at home and abroad, overt and covert. But uneasy lies the head that wears that crown; the record of Admiral Turner's troops is not as good as his peers and masters would like it to be.

Since Harry Truman carved the C.I.A. out of the wartime Office of Special Services in 1947, the chief of that organization has also been responsible in theory for the larger intelligence community. Hence Admiral Turner's official title: Director of Central Intelligence/Director of the Central Intelligence Agency.

But keeping rein on the dozen or so elements of the intelligence community can try a Director's soul. The C.I.A., the mainspring of the community, is a single, clearly defined entity. The other members of the community are a disparate lot, ranging from the Pentagon's National Reconnaissance Office, with its spy-in-the-sky satellites, to a Treasury Department unit that collects foreign financial data. Thus the Director of the community faces a built-in division of loyalty. The offices of the Department of Defense that collect foreign intelligence, for example, operate within a military hierarchy as well as within the intelligence community hierarchy.

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Over the years, that arrangement has helped make the Directorship one of the more notorious revolving-door jobs in Washington. Between 1973 and 1977, for example, four men — James R. Schlesinger, William E. Colby and George Bush — held the post. Probably the only Director who actually succeeded in exercising full control over the intelligence community as a whole was the imperious Allen W. Dulles, who was forced to resign seven months after the C.I.A.-sponsored Bay of Pigs disaster of 1961.

Admiral Turner was given a decisive leg up in the struggle. Eighteen months ago President Carter issued an executive order that, for the first time, gave the Director budgetary control over all elements of the intelligence community. Just how long Admiral Turner — a controversial figure in his own right — would be around to enjoy the benefits of that change, however, has been a matter of conjecture.

The Admiral is trim and earnest, a 55-year-old intellectual who was a Rhodes Scholar at Oxford University after graduation from Annapolis. He was sworn in as Director by Jimmy Carter in 1977; Senate opposition had led Mr. Carter to drop his first candidate for the job, former Kennedy speechwriter Theodore Sorensen.

Those who have worked with the Admiral say he's "tough" and "mean." Presumably they were necessary qualities for a man who commanded fleets for the United States and for the North Atlantic Treaty Organization and who was in charge of Allied Forces Southern Europe. Presumably they came in handy on his C.I.A. assignment.

But the Admiral has drawn different kinds of comments of late, the kindest of them being "inept." The White House staff complained that he had failed to breathe new life into the C.I.A. There was a pronounced coolness toward him at the top of the Defense Department's intelligence establishment. Many of the Congressmen involved in C.I.A. oversight were dissatisfied. And he was not liked within the agency itself.

For close to a year, there has been insistent speculation that Admiral Turner was on his way out of the job. However, there is some doubt that the President would wish to give the revolving door another turn so soon.

Mr. Carter's executive order of Jan. 24, 1978, calling for reorganization, was not greeted with great enthusiasm throughout the intelligence community. It was, after all, the first public sign of the deep discontent the community's top consumers were feeling about product quality. Moreover, it arrived on the heels of two of the worst years in the community's history:

Attacks on the C.I.A. and its sister agencies traditionally focus on interference with the rights of other nations, or with the rights of American citizens. And it was the illegal surveillance at home and abroad of American citizens suspected of antiwar activism that brought down on the C.I.A.'s head the Congressional investigations of 1975 and 1976. The agency's dirty linen was piled sky high: secret assassination plots against Patrice Lumumba in the Congo and Fidel Castro in Cuba . . . subversion of the Marxist regime in Chile . . . mind-control experiments with dangerous drugs . . . unlawful ties with American journalists and academics.

The necessity for the gathering of foreign intelligence was never seriously in question. For a President to make informed decisions about arms-limitation talks or oil imports, he requires some kind of intelligence-gathering and analysis apparatus. But the Congressional revelations led to demands that the intelligence community cease infringing upon individual liberties, and forsake its aggressive role in the making of foreign policy. Congress named a total of eight committees in both houses to oversee C.I.A. operations.

The intelligence community was shaken, but its problems were just beginning. Having been tried and convicted in the public eye on charges of being unethical, it was up on charges of being inefficient.

The issue was apparently first raised by National Security Adviser Brzezinski at a dinner given by Admiral Turner at C.I.A. headquarters in Langley, Va., on Oct. 27, 1977. Brzezinski complained to the senior officials present that the intelligence community had allowed its human-intelligence (known in the trade as "HUMINT") skills in gathering political data to decay because of the increased emphasis on technical intelligence — essentially the use of electronic and photographic devices. The data and information he was receiving at the White House, he said, fell far short of the mark in terms of policy-making requirements. (He noted along the way that he had stopped reading telegrams from most American ambassadors abroad because they provided no coherent assessment of political situations.)

Meanwhile, the staff of the National Security Council, the President's chief policy-making body for international affairs, was undertaking a full review of American security and intelligence, and that led ultimately to President Carter's executive order. Ten days before that order was issued, Brzezinski wrote forceful secret memorandums to Admiral Turner and Secretary Vance expressing his unhappiness over the quality of American political intelligence. Among his complaints: a lack of basic source material and, as one of his associates put it, a lack of emphasis on "making sense."

There were other critics. The Senate Select Committee on Intelligence, in a report issued last spring, took the community's "political-social analysis" record to task. In some instances, the committee found, "the performance of specialized public sources," such as trade publications, "equaled or exceeded that of the intelligence community." The community was said to emphasize current developments at the expense of analysis, and to have a limited ability to integrate political and economic factors in those analyses it produced.

Ray Cline, former C.I.A. Deputy Director for Intelligence, says that the agency's political intelligence skills "fell into disuse" in the late 1960's as a result of high-level decisions to economize by cutting down on detailed reporting from the field — "in favor of summary analytical reporting." But, he insists, "if you don't have patient accumulation on political and economic events and trends, you're at a loss for relevant estimates when new data come in."

The critics have no dearth of specific instances of community failure:

- A still-classified Senate committee study claims that the C.I.A. led the Administration to believe that Cuba was actively behind the 1978 invasion of Zaire's Shaba province by exiles attacking from Angola, an assessment that has never been adequately documented. It led President Carter to publicly denounce the Cubans for mounting the invasion, to his subsequent extreme embarrassment.
- When the President announced in 1977 his plans to reduce the United States military presence in South Korea, he was not aware of the extent to which the North Koreans had been building up their armed forces since 1970. Army intelligence campaigned for a full review, but was ignored for nearly a year; only last spring did the community finally conclude that there were 550,000 to 600,000 troops arrayed in North Korea rather than the 450,000 it had previously reported. And nine days ago the White House officially announced the indefinite suspension of troop withdrawals, citing "security considerations."

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• Both the C.I.A. and the State Department mistakenly predicted that, though Saudi Arabia might make appropriately loud noises about an Egyptian-Israeli peace treaty, the Saudis would not actively oppose the treaty or join Arab "rejectionist" states in punishing President Sadat. In fact, the treaty led at least temporarily to a souring of United States-Saudi relations. In May, for instance, the C.I.A. station chief and five of his subordinates were quietly asked to leave that country, ostensibly because they probed too deeply into politics within the royal family. And given the American dependence upon Saudi oil, the repercussions of such a mistake in judgment could clearly be traumatic.

Another kind of criticism, one with more than a few ironic overtones, is leveled at the community. Once accused of forcing its views upon policy makers, of reveling in "dirty tricks," the C.I.A. is now said to be too timid. It failed to come up with an in-depth study of Zimbabwe Rhodesia last spring, for example; State Department officials think the agency simply considered the topic too politically controversial. It turned down a State Department request this year for a study of the flow of Indochinese refugees, the "boat people," on the grounds that it was not important enough. And even though it received encouragement from a Senate oversight committee, the C.I.A. refused to provide a foreign government assistance in combating terrorism because the agency feared being identified with what it called "repressive police action."

The community has its defenders, of course. They cite successes to match the failures. Last winter, for example, the C.I.A. predicted that China was about to invade Vietnam, that the invasion had limited goals and that the Soviet Union would remain militarily uninvolved unless the struggle escalated into a major conflict. The agency turned out to be right on all counts, enabling the Administration to respond appropriately.

Moreover, agency officials are quick to point out, some of the problems laid at the community's door have less to do with the quality of the product they provide than with the inability or refusal of the President and National Security Council to use the product efficiently. A dramatic instance of policy failure was played out in Nicaragua.

By the spring of 1979, after having underestimated the national following of the Sandinist guerrillas, the intelligence community finally started warning the White House that the guerrillas had a good shot at toppling the dictatorship of Gen. Anastasio Somoza Debayle. But the Administration paid little mind. No in-depth studies were ordered that looked toward a post-Somoza Nicaragua, nor did the intelligence community generate any.

Late in June, as a major guerrilla attack was bringing the Somoza regime close to collapse, the United States policy makers succeeded in antagonizing both the dictator and the guerrillas by proposing, over objections from the State Department, the dispatch of an inter-American peace force to Nicaragua. It was unanimously rejected by the Organization of American States. Given the historic Latin American fear of United States intervention, that reaction was easily predictable, in fact inevitable, notwithstanding the multination makeup of the proposed peace force. The question critics asked: Why was this not evident to the leaders in the White House who made the decision?

