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INTELLIGENCE AGENCIES UNDER FIRE

by

William Sweet

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INTELLIGENCE AGENCIES UNDER FIRE

PUBLIC CONCERN about intelligence agency abuses became intense in the wake of the Watergate scandal, in which murky connections between the Central Intelligence Agency and Watergate figures came to light.[1] The disclosure in December 1974 that the CIA had illegally spied on thousands of Americans led to the establishment of two investigations, one by the Rockefeller Commission and the other by the Senate Select Committee on Intelligence under the chairmanship of Sen. Frank Church, D-Idaho.[2] A series of revelations soon followed. Among other things, it was discovered that the agency had conducted drug experiments on unwitting victims, conspired to overthrow constitutionally elected governments abroad, and cooperated in efforts involving the assassination or attempted assassination of at least five foreign leaders. As a result of these disclosures, the Senate and then the House set up permanent committees to oversee intelligence activities.

During the past year the intelligence agencies once again have come under fire, particularly the Central Intelligence Agency (CIA), but now they are accused not of conducting illegal activities but of failing to do their assigned tasks adequately. Several alleged failures have raised questions about the quality of U.S. intelligence. While some persons argue that the agencies are themselves at fault for their shortcomings, others believe that excessive public scrutiny has made it impossible for them to do their job properly.

Among the incidents causing alarm about U.S. intelligence was the discovery in August that the Soviet Union had organized its troops in Cuba into a combat unit several years earlier, without being detected by U.S. intelligence. Opponents of the U.S.-Soviet strategic arms limitation treaty (SALT II), which is now before the Senate for approval, asked how American intelligence was going to monitor missile developments in the Soviet Union if activities occurring 90 miles from the U.S.

[1] For background, see "Intelligence Community," *E.R.R.*, 1973 Vol. II, pp. 557-580.

[2] On Jan. 5, 1975, President Ford established an eight-member panel, headed by Vice President Nelson A. Rockefeller, to investigate allegations of illegal domestic spying by the CIA. On Jan. 27, 1975, Senate Resolution 21 set up a select (special) committee to investigate U.S. intelligence operations and to determine the extent to which "illegal, improper, or unethical activities were engaged in by any agency of the federal government." The Rockefeller Commission — formally the U.S. Commission on CIA Activities Within the United States — issued its final report on June 10, 1975; the Church Committee on April 14, 1976.

coast could not be detected.[3] In an effort to defuse such criticism, President Carter said in a nationally televised speech on Oct. 1 that "we are enhancing our intelligence capability in order to monitor Soviet and Cuban military activities — both in Cuba and throughout the world."

The ability of U.S. agencies to verify Soviet arms activity had emerged earlier in the year as one of the issues dividing supporters and opponents of the treaty. This was partly because the new treaty is more detailed than its predecessor, SALT I, and therefore intrinsically harder to monitor, and partly because of the loss of U.S. intelligence installations in Iran after Shah Reza Pahlavi was deposed on Jan. 16. According to Herbert Scoville Jr., a former deputy director of the CIA and a treaty backer, loss of the radar facilities would not interfere with verification of the treaty's overall arms-limitation ceilings but would make the effort to get information on new missile types and multiple re-entry vehicles "more complicated."[4] As events in Iran have become increasingly troublesome to the United States, the record of the intelligence agencies in forecasting the course of the Iranian revolution has come to be the focal point in the debate over their performance.

Postmortems on the CIA's Role in Iran

It has been reported that when Ambassador William H. Sullivan arrived in Tehran in June 1977 only three members of the embassy staff could speak Farsi, the language spoken by most Persians, and that among the 50 to 75 CIA agents thought to be in Iran at that time, there was no specialist on Iranian religious affairs.[5] A CIA National Intelligence Estimate on Iran that was prepared in 1975 had warned of mounting opposition from the religious community, including Ayatollah Ruhollah Khomeini. But the embassy and U.S. intelligence agencies evidently continued to underestimate the depth of antagonism to the shah: In 1978 it was decided an update of the 1975 estimate would not be worth the trouble. In a visit to Tehran on New Year's Eve, 1977, President Carter called Iran "an island of stability in one of the most troubled areas of the world."

Demonstrations against the shah became ever more fervent during the following year, and on Sept. 7, 1978, the shah declared martial law. The next day, now known in Iran as "Black Friday," army troops fired on thousands of unarmed demonstrators in Tehran. Tad Szulc, a journalist who has written extensively about the CIA, said that less than a month earlier the

[3] See "SALT Backers Move to Focus Debate on Defense Plans," *Congressional Quarterly*, Oct. 6, 1979, p. 2192.

[4] Herbert Scoville Jr., "SALT Verification and Iran," *Arms Control Today*, February 1979, p. 6. Also see "Strategic Arms Debate," *E.R.R.*, 1979 Vol. II, pp. 401-420.

[5] See Tad Szulc, "Shaking Up the CIA," *New York Times Magazine*, July 29, 1979, p. 16; *Newsweek*, Jan. 29, 1979, p. 44; and *The Washington Post*, Dec. 17, 1979.

director of Central Intelligence, Adm. Stansfield Turner, had personally delivered a 23-page report to Carter that said "Iran is not in a revolutionary or even a pre-revolutionary situation."[6]

Carter, though reported to be concerned about the quality of intelligence out of Iran, said in a news conference on Dec. 12, "I fully expect the shah to maintain power in Iran and for the present problem in Iran to be resolved. . . ." Shortly afterward Secretary of State Cyrus R. Vance formed an interagency Iran action group, but within a month the shah fled the country. On Jan. 17, 1979, the day after the shah's departure, Assistant Secretary of State Harold H. Saunders told a House subcommittee he could not find anybody who could explain exactly what had happened in Iran.[7]

On Nov. 4. a group of Iranians occupied the U.S. Embassy in Tehran, took the members of the embassy staff hostage, and threatened to put "U.S. spies" on trial. According to apparently authentic documents released by the captors, the U.S. charge d'affaires in Tehran had warned earlier in the year against admitting the shah to the United States, and he also had emphasized that any CIA agents assigned to his mission should be provided with very good cover.