On New Year's Eve, 1977, in the Niavaran Palace in Teheran, Jimmy Carter offered a champagne toast to Shah Mohammed Riza Pahlevi. Iran, the President said, "is an island of stability in one of the most troubled areas of the world." A year later, a bloody revolution forced the Shah to abdicate his throne. It was only a few months before the end that the President's intelligence aides gave him any clear idea of how serious the situation was.

The material that follows, a study of the Carter Administration's response to the Iranian crisis, is based upon scores of interviews with senior civilian and military policy makers, intelligence officers and members of Congress. It documents the errors in intelligence gathering, analysis and policy making, precisely the kind of errors that had led Jimmy Carter to impose a massive reorganization on the intelligence community.

EYELESS IN IRAN

On Oct. 9, 1977, students rioted in Teheran, demanding the return of the exiled Ayatollah Ruhollah Khomeini, the supreme leader of Iran's conservative Shiite Moslems. On Jan. 9, a week after President Carter departed, the Shah's police killed 20 religious demonstrators in the holy Shiite city of Qum. Protests and strikes erupted throughout the country.

These events before and after the President's stay were dutifully reported to Washington by the American Embassy, which employed more than 100 professionals. They were reported by the Teheran station of the Central Intelligence Agency, which employed about 50 persons; the agency had other sites in the country as well, plus an unknown number of covert agents.

But embassy and C.I.A. telegrams minimized the significance of the rising unrest in Iran. As a senior State Department official later explained, "We didn't think it was important." For the United States was totally dependent on the Shah and his secret police, Savak, for an understanding of the situation, and the Shah didn't think it was all that important, either. American intelligence gatherers were allowed no actions that would upset the Shah, and that ruled out any C.I.A. or embassy contact with his real or potential political opponents.

Though no United States official, past or present, interviewed for this article was aware of any written directive issued by any Administration forbidding contact with the Shah's opponents, it was clearly understood to be policy. "Everyone knew it," a senior official said. "It didn't have to be on paper."

In any event, as late as fall 1978, the Carter Administration was absolutely convinced that the Shah was politically invulnerable. One reflection of that attitude: The C.I.A. in 1978 decided not to do a full-dress update of its 1975 Iran National Intelligence Estimate (N.I.E.) — an in-depth study designed to analyze present and future trends — on the assumption that it would be a pointless waste of its relatively limited analytical assets.

So it happened that the C.I.A. and other American intelligence agencies basically did business only with the Shah and Savak. It was familiar territory for all involved; they had worked together before. It was the C.I.A. that had restored the Shah to power in 1953, after he fled in the face of a challenge from Prime Minister Mohammed Mossadegh. The C.I.A. actually helped to organize Savak four years later. And the special relationship deepened when Richard M. Helms, for nearly seven

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years the Director of Central Intelligence, was named Ambassador to Iran by President Nixon in 1973.

There was, however, some question about Savak's effectiveness. A senior American official well acquainted with its operations commented, "Savak wasn't all that good. . . . Though it did all right on Soviet clandestine operations inside Iran, it found itself penetrated by the Russians. . . . Savak also overreacted when it came to any political opponents. One time, in 1977, its agents badly beat up some innocuous kids in Teheran. So it was the sort of thing that just added to the pressures for the Shah's overthrow."

There was a third leg to the basic intelligence relationship in Iran — Mossad, the Israeli secret service. Mossad did not labor under the same kind of self-imposed limits as did the Americans. Moreover, they enjoyed the advantage of a major source of information in the influential Jewish community of 80,000 in Iran. Thus, Israeli Ambassador Uri Lubrani was able to correctly inform a visiting United States senator in 1976 that the greatest danger to the Shah came from the conservative Islamic clergy. And early in 1978, the Israeli Embassy in Washington sought to alert the State Department to danger signals in Iran. (It was repeatedly assured that all was well with the Shah.)

William H. Sullivan arrived in Teheran in June 1977 to replace Helms as American Ambassador. (Sullivan's background included a stint as Ambassador to Laos, during which he in effect ran the "secret war" of the C.I.A. and the Air Force against the North Vietnamese.) He quickly sized up the inadequacies in the collection of internal political intelligence. Even contacts with the middle-of-the-road opposition, the men who would soon form the National Front movement, were limited because many of the leaders were in exile and some of the others feared Savak reprisals if they talked to Americans. There were only three officers in the embassy who could speak the Persian language, Farsi; that was not enough to keep tabs on "the bazaars" — shorthand for the thousands of small shopowners who are the commercial and social heart of the big cities.

One source of information the C.I.A. ignored was in its own files, the National Intelligence Estimate of 1975. It identified the Islamic religious community, including Khomeini, as a basic cause of future unrest. It did not, of course, predict that a revolution would break out in 1978, but the top-secret document did discuss in long-range terms the viability of the Iranian armed forces, the political attitudes of Iranian students at home and abroad, and the growing disaffection in the cities. Some agency officials say that the authors of the 1975 estimate had actually tried to "talk up" a better overt and covert collection effort in Iran, but had been ignored by their bosses.

On March 18, 1978, the Shah announced what would be the first of a series of concessions — the release of 385 prisoners. But day after day, through May and into June, the demonstrations and riots continued, as did the flow of assurances from the Iranian Government that all was, in fact, under control. Ambassador Sullivan was telling Washington that things were "stirring," but not enough to prevent him from flying home for a summer vacation at the end of June. The British Ambassador, Sir Anthony Parsons, with whom Sullivan was in close contact, left on vacation at the same time.

Ambassador Sullivan returned to Teheran late in August. On Sept. 7, martial law was declared, and the following day, in Teheran, Government troops fired into protesting crowds; the opposition claimed that thousands of civilians were killed.

From Baghdad, the Ayatollah Khomeini called upon the Iranian armed forces to rise against the Shah. In Qum, the Ayatollah Shariat-Madari asked for "revenge from God against those who so bestially treated our children." And in Camp David, Jimmy Carter took time out from his meetings with Egypt's President Sadat and Israeli Prime Minister Begin to telephone the Shah and assure him of continued United States support.

What could have led President Carter to go out on such a limb? One factor was a report produced by the C.I.A. on Aug. 16, following three days of riots in Isfahan and presented to Mr. Carter personally by Admiral Turner in the course of a regular Wednesday White House briefing. This top-secret, 23-page document was far less exhaustive a product than the National Intelligence Estimate of three years before, and it took a different tack. Its conclusion: "Iran is not in a revolutionary or even prerevolutionary situation." The report stated that "those who are in opposition, both violent and nonviolent, do not have the capability to be more than troublesome."

The C.I.A.'s confidence in the Shah knew no bounds. In mid-September, as part of a routine rotation of personnel and as though no crisis existed, a new station chief, Horace Fleischman, was installed in Teheran. He had been serving in Tokyo.

There is general agreement today that the worst period of the "intelligence gap" ended in September. The C.I.A. station acquired a Farsi-speaking officer who could pick up the gossip in the bazaars. Ambassador Sullivan's reports home were taking on a more worried tone, as were those of the C.I.A. station. Strikes were erupting all over Iran — in the oil fields, the refineries, the banks.

Yet even as the intelligence gap was being closed by the "producers" in the field, another gap was yawning among the intelligence "consumers" back in Washington. Pessimistic views were being consistently rejected by the White House in general, and by National Security Adviser Brzezinski in particular. He remained convinced that the Shah should and would survive, and he was receiving assurances to this effect from Ardeshir Zahedi, the Iranian Ambassador in Washington, whom he had selected as one of his principal sources of information. He had other outside sources as well, including some Iranians who had been among his graduate students at Columbia University.

During November, Brzezinski apparently persuaded Zahedi to fly to Teheran to keep him advised of developments. Zahedi's communications were invariably optimistic, and they became the central influence on American policy decisions.

Brzezinski was the principal officer in charge of American policy in Iran. Secretary of State Vance spent most of his time on the Israeli-Egyptian peace negotiations, and was for all practical purposes cut off from Iranian decision making. So were his top deputies.

Nor did Admiral Turner play a major policy role — his agency's stock at the White House was that low. A small but telling example of how that had happened was making the rounds of Washington: The C.I.A. had just discovered that Khomeini had written and published years before a book about his philosophy. The book was said to state precisely what he would do should he come to power. It was the kind of information an intelligence apparatus might have been expected to turn up automat-

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ically; in fact, it was not found until late in the game, and even then it was a private citizen who happened upon it and informed the agency.

Brzezinski was putting ever more trust in the Iranian armed forces to keep the lid on. But there were high-level doubters. In November, Lieut. Gen. Eugene F. Tighe, director of the Defense Intelligence Agency, visited Teheran. He came away with the impression that the army was trained and equipped to defend the country from external attack, but that it had not been taught how to deal with an internal threat.

Another November visitor to Teheran was then-Treasury Secretary W. Michael Blumenthal, who upon his return recommended that Mr. Carter get an independent evaluation of the mounting Iranian crisis. On Nov. 28, the President asked George W. Ball, a New York investment banker and Under Secretary of State in the Kennedy and Johnson Administrations, to prepare a special report. Two weeks later, as Iranian troops were killing at least 40 demonstrators in Isfahan, and Ambassador Sullivan was preparing the evacuation of dependents of American diplomatic and military personnel, George Ball submitted his report to the President, a document the Administration chose not to make public. Ball had come to Washington with his mind pretty much made up that the Shah was finished; his study of the situation had reinforced that view.

Ball presented his pessimistic report at a meeting in the Oval Office on Dec. 12, but later in the day, Mr. Carter told a news conference: "I fully expect the Shah to maintain power in Iran and for the present problems in Iran to be resolved. . . . I think the predictions of doom and disaster that came from some sources have certainly not been realized at all." White House officials said that the "doom and disaster" reference reflected Mr. Carter's unhappiness with the reporting by the embassy in Teheran and the C.I.A. station there.

Another Presidential mission was in the works. According to White House sources, National Security Adviser Brzezinski had proposed that he himself secretly travel to Teheran to get the facts, hiding his presence there as Henry Kissinger had done in Peking in 1971. The President had agreed, but just before the scheduled Dec. 13 departure, Mr. Carter canceled the expedition, convinced that it simply could not remain secret.

Meanwhile, voices were being raised, particularly in the State Department, about the need for the United States to establish some form of contact with Khomeini, who had moved from Baghdad to a suburb of Paris, from where he was running the revolution. Men like Ambassador Sullivan thought that it would be impossible for the Administration to plan future policies without understanding the Ayatollah, and a sound judgment required a face-to-face meeting. In December, there were actually some secret meetings between a political officer at the American Embassy in Paris and Ibrahim Yazdi, an adviser to Khomeini. Yazdi told the American diplomat that the Ayatollah was interested in conferring with a senior United States official, and Ambassador Sullivan called Secretary Vance to recommend that the United States send an envoy to meet with Khomeini.

Vance agreed, and called Theodore L. Eliot Jr., who had retired three months earlier as Inspector General of the Foreign Service. But the mission was aborted. On Jan. 6, Vance received a telegram from Guadeloupe, site of a summit meeting of Western leaders. It was signed by Brzezinski, who was with the President at the meeting and was speaking in the President's name. The mission to Khomeini was canceled. Later, White House officials would explain that if word of Eliot's trip were to leak out, the mission might be construed as undermining the Shah.

By the first week of January, Iran was virtually paralyzed by strikes in every sector of the economy. The Shah named Shahpur Bakhtiar, a political moderate, as Prime Minister with a general understanding that he would be asked to organize a transitional government. Ambassador Sullivan was sure that it signaled the Shah's decision to leave Iran, at least temporarily.

Now American policy makers focused once again on the army. Would it stand by Bakhtiar in the immediate post-Shah period and prevent Khomeini from grabbing power? Ambassador Sullivan asked Washington to rush a senior United States military officer to Iran to establish liaison with the commanders. Air Force Gen. Robert E. Huyser, deputy commander of United States forces in Europe, was tapped for the job.

On Jan. 16, the Shah left Iran for Egypt, his first stop in exile. The military question was no longer academic, but General Huyser and Sullivan had a problem: They were receiving from Washington "tactical instructions" — how to deal with Bakhtiar on a day-to-day basis — when what they wanted was policy guidance. For the two men had developed very different assessments of the situation. The Ambassador felt the armed forces had been "shellshocked" by the Shah's flight and thought they would split under a severe challenge. He worried that General Huyser was concentrating only on the top brass. The general, on the other hand, felt that the army had adjusted to the loss of the Shah and that morale was so high that they would hold fast if challenged by Khomeini. C.I.A. Station Chief Fleischman agreed with Sullivan.

The three men openly discussed their differences, and when Huyser was called to Washington early in February, he presented both sets of views. Brzezinski and his aides gratefully accepted General Huyser's estimates.

The Ayatollah Khomeini returned to Teheran in triumph on Feb. 1. In Washington, the Administration still expected the Iranian military to hold the fort for Bahktiar. Even at this 11th hour, no alternative policies had been devised. On Feb. 11, following a pro-Khomeini demonstration at an air-force base outside Teheran, the army withdrew to its barracks. The end had come — an historic defeat for one of Washington's most important allies, for the entire American intelligence community and for the Carter Administration itself.

PUTTING BACK THE PIECES

The office is quiet, spare: a wooden conference table, a large desk, no ashtrays, some big briefing charts with their transparent overlays. Adm. Stansfield Turner takes his private elevator to the top floor, the seventh, and moves toward his desk. It is February 1977, and he has just been confirmed in his new post. The C.I.A. is emerging from a public battering over its illegal misadventures in the United States and abroad. Morale is in need of a boost. But there is nothing to suggest to the Admiral that, before the year is out, he and the intelligence community will be under concerted bureaucratic attack and subjected to a sweeping reorganization.

Admiral Turner's tenure has seen a dramatic change in the relationship among the members of the intelligence community. The intelligence units of agencies outside the C.I.A., once pretty much autonomous, have been incorporated into a new chain of command

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under the Director. The Director has also been given the power of the purse over them. Thus, the Pentagon's National Security Agency, for example, which specializes in such arcane tasks as breaking Soviet codes, has become more responsive to overall intelligence community needs. Moreover, new committees have been created with extraordinary powers to poke into the nooks and crannies of the community and to cut across traditional tables of organization. Such moves, plus wholesale firings, plus continuing bureaucratic hassles, have exacerbated the morale problem. And there is concern within the community that the legislation now being drawn up in Congress to define the parameters of intelligence operations will cut further into C.I.A. prerogatives.

The central goal of virtually all of these changes is to improve efficiency, to prevent the kind of failure of intelligence gathering and analysis that took place in Iran. And the cutting edge of change has been bureaucratic — the reorganization of the community, from a relatively loose assemblage of elements into a tightly structured table of organization (see chart, Page 15).

At the top sit Director Turner and Deputy Director Frank C. Carlucci. Reporting to them are six deputies, each of whom supervises a number of specialized offices. And within each office, the personnel may be all C.I.A. or a mix of C.I.A. and other agency staffers. The theory is that the integration improves coordination among the elements, making use of the best skills of the entire community on any given assignment. Moreover, the six directorates make it more easily possible for those seeking to apportion blame to pin the tail on the right donkey.

How does the intelligence complex actually operate when confronted with a problem? The following scenario reflects the community's workings as of the summer of '79.

Assumption: The United States Government becomes aware of a sudden, unexplained movement of Soviet troops in Eastern Europe.

In the National Security Council, it is the Special Coordination Committee that considers what is officially described as "sensitive foreign-intelligence collection operations." The National Security Adviser takes the chair; the Director of Central Intelligence, the Secretaries of State and Defense, the Attorney General and the Chairman of the Joint Chiefs of Staff are in attendance.

The Director of Central Intelligence is instructed to find the information necessary to understand the scope and intent of the Soviet troop movement. Upon his return to his Langley, Va., base, he calls in his Deputy for Collection Tasking, responsible for assigning intelligence units in other directorates to do the actual collection of data. (In the jargon of the community, "assigning" is translated as "tasking.") Within the directorate, the assignment job is farmed out among specialists — in PHOTINT (Photographic Intelligence) and HUMINT (Human Intelligence), for example — who will figure out what community resources to tap.

In addition to Collection Tasking, the Director and Deputy Director supervise three other operational directorates: National Intelligence, Science and Technology, Operations. All are to be involved in the Soviet troop-movement inquiry. The Director also has the authority to task member agencies of the intelligence community. For this inquiry, he calls upon the National Reconnaissance Office and the National Security Agency, both Pentagon-controlled operations.

At the supersecret National Photographic Interpretation Center, part of the Science and Technology directorate, specialists are instructed to search high-resolution photographs from satellites and U-2 spy planes for details of the troop movements. The National Reconnaissance Office, which spends the largest share of the intelligence community's budget, may be asked to send new satellites aloft. The National Security Agency orders a major new campaign of electronic eavesdropping on coded Soviet communications.

Meanwhile, the Deputy Director for Operations, the cloak-and-dagger chief, has alerted his network of agents around the world to be on the lookout for information bearing on the Soviet troop movements. More specifically, he has set his operatives in Eastern Europe and the Soviet Union itself to ferreting out the reasons for the moves.

All the data stream in to the directorate for National Intelligence. Here the thousands of bits and pieces are shaken down and pored over; related economic and political materials spew out of banks of computers. Experts in a dozen disciplines analyze the results, and finally a report emerges to make its way back up the chain of command through the Director's office to the National Security Council and, eventually, to the top consumer of the intelligence community's product, the President.

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Along with the administrative changes has come a startling turnover in the top echelons over the past 18 months. Frank C. Carlucci, for example, has taken over as Deputy Director, second only to Admiral Turner in the community. A short, slim bureaucratic infighter, the 49-year-old Carlucci is a career Foreign Service officer who won high marks as ambassador in Lisbon during the Portuguese revolution of 1975, but he also served as director of the Office of Economic Opportunity and in other domestic posts under the Nixon Administration. President Carter named him to his current post in 1978. He has the respect of virtually all the power centers of Washington, legislative as well as bureaucratic, to a degree not enjoyed by Admiral Turner.

One of Carlucci's major responsibilities is his role on the Political Intelligence Working Group, created this year with no public notice to find ways of improving the product. Under Secretary of State for Political Affairs David D. Newsom and Deputy National Security Adviser David L. Aaron are the other members of the group, which has no chairman but operates with a small staff. It conducts regular studies on what it calls "vulnerable countries," recommending priorities in political and sociological intelligence reporting in the field by embassies and C.I.A. stations.

The principal objective of the organization is to improve the coordination of overt and covert reporting by the State Department and the C.I.A.; they are now under orders to work together, pooling their

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Approved For Release 2007/05/24 : CIA-RDP84B00148R000100100001-4

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assets, rather than pursuing the kind of separate operations typical of the past. In the course of its coordinating efforts, the group takes up such matters as "nominal" versus "integrated" covers for C.I.A. personnel in the embassies. A "nominal" cover is usually known to the host government; an "integrated" cover is deeply concealed.

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Another new community leader charged with increasing coordination among agencies is Lieut. Gen. Frank A. Camm, who runs Collection Tasking, a new C.I.A. post. A lanky, 6-foot 4-inch native of Kentucky, he holds graduate degrees from Harvard (engineering) and George Washington (international relations) and has helped to run the Corps of Engineers and the Atomic Energy Commission. He's been given the job of setting priorities within the community as to who will do what jobs and how the available resources in terms of people and money will be expended.

Under General Camm's wing, for example, is the newly created National Intelligence Tasking Office, staffed by representatives of the civilian and military agencies that make up the intelligence community along with the C.I.A. The center is intended to "coordinate" the intelligence units of these agencies, units that had been relatively autonomous before President Carter's Executive Order forced cooperation upon them.

The Energy Department, for example, is charged with overt collection of all information on energy matters abroad, and it cooperates with the C.I.A. in preparing against the day terrorists might try nuclear thefts. The Treasury Department collects foreign financial and monetary data. The Drug Enforcement Administration is supported by the C.I.A. (abroad) and the F.B.I. (at home) in rooting out international networks of narcotics smugglers. The State Department's Intelligence and Research Bureau specializes in analyzing information flowing from American embassies and consulates abroad. The Pentagon's Office of Net Assessments is concerned with the balance of strategic and conventional forces between the United States and the Soviet Union.

The net-assessments function is a bone of contention between the Pentagon and the C.I.A., the kind of issue that suggests why there's a need for coordination. The Defense Department insists that without access to the most classified aspects of the United States defense posture — access that the Defense Department denies to the C.I.A. — net assessment should not be made. Let the C.I.A. stick to its collection of information on the war-making potential of foreign nations, says the Pentagon, and leave the weighing of the balance of forces, historically a military-command function, to the military.

Admiral Turner protests that his agency "is not in the business of making net assessments nor does it intend to get into it." However, he does add that through the National Intelligence directorate the C.I.A. is "trying to find ways to make our assessments more meaningful [and] this inevitably involves some comparisons. . . ."

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The single most criticized area of intelligence activity is now centralized in the directorate of National Intelligence, which is responsible for maintaining the flow of data and analysis, short-and long-term, to policy makers. This army of 1,500 analysts is commanded by Deputy Director Robert R. Bowie, a dapper, 69-year-old lawyer, educator and foreign-policy specialist whom Admiral Turner hired in 1977. He had once been chairman of the State Department's Policy Planning Staff, but this is his first job in the intelligence community.

Specific intelligence assessments are produced for Bowie by the corps of National Intelligence Officers. Years ago, the Office of Estimates drew on information and views from the entire intelligence community and reached conclusions by consensus (with dissents footnoted). Today, a National Intelligence Officer, a specialist in a given area, may seek cooperation from others in the community, but he drafts his own assessment.

It is the N.I.O.'s who produce the lengthy National Intelligence Estimates (N.I.E.'s), sometimes projecting a nation 10 years into the future; these papers, which include dissenting views in the actual text, must be approved by the National Foreign Intelligence Board, made up of the chief intelligence officers of the community.

The trouble with such studies, as members of the community reluctantly admit, is that policy makers have no time to read them. Only the annual N.I.E. on the Soviet Union's strategic posture and intentions has a wide readership. As a rule, policy makers prefer daily current intelligence ("the quick fix," as a C.I.A. official calls it) although they complain about a lack of in-depth material after something — like Iran — has gone wrong. All of which poses what Bowie calls "tensions" between long-term and short-term intelligence requirements. He is constantly urged to provide current intelligence, making it increasingly hard to spring analysts loose for the N.I.E.'s and other in-depth studies.

Last fall Bowie established the post of National Intelligence Officer for Warning, and gave it to Richard Lehman, a C.I.A. veteran of 30 years. The Pentagon's Strategic Warning Staff, which had been primarily designed to provide advance notice of an impending nuclear conflict, was absorbed and its role expanded by Lehman. It now keeps the Government abreast of major developments through "alert memoranda." It was Lehman's staff, for example, that warned the Administration that China would invade Vietnam last February and provided a correct assessment of how the situation would develop. Basically, the warning system is geared to situations with a potential for a Soviet-American confrontation. A coup d'état in, say, the Chad, does not trigger alert memorandums.

Yet another newly created unit is the super-secret "Moscow Committee," set up by the C.I.A. this year. It seeks to deal with Soviet efforts to destroy American intelligence networks abroad.

Meanwhile, Bowie has created a little-known but much-experienced group to oversee the whole collection and analysis effort. The Senior Review Panel is headed by the former Ambassador to Tanzania and Yugoslavia, William Leonhart. Its other members are retired Army Gen. Bruce Palmer, a former Vice Chief of Staff, and Princeton University Prof. Klaus Knorr, a scholar in the field of intelligence. The full-time panel serves as an in-house critic of the quality of intelligence; it is involved at the inception of every estimating process and in all of the post-mortems.

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The most demoralized of the departments under Admiral Turner's wing is the directorate for Operations, home of the cloak and dagger. John N. McMahon, a graying, 50-year-old veteran of almost three decades with the C.I.A., brings a quiet demeanor to his post an[d] is said to have considerabl[e] popularity with his subordi[-]nates — but he has had an up[-]hill struggle coping with th[e] body blows his organizatio[n] has absorbed.

The Operations responsibi[l]ities are officially defined a[s] the collection of "foreign inte[l]ligence, largely through secre

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Approved For Release 2007/05/24 : CIA-RDP84B00148R000100100001-4

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means," counterintelligence missions abroad and "other secret foreign intelligence tasks." But for all the romantic and/or grisly tales of its operatives, covert spying today is devoted more to sophisticated espionage — recruiting foreign officials to serve as American spies, for example — than to the subversion, political action and guerrilla warfare of the past.

In part, that reflects the investigations of a few years ago; Congressional oversight committees are still sensitive about approving major covert operations, and the National Security Council's Special Coordination Committee (chaired by Brzezinski) is reluctant to propose "special activities." Moreover, this change has dramatically affected personnel. The agency's paramilitary capability, for instance, has virtually vanished. Some 27 percent of the C.I.A.'s clandestine services staff is now 50 years of age or older; and replacements don't grow on trees. As Admiral Turner recently remarked, "You can't just recruit from the street for the spy shop."

Recruiting, of course, has not been a major activity within the community of late. During the last two years, the Admiral has fired more than 400 officers in the clandestine services. The C.I.A. had become "top-heavy," he says. The personnel cutback has damaged the agency's morale more than the Congressional investigations and all the other criticism put together.

All of which is not to suggest that spy satellites and electronic gadgets have totally taken over from flesh-and-blood spies. Covert operations continue, and in at least one important instance, they may be taking the place of scientific hardware.

The loss of the missile-tracking stations in Iran was a low blow to American surveillance of Soviet strategic testing, and it made some in Congress wonder whether the SALT II treaty was even verifiable. Government experts claimed that because of complex satellite and radar surveillance networks around the world, the United States would not become blind altogether, even if it takes three or four years to replace fully the stations in Iran. What's more, though no one in Government will discuss the matter in detail, there are other sources of information concerning new missile designs, even before they have been test flown. The indications are that these sources are human agents who have in some fashion penetrated the Soviet defense establishment.

Thus the human element — HUMINT — can still have a major role in strategic intelligence; presumably it will continue to do so. "We have to play all the systems together," a senior C.I.A. official said the other day. "Spies tell you that there's something unusual on the ground, say, in the Soviet Union, so you order photography and signal intercepts, and then you have to go back to the spy. On the other hand, you don't want to send a spy to get what can be obtained from photographs. So it's a synergetic affair; the problem is how to get the synergism going."

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The public concern over the ethics of the C.I.A. was reflected in the creation of the Intelligence Oversight Board, a private citizens' panel appointed by the President and operating from the Executive Office Building next to the White House. Its members are Thomas L. Farmer, a Washington lawyer, chairman; former Senator Albert Gore of Tennessee and former Gov. William S. Scranton of Pennsylvania.

The board reviews all activities of the intelligence agencies that might raise questions of propriety and legality. It has a mandate to report directly to the President any such flaws.

The major outside check on the community, however, is the Senate and House oversight committees. And it is in the Congress that the most significant limits ever imposed on the country's intelligence apparatus are now being designed, in the form of draft legislation. The so-called "charters," drawn up by the Senate Select Committee on Intelligence, will cover the C.I.A., the Defense Intelligence Agency and the Federal Bureau of Investigation. The goal: to define with reasonable precision the parameters for spying operations in all fields, including the setting of certain constraints on what the agencies are permitted to do. The central dilemma: how to reconcile national-security needs with the constitutional rights of Americans.

Reasonable men may differ on such an issue. The White House, for example, opposes as too cumbersome the committee's desire to require the President's personal approval of all major covert operations. The C.I.A. is holding out against Senators who would deny the agency the right to secretly use electronic surveillance on officials of foreign countries who hold American citizenship.

The committee staff hopes to have a draft completed by Labor Day, in an atmosphere viewed as remarkably favorable toward the intelligence community, given past history. "The environment has changed," says Senator Birch Bayh of Indiana, committee chairman. He says that the proposed charter will not interfere with the agency's "ability to penetrate the decision-making process of foreign nations." But some members of the intelligence community, given the shaking up they've received of late, feel they're entitled to a few doubts.

THE NEW AGE OF INTELLIGENCE

There has been no obvious change in the status of America's intelligence community. Each morning, the President of the United States still receives the top-secret document called the President's Daily Intelligence Brief. (Only five copies are produced.) Once a week, the President continues to welcome Admiral Turner or Deputy Director Carlucci to the Oval Office for a half-hour intelligence update. The very reorganization that Jimmy Carter has demanded of the intelligence community indicates his continuing interest — not to mention disappointment.

Yet the glory days of the C.I.A. seem to have passed. When the Cold War was perceived by the nation and its President as representing a clear and present danger, the intelligence community had a special aura. There was little public discussion then of its "efficiency" (which in all likelihood was no greater than it is today) and Congress tended to look the other way when questions of means and ends arose.

There is no lack of major problem areas for the modern intelligence community to explore, from the growing turbulence in Latin America and the Caribbean to the strategic issues of SALT II and the economic threat posed by the Organization of Petroleum Exporting Countries. And the C.I.A. is expected by its masters in the White House to come up with the data and analyses needed to deal with those issues. But it is apt to be a more careful, deliberate effort, relying more on electronic tools and patient collection than on the cloak and dagger.

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Approved For Release 2007/05/24 : CIA-RDP84B00148R000100100001-4

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On the top levels of the intelligence community, there is some uncertainty about that prospect, and considerable resentment of the criticism the agencies have attracted. A Senator recently commented, for example, on the failure of today's C.I.A. to play a role on the policy-making level: "They must have *some* opinions." To which a top C.I.A. official responds: "What *is* it that they want us to do? It's damned if we get involved in policy and damned if we don't. I guess, on balance, we prefer to stay out of it."

The complaints about the agency's efficiency, according to Admiral Turner, reflect some confusion as to the nature of intelligence work. Accurate political analysis, he says, "depends upon anticipating and correctly interpreting human action and reaction, some of which is inconsistent, or irrational, or driven by personal rather than national considerations. The best the analyst can do is to alert the decision maker to trends, possibilities, likelihoods."

As Admiral Turner sees it, the whole process of intelligence gathering and analysis is undergoing evolution from what he has called the old-fashioned "military-intelligence mentality" to a modern political, economic and sociological approach. "We are retooling," he says, "trying to understand the world." There is, however, pressure to speed up the process. The Congress and the President are impatient. ■

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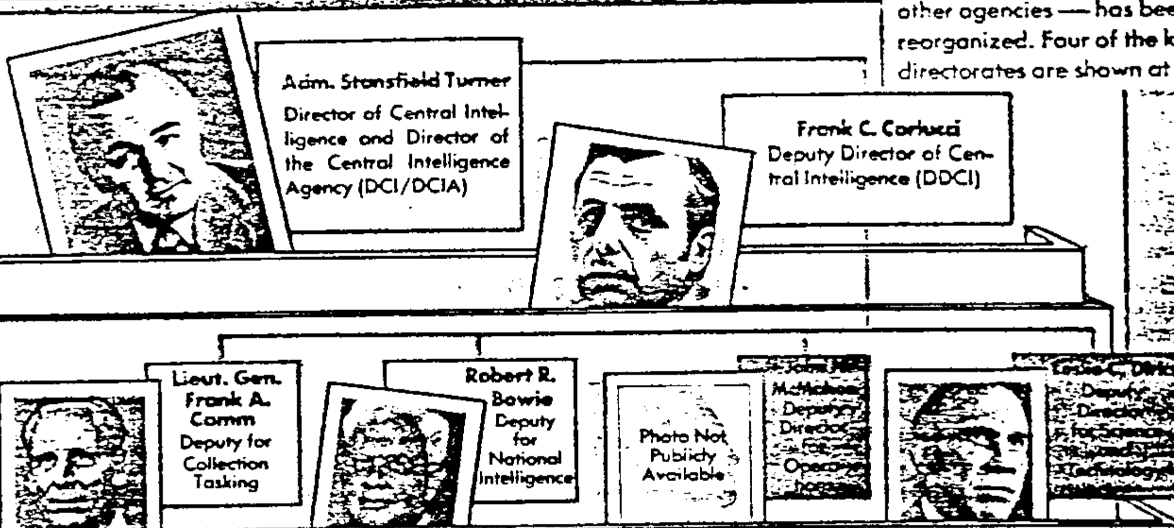
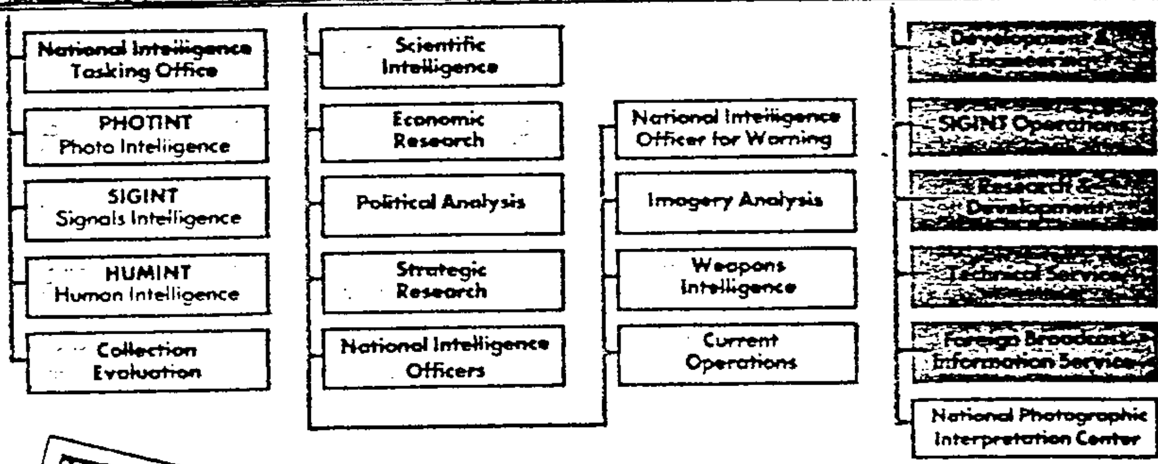
INSIDE INTELLIGENCE

PRODUCERS

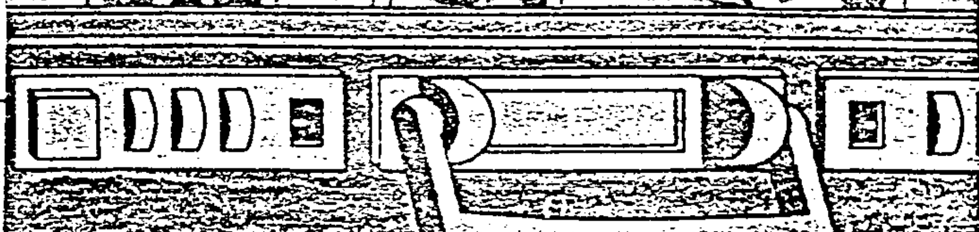
In an effort to improve the quality of its "product," the intelligence community — the C.I.A. and other agencies — has been reorganized. Four of the key new directorates are shown at left.





Intelligence Community

C.I.A.



CONSUMERS

Those who use the "product" have been critical of it.

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ARTICLE APPEARED ON PAGE 26

12 SEPTEMBER 1976

The trial of the C.I.A.

Church.

Colby.

Pike.

Not all its covert actions have succeeded, but the agency did manage to outfox Congressional investigators.

By Taylor Branch

There have been enough revelations about the Central Intelligence Agency over the past two years to keep diplomats, prosecutors, reporters and philosophers busy for entire careers. Three separate investigations not only stretched the imagination with show-biz material about cobra venom and deadly skindiving suits but twisted the lens on the American self-image in foreign affairs. The investigations rewrote history—the history, for example, of the relationship between the United States and the Castro Government in Cuba. They showed that the C.I.A., in some 900 foreign interventions over the past two decades, has run secret wars around the globe and has clandestinely dominated foreign governments so thoroughly as to make them virtual client states. In contrast to Watergate, the C.I.A. investigations proved that abuses of power have not been limited to one particular Administration or one political party. They also established facts that few people were prepared to believe—such as that distinguished gentlemen from the C.I.A. hatched assassination plots with Mafia gangsters.

With all these surprises percolating, the most interesting surprise has been largely ignored. And that is how the C.I.A. investigations ceased. The topic faded away so quickly as to make the whole episode look like a fad. Unlike the F.B.I. issue, which has moved to the prosecutors' offices and stayed on the front page, the vaunted trial of the C.I.A. has already become a memory. And the agency itself has survived the scandals with its covert operations intact, if not strengthened.

The collapse of the C.I.A. investigations has been due largely to ineptitude, poor judgment and lack of will on the part of the Congressional committees. But the agency also played a role. Its strategy was flawless. "Those guys really knew what they were doing," says a staff member of the Senate Select Committee on Intelligence chaired by Frank Church. "I think they defended themselves just like any other agency would, except they're better. They had a whole office set up to deal with us, and I sometimes had the feeling that they ran operations against us like they run them against foreign governments. It was like the C.I.A. station for the Congress instead of for Greece or Vietnam." The story of how they came out ahead of their investigators says a great deal about both the Congress and the agency, and about the problem of reconciling the demands of the superspy with the democracy he is supposed to protect.

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In ... 1975, the Church committee had been spinning its wheels for several months without much success. Charged with the task of investigating more than a dozen intelligence agencies, any one of which was an enormous challenge, the Senators became ensnarled in debate over how to proceed. The agencies were stalling, hoping to deflect attention elsewhere. Then the committee got a break.

The Presidential commission set up under Vice President Rockefeller that January, to inquire into charges of illegal domestic spying by the C.I.A., announced that it had received evidence of C.I.A. involvement in attempts to kill foreign leaders. The news created an instant sensation. Rockefeller said his commission, which was completing its work, had neither the time nor the mandate to pursue the matter, and he turned the evidence over to President Ford, who quickly passed it along to the Church committee. Suddenly, the Senators found themselves with a large batch of classified documents and with responsibility for the hottest issue since Watergate.

For five months last year, the Church committee focused its energy on assassinations. Other investigations lapsed. Staff members were pulled from other projects. While it is no mean feat in the Senate to obtain sustained, personal effort from Senators on any single subject, the members of the Church committee went to C.I.A. briefings day after day to be introduced to the agency's arcane methods. In November 1975, the committee published an interim report on this one aspect, and Senators and staff alike were proud of it. As an exploration of the Machiavellian underside of American foreign policy, it was, in fact, a tour de force. Yet it failed to build public support for investigating or controlling the C.I.A.

Press and TV coverage was intense but shortlived, focusing on certain salacious details: the gangster plots, the titillating reports of an affair between President Kennedy and the mistress of one of the gangsters, and a few exotic spy plans worthy of a television serial. In this last category, the report featured a C.I.A. plan to treat Prime Minister Fidel Castro's boots with a chemical that would make his beard fall out and thereby destroy his charisma. The rest of the material was extremely complicated, conclusions were tentative, and the assassination plans fell short of the dramatic expectations that had grown up.

The committee did not claim to have found a "smoking gun," in the form of a kill order ringing down from the Oval Office, through the C.I.A. chain of command and out to some mysterious trigger man in a foreign capital. Quite the contrary. Where the American efforts to kill were most direct and persistent—in the case of Castro—they were unsuccessful. And where the foreign leaders were actually killed—Lumumba in the Congo, Trujillo in the Dominican Republic, Diem in South Vietnam, Schneider in Chile—there was no hard proof that C.I.A. operatives actually took part in the murders. In some cases, the agency seemed to withdraw at the last moment. In other cases, someone else got there first. Of the Diem assassination the committee could only say that the C.I.A. had sanctioned and encouraged a coup against his Government when there was a reasonable chance the plotters would kill him. But no direct orders to assassinate. Everything was a little blurred. Even the most direct written communications, as in the Lumumba case, were couched in opaque C.I.A. language: "Hunting good here when lights right."

Smoking guns are considered thoroughly unprofessional in clandestine operations, where secrecy is paramount and it is a mark of skill to channel existing forces subtly. The assassination report, on the other hand, was publicly judged by standards built for palpable and exotic murders. Because no foreign leaders were killed outright by American initiative, planning and execution, the C.I.A. benefited from a general impression that it came out of the assassination inquiry with clean hands. This impression is false.

Certainly many thousands of people have died as a result of secret C.I.A. paramilitary interventions in countries ranging from Laos to Cuba to the Congo. (The Church committee obtained some casualty figures but did not publish them at the agency's request.) And, in the case of selected killings detailed in the report, the line between involvement and actual murder is often shadowy. For example, the Church committee reported extensively on the maneuvering that preceded the assassination of Rafael Trujillo in 1961. It showed how American policy turned against the Dominican strongman, how the agency provided assurances of support to those who plotted against him, how C.I.A. officials smuggled weapons into the country and exchanged cryptic messages on the likelihood of a successful assassination. In keeping with its courtroom definition of assassination, however, the committee exonerated the agency of Trujillo's murder on the ground that the weapons it smuggled in were probably not the ones used in the killing.

"By the time we finished the assassination report," recalls the leader of one of the committee's task forces, "we had lost three things—the public's attention, much of our own energy and will power, and our leadership. Quite candidly, we had lost Frank Church." The Senator, according to this investigator, had given up hope of achieving major reforms in the prevailing atmosphere. Public interest was down. Assassin
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The Church committee
gambled heavily on the ass
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The C.I.A. approached
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with one central objective: to protect the means and practice of covert action. It was in line with this strategy that Colby and Rogovin gave ground on the marginal issue of assassination, cooperating with the Church committee, turning over more information than the committee could digest, helping the committee use itself up. Then, when the assassination report was completed, Rogovin became tough about information to be granted for the remainder of the investigation — especially in regard to covert action. The committee was floundering; Rogovin pressed his advantage. "We agreed with the committee that they could have access to information for six case studies in covert action," he says, "provided they would go public with only one of them. They swore all kinds of secrecy oaths that they would not even let the names of the other five countries leak." The case study he chose was Chile—a selection favorable to the agency, since a lot of material on the C.I.A.'s intervention in Chile had already leaked to the press.

"It was a bad deal," says F.A.O. Schwarz, the committee's chief counsel. Many of the principal staff members opposed the settlement. What little they had learned about covert action in the course of the assassination investigation had made them realize it was one of the hardest but also one of the most important issues to deal with. "That is why we went so heavily into Mongoose in the assassination report," Schwarz explains.

Operation Mongoose was a covert action designed to weaken and destroy the Castro regime through an orchestrated program of economic sabotage, commando raids and paramilitary harassment. It was the heart of the agency's effort to overthrow Castro; simultaneous assassination attempts complemented Mongoose rather than vice versa. Although the campaign failed, it was kept so secret that the American public was left with a fundamentally distorted view of United States-Cuba relations for more than a decade.

Before the committee's report, it was generally accepted that the Kennedy Administration ceased hostilities against Castro after the Bay of Pigs, until forced to act defensively by the unprovoked introduction of Russian missiles on Cuban soil. The Church committee revealed that not only were there repeated attempts on Castro's life before and after the missile crisis but covert Mongoose raids were being intensified throughout the period. The assassination report quotes the minutes of high-level meetings, less than two weeks before the missile crisis, at which Attorney General Robert Kennedy spurred the C.I.A. on to hit Castro harder.

The assassination report, outside sources generally agree, was the high point of the committee's investigation. After that, the staff divided into two groups, one known informally as "the lawyers"—a group of attorneys drawn together largely by Schwarz—and the other as "the professors," who were generally foreign-policy experts with academic roots or Capitol Hill experience. Under task-force leader William Bader, the "professors" became responsible for the C.I.A. investigation, while the "lawyers" went off after the F.B.I. Frictions developed between the two groups, the Bader group tending to criticize the lawyers as too prosecutorial and "Watergate-minded," and the Schwarz team hinting that the Bader group was too soft in its handling of the C.I.A.'s pros. In any event, discouraged by the covert-action compromise, the "professors" never recovered the initiative.

In the House, the Select Committee on Intelligence chaired by Otis Pike—the counterpart of the Church committee—pursued an arduous and independent course. Created only after a long internecine squabble over its leadership, its mandate weakened by continuing feuds in the House, the committee struggled through the summer of 1975 to breathe life into itself—seeking, on one occasion, to justify its existence by leaking the sensational but unverified story that Nixon aide Alexander Butterfield had been a C.I.A. "plant" in the White House. The story was refuted, leaving the committee with less credibility than ever. By fall, the traditional jealousy between the House and the Senate had flared up behind the scenes, and Mitchell Rogovin, negotiating with both committees, was finding them competitive. "Church," says Rogovin, "held his 'toxin hearings' because he was afraid Pike would do it if he didn't."

By December, the House and Senate committees were set on opposite courses. Pike wanted to impale the C.I.A. for its abuses. Church wanted to show that a Senate committee could handle national secrets responsibly. The Ford Administration played the committees against each other. When Pike demanded information and denounced "delaying tactics," Administration spokesmen would point to the exemplary behavior of the Church committee and appeal for a more cooperative spirit. When the Church committee cooperated, the Administration tended to see it as a sign of weakness and feel freer to hold back on information. Secretary of State Henry Kissinger and C.I.A. director William E. Colby simply boycotted all the covert-action hearings, and the committee accepted the rebuff instead of subpoenaing them.

"The object of the exercise," says a Church committee staff member, "was to prove that

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we were not Pike. We were not going to move the Congress or the public by more exposé. What was going to carry us was the kind of editorial we finally got in The Washington Post: 'An Intelligent Approach to Intelligence.'" The committee evidenced an increasing awareness of its public image, of its ability to keep secrets, avoid leaks and work in some semblance of public harmony with the C.I.A. Many on the committee staff endorsed this approach as the path toward "establishing a relationship" that would serve the Congressional committee that was to be set up to exercise oversight—supervision of the intelligence agencies. Some of these investigators have, in fact, moved on to jobs with the oversight committee, now in business. Their attitude was infectious: Even today, many former Church committee staff members are more reticent in discussing C.I.A. matters than C.I.A. officials themselves.

On Dec. 24, a band of unknown terrorists assassinated Richard Welch, the C.I.A. chief of station in Greece. Welch had been identified as a C.I.A. official by a small anti-C.I.A. magazine, and a furor immediately arose over whether the revelation had anything to do with his death. The Senators on the Church committee received a flood of letters denouncing its work on the grounds that exposure of C.I.A. secrets is an invitation to the killing of C.I.A. officials.

Sources on both sides of the C.I.A. investigation now agree that neither the magazine nor the Church committee is likely to have caused Welch's death. He was a relatively well-known figure in Athens, certainly to the kind of organized political groups likely to have killed him. These probabilities were overwhelmed, however, by the emotional power of the tragedy, and the C.I.A. encouraged the idea that C.I.A. critics might have contributed indirectly to the murder. Rogovin would only tell the Church committee that its own investigations were not "directly" responsible. Colby lashed out in public at those who revealed C.I.A. secrets as being more sinister than the secrets themselves. Ford made public statements to the effect that inquiries into C.I.A. methods were unpatriotic.

No single event did more to turn public opinion against the investigations than the Welch affair. As 1975 ended, the press was shying away from the C.I.A. issue, and hostility toward the inquiry was building up in Congress itself. As to the C.I.A.'s private thoughts on whether naming senior officials makes them more vulnerable to "the other side," a move that escaped public attention may provide some insight: Welch was replaced in Athens by a man who had been identified as a C.I.A. official by Greek newspapers and an American magazine.

On Jan. 29, 1976, Representative John Young, Democrat of Texas, offered a motion on the House floor to suppress the final report of the Pike committee. The ensuing debate was not distinguished. Some speakers argued that the report—which they admitted they had not read — would endanger national security and align the House with the murderers of Richard Welch. Others, like Wayne Hays, argued for suppression on the grounds that the report would be boring: "I suspect . . . that when this report comes out it is going to be the biggest nonevent since Brigitte Bardot, after 40 years and four husbands and numerous lovers, held a press conference to announce that she was no longer a virgin." Views like these prevailed, and the House, by a vote of 246 to 124, ordered its own report to be locked away in the clerk's safe.

The document did not remain suppressed very long. It was leaked to CBS correspondent Daniel Schorr, who in turn leaked it to The Vilage Voice through a series of intermediaries. When The Voice published the report in two special supplements under banner headlines, it became the most spectacular leak of the C.I.A. investigations.

Pike developed two thematic criticisms of the C.I.A. First, he amassed evidence of repeated intelligence failures, showing how the agency had failed to anticipate such major world events as the 1968 Tet offensive in Vietnam, the Russian invasion of Czechoslovakia the same year, and the 1973 Yom Kippur war in the Middle East. Citing various bureaucratic entanglements and preoccupations as the cause of poor performance, Pike took the agency to task for bungling the one function — gathering intelligence — against which there is no audible dissent. Pike's second line of criticism was more substantive: He attacked covert action by revealing a few of the more startling case studies. His most poignant example involved the Kurdish minority in Iraq.

Like many of the world's mountain peoples—the Tibetans, the Meo in Laos, the Montagnards of Vietnam, the Indians of South America—the Kurds have always seemed destined for a hard time. They have been struggling against the Iraqi Government for years. For years they have been losing. In 1972, when the Kurdish campaign for autonomy was in a brief period of dormancy, the Shah of Iran asked the United States to help him in one of his perpetual feuds with neighboring Iraq. This time it was a border dispute. The Shah wanted the United States to channel clandestine military aid to the Kurds, reasoning that American support would inspire the Kurds for another military offensive against the Iraqi Government, thus weakening Iraq and aiding the Shah.

Secretary of the Treasury John Connally, acting on behalf of Henry Kissinger and President Nixon, informed the Shah that the United States would go along. A $16 million covert-action project went into effect. According to Pike's documents, the deal was made in a convivial spirit —a favor to the Shah as one of the fellows. (He himself had been returned to power by the C.I.A. in a 1953 coup.) Even the C.I.A. opposed the scheme, but was overruled.

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The agency funneled arms and money to the Kurds for more than two years, and the Kurds once again rose up in rebellion. Their leader was so moved by American support for the Kurdish cause that he sent Kissinger a gold and pearl necklace for his new bride. He also sent word to Kissinger that the Kurds were ready "to become the 51st state" after achieving liberation.

In March 1975, the bloodied Iraqi Government came to terms with the Shah. The very next day, Iran and the United States cut off all aid to the Kurds, and the Iraqi Army mounted a full-scale offensive against them. The Kurdish leader, who could not bring himself to believe the United States had reversed itself so cynically, wrote desperate, pitiful appeals for help to Kissinger. Kissinger did not reply.

An estimated 5,000 Kurdish refugees died fleeing the Iraqi onslaught. The Shah, pragmatic to the last, forcibly repatriated 40,000 Kurdish refugees to Iraq, where their fate, while unknown, has presumably been sad. The United States declined to provide any relief assistance to the remaining refugees and refused to accept a single Kurdish application for asylum.

This covert action remained secret, of course, until the Pike committee learned about it and leaked it to the press. To say the very least, the disclosure raised large questions about the compatibility of such covert actions with principles of any kind, as well as questions about how such decisions should be made. Yet no public debate arose, and except for a one-man crusade by The New York Times's columnist William Safire, the Kurdish undertaking was widely ignored in the press. The reason is simple: The substance of the Pike report was completely overshadowed by the controversy over how it was leaked.

Daniel Schorr first denied, and then admitted, being the intermediary source. His behavior helped draw attention to his own conduct and away from the conduct of the C.I.A. Leaks became the issue. President Ford pledged the full resources of the executive branch to the search for the culprit on the Pike committee. The House of Representatives rose up mightily against the leak and authorized a $150,000 investigation by its ethics committee. A team of investigators began grilling the Pike committee staff, many of whose members left Washington in fear. Schorr, three other journalists and 18 committee staff members have been subpoenaed to appear before the ethics committee this Wednesday.

□

As the Pike committee sputtered to disaster, the Church committee released its report on Chile—the one case study on covert action it was permitted to make public under the terms of its deal with the C.I.A. "We negotiated with the agency people on the wording of that report, line by line," says one of the principal authors. The agency, for instance, permitted publication of the fact that the I.T.T. had funneled $350,000 into the 1970 Chilean elections, but refused to allow identification of other companies that, among them, had furnished an equivalent sum. Still, while abstract and incomplete, the report is the most comprehensive account of a C.I.A. covert action yet written.

From 1963 to 1973, the report reveals, the C.I.A. spent more than $13 million to influence Chilean politics, apart from what it spent on gathering intelligence in that country. It lavished about $3 million on the 1964 Chilean elections alone; on a per capita basis, this was twice as much as Lyndon Johnson and Barry Goldwater together spent on their Presidential campaigns that year. In 1970, President Nixon ordered the C.I.A. to encourage the Chilean military to stage a coup rather than let President Salvador Allende take power, and the agency tried unsuccessfully to do so through its agents in the military. When the commander in chief of the Chilean Army, René Schneider, opposed a coup, C.I.A. officials entered into talks with groups planning to kill him.

General Schneider was assassinated by one of these groups, but the elected Marxist President took office, and during the three years of his regime, the C.I.A. channelled $7 million in covert-action funds to a variety of Chilean unions, business groups and political parties opposed to Allende. It also spent $1.5 million supporting El Mercurio, Chile's largest newspaper, in its campaign against Allende's policies. Several of the newspaper's key employees were paid C.I.A. agents, committing espionage. The agency produced several national magazines and "a large number of books," according to the report. It had agents in most of the important sectors of Chilean society, including, at times, the Chilean Cabinet. This covert activity, plus continued liaison with the military, supplemented a slightly more overt program of constricting Chile's position in the international credit market.

Whether or not this covert action "caused" Allende's downfall and death—and official American spokesmen had been denying as late as 1973 that there had been any United States attempts to interfere with the Chilean elections—the Chile report did not make much news, nor spark much debate. C.I.A. spokesmen studiously avoided comment. They had the upper hand, and did not want to say anything that could somehow rekindle interest in covert action. That, early in 1976, could have raised the sensitive question of whether the United States was, or should be, intervening in the Italian election campaign. The issue did not come to the fore. Press reports that the agency was channeling $6 million to anti-Communist parties in Italy died out without resolution amidst the Welch and Schorr controversies.

By the time the Church committee drafted its recommendations on covert action, the political base for reforming the C.I.A. had disintegrated. The committee itself was badly divided on the issue. Accordingly, the Senators decided not to take a firm position for or against covert action, or even to push for a national political debate over its proper use. In its concluding recommendations, the committee declared that covert action "must be seen as an exceptional act," which "must in no case be a vehicle for clandestinely undertaking actions incompatible with American principles." To these vague mandates, the committee added some rather foamy standards in keeping with the professorial tenor of the staff approach: "Covert operations must be based on a careful and systematic analysis of a given situation, possible alternative outcomes, the threat to American interests of these possible outcomes, and, above all, the likely consequences of an attempt to intervene." These major conclusions were supplemented by the customary demand for more effective oversight by the Congress. "We tended to say that most of the hard questions should be studied," observed a task-force leader.

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These recommendations mounted to a clear, though altered, endorsement of the C.I.A.'s covert-action program. Moreover, they gave the agency enormous bargaining leverage in its efforts to keep information secret. "The problem with the C.I.A.," says F.A.O. Schwarz, "is that once you accept the kinds of things they do, it's hard to argue that they shouldn't disguise it better." Once the need for some form of covert action is conceded, it follows that the necessary apparatus should be maintained and exercised. And once it is accepted that the apparatus cannot possibly function solely under the mantle of the C.I.A., as Colby argued in a recent interview, then something else follows: Private American institutions should be enlisted in the cause.

This chain of reasoning matches the historical process by which the C.I.A. enlarged itself over the past three decades. At its creation in 1947, the C.I.A. was strictly an intelligence agency, with no authority or capability for covert action. The need for secret feats of derring-do and manipulation arose in the cold war, and quickly became the vehicle for the agency's spectacular growth. By the late 1950's, security requirements were so pressing that the C.I.A. was spinning off thousands of front companies at home and abroad. Inevitably, this led to a rationale for intrusion into domestic institutions. Even though the agency's legal charter expressly forbids it from engaging in domestic activities, the C.I.A. began making arrangements for cover with American groups, ranging from missionaries to publishing houses to some of the best-known corporations.

In pressing secrecy on the Church committee, C.I.A. officials developed the argument from the basic logic of covert action, until it applied even to justifying continuation of domestic activities. The committee gave in on point after point. Thus, the C.I.A. escaped not only serious challenge to the practice of covert action but also the risk of scandal from exposure of operations attendant to covert actions. No one knows just how much material remains buried in the Church committee files or how much the agency held back, but a brief investigation revealed an impressive list of subjects which the committee either deleted or consciously failed to explore. The numerous sources within the committee staff and the C.I.A. who described these subjects requested anonymity.

(1) Two draft sections of the report—"Techniques of Covert Action" and "Covert Action Projects: Initiation, Review, and Approval" —remain classified.

(2) So do the five covert-action case studies the committee agreed to keep secret. According to committee sources, the five countries are the Congo (now Zaire), Greece, Indonesia, Laos and Vietnam. The committee report says these studies show a pattern of covert action and penetration not unlike the one in Chile. In the Congo, covert actions began before the attempts to assassinate Patrice Lumumba and continued through the chaotic period following independence in 1960. The agency, according to C.I.A. sources, helped establish Gen. Joseph Mobutu (now President Mobutu Sese Seko) and has maintained a covert relationship with him and other key officials ever since. The relationship illustrates a C.I.A. pattern of developing ties to promising foreign politicians early in their careers and then "sponsoring" them. In Greece, covert actions spanned some of the agency's proudest achievements in helping to prevent Communist domination after World War II. Today, the agency's ties to the Greek Army and secret police remain pervasive — so much so that both Colby and Rogovin, interviewed separately, expressed fears for the stability of the present Greek Government if those ties were revealed. In Indonesia, covert action against the regime of President Sukarno persisted through the 1965 coup, in which more than one million civilians died.

(3) The committee's investigation into the use of classical espionage—obtaining information and using it to influence foreign governments—remains classified.

(4) The committee broke no new ground on the agency's use of American corporations for intelligence work, cover, or covert action. Staff director William Miller terms this a "failure." There was no exploration, for example, of the agency's work with the corporate interests of the late Howard Hughes—in spite of confirmed reports of the $300 million Glomar Explorer project for raising a sunken Soviet submarine. Senator Barry Goldwater, a member of the Church committee, states that corporations "are the third most important source of foreign intelligence, after foreign agents and satellites." Committee sources say the agency was particularly reticent about corporations because the issue opens the door to questions of domestic impact.

(5) The committee is silent on the issue of the C.I.A.'s use of American labor unions abroad, even though former agency employees, such as columnist Tom Braden, have written on the subject. One committee source says "no committee in a Democratic Congress is going after labor unions in an election year." Other sources say it was more a question of time and resources, or an unwillingness to investigate labor after deciding not to look into corporations.

(6) The committee learned of, but did not investigate, the extensive network of American professionals who have secretly assisted the C.I.A. Lawyers, for example, perform functions ranging from liaison work with other Government agencies to legal representation of C.I.A. proprie-

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Approved For Release 2007/05/24 : CIA-RDP84B00148R000100100001-4

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taries, or "front" organizations. One of former White House counsel John Dean's lawyers worked for a C.I.A. front, as did the chief counsel for Jeb Stuart Magruder. Paul O'Brien, attorney for the 1972 Committee to Re-elect the President, was a former C.I.A. case officer and, according to John Dean, offered the services of a C.I.A. front, a law firm in Greece, to help launder money for the Watergate cover-up. These C.I.A. ties to the Watergate case alone suggest that C.I.A. relationships, with all their political and professional implications, are not unusual among prominent Washington lawyers.

(7) The committee agreed to a C.I.A. request that it classify the details of a report on the clandestine use of American academic institutions. After noting that C.I.A. assets are employed by more than 100 colleges and universities, the report states only that its purpose is "to alert these institutions that there is a problem."

(8) After the C.I.A. issued new, restrictive guidelines for the use of American news personnel, the committee submitted to a request that it classify the details of a report on the question. Moreover, the agency refused to supply the committee with the titles of several hundred books—many of them published abroad, in English, to be sold in the United States — that it has subsidized. "We could have held hearings on the C.I.A.'s relationship to the press that would have blown the lid off," blurted a task-force leader who worked on the media study.

The Church committee's C.I.A. reports are impressive on the surface—full of bureaucratic history and weighty essays on subjects like "command and control." But the tepid conclusions and the omissions cited render the work incomplete, if not irresponsible. The contrast with the thoroughgoing investigation of the F.B.I. is striking. The main reason for this is that F.B.I. wrongdoing involved deviation from generally accepted standards for the bureau, whereas the C.I.A.'s covert actions are integral to the agency's practices. The C.I.A. investigation was more difficult because it cut much closer to the bone.

"The alternative to covert action," declares Senator Goldwater, "is war." Arguments about covert action resemble arguments about war. If the Senator's interpretation is correct, the United States has engaged in some 900 alternatives to war in the [illegible] the Congressional committees have partially unveiled a much harsher international reality than most citizens know about.

The C.I.A. operates in a world that is, in fact, hostile and cynical. The agency's environment is full of plots, betrayals and people who are less noble than they seem, and the agency is built around the notion that it can only operate under cover. Secrecy makes it more effective against ruthless enemies. Secrecy masks an element of hypocrisy necessary in a Machiavellian world. It also protects the American people from grisly facts at variance with their self-image. In this sense, the C.I.A. veterans consider themselves a true professional elite, capable of immersing themselves in a ruthless environment without losing their bearings, and of shouldering burdens for the American people that the people would not want to bear or even hear about.

A combination of events enabled the C.I.A. to prevent a debate on whether covert action—secret wars and secret alternatives to war—is justified or necessary. The C.I.A. bowled over the Pike committee and seduced the Church committee. Several sources on the Church committee assert that the outcome was the result of a strategic decision—to duck the issue, under the adverse political conditions that developed this year, so as to be able to take it up again under the authority of the new oversight committee, and perhaps with the assistance of a new Democratic Administration. There is also the hope in some quarters that these last two years of investigation and revelation have had some effect on the political climate, once so congenial to the unrestrained use of covert action, and even on the way the C.I.A. itself thinks of its role.

The record thus far, however, is not one to make for much optimism. No oversight committee is likely to have a better opportunity to control the C.I.A. than the Church and Pike committees, whose records speak for themselves, and the C.I.A. has shown itself to be quite adept at managing the political climate. The agency began these searching investigations hanging on the ropes, and clearly emerged the winner. Its powers, so unique and still largely hidden, remain essentially unchallenged. ■

Taylor Branch is the Washington columnist for Esquire.

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