Belief That Ties to Shah Dimmed Vision

The failure of U.S. intelligence to fathom the depth of the opposition to the shah has been widely attributed to an understanding between the embassy, the CIA and the shah that U.S. personnel were not to make contact with his foes. American officials in Tehran understood that any effort to make contact with the shah's political opponents was likely to come to the attention of Iran's dreaded secret police, SAVAK, with which the CIA had an intimate relationship *(see p. 946)*. Armin H. Meyer, who was ambassador to Iran from 1965 to 1969, found that when he tried to arrange an appointment with a former prime minister, a complaint was immediately lodged with the State Department. When he tried to explain his position to the shah, Meyer recounted, the shah replied that Iran had a different culture, one in which opposition elements saw amicable treatment as a sign of weakness.[8]

Richard Helms, who was ambassador to Iran from 1973 to 1976 after heading the CIA from 1966 to 1973, has acknowledged that "lack of attention to activity in the mosques in the poorer sections of Tehran was a failure of embassy coverage which

[6] Szulc, *op. cit.*, p. 16.

[7] "House Panel Faults Intelligence Agencies' Reporting on Iran," *Congressional Quarterly Weekly Report*, Feb. 3, 1979, p. 211.

[8] Meyer's remarks were made at a symposium sponsored by the Institute for the Study of Diplomacy, Georgetown University. The symposium transcript was published under the title *Contacts with the Opposition* (1979), p. 26.

Cooperation Between CIA and SAVAK

It is alleged not only that the U.S. embassy in Tehran restricted contacts with Iran's opposition to the shah, but also that the CIA relied heavily on its Iranian counterpart, SAVAK, for its view of the situation in Iran. Ample evidence indicates that the relationship between the two agencies was close. Indeed, it is known in U.S. intelligence circles that the CIA helped create SAVAK.

In 1953, when Kermit Roosevelt directed the successful CIA plot in Tehran to overthrow the elected prime minister, Mohammed Mossadegh, he relied heavily on three Iranian co-conspirators: Gen. Fazlollah Zahedi, whom Roosevelt hoped to make the real dictator (he envisioned the shah as a mere figurehead); Fazlollah's son, Ardeshir Zahedi, who was to become ambassador to the United States and one of the shah's most trusted advisers; and Col. Nematollah Nassiri, at that time head of the shah's palace guard and subsequently chief of SAVAK. It was Nassiri who took a small group of tanks to Mossadegh's residence to deliver a royal message from the shah ordering the prime minister fied.

According to a report prepared for the Senate Foreign Relations Committee which was leaked to *The Washington Post* in August, SAVAK agents exchanged information with the FBI and CIA, and the shah repeatedly warned — with reinforcement from two U.S. ambassadors to Iran — that reprisals would be taken against CIA agents in Iran if legal action were taken against the SAVAK agents in the United States.

As for SAVAK's activities in Iran, Amnesty International reported in 1976 that it held at least 3,200 political prisoners, that prisoners lacked virtually any legal protection, and that prisoners were invariably tortured between the time of arrest and trial. Some analysts believe that these brutal methods were instrumental in uniting an otherwise contentious people in opposition to the shah. The CIA refuses to comment on charges that it trained SAVAK in torture techniques, refuses to specify what training it provided, and even refuses to acknowledge publicly that it trained SAVAK at all.

might have given insights later on." But he added that "the embassy had a good general idea of the disaffection of various elements of Iranian society." Helms said that "no man (or woman), Persian or foreigner, came forward or even secretly indicated that these elements were strong enough to destroy the government and end the monarchy."[9]

Herbert Hetu, the CIA's director of public affairs, said "the real problem was that there was no central movement, nothing to penetrate, no communication to listen in on." The Iranian revolution, according to Hetu, is the "one real revolution we have seen in our lifetimes," and revolutions — by definition —

[9] Helms' comments are quoted in the Georgetown University symposium publication, pp. 22-23.

do not happen if they are expected. What did surprise the CIA, Hetu said, was that the shah did not use his mighty military forces and SAVAK to suppress the rebellion.[10]

Morton H. Halperin, director of the Center for National Security Studies, ridicules the notion that "the right discussion with an opposition leader in the proper coffee house . . . would have provided the key to predicting the events that are now unfolding." Halperin said it would have been hard during recent years "to find an Iranian expert outside of the government (or even a casual visitor to Iran) who did not predict that the shah would be in great difficulty." America's "fundamental inability to see the weaknesses of friendly regimes and the strengths of hostile ones," Halperin continued, results partly from placing too much emphasis on gathering secret and technical information and partly on the CIA's operational interest — as an organization conducting covert operations — in the countries it is studying. "Organizations which have a policy stake in the course of events in another country cannot be expected to produce objective analysis."[11]

The Subcommittee on Evaluation of the House Committee on Intelligence concluded in 1979 that Iran was "a failure to which both the intelligence community and the users of intelligence contributed." The subcommittee found an implicit contradiction between the CIA's historical mission as "the shah's booster" and its duty "to provide sound intelligence analysis." The subcommittee predicted that this problem would remain as long as the agency's director "continues to fulfill the role as the president's chief adviser while at the same time having operational responsibilities as the director of the Central Intelligence Agency."[12]

Fear for Agency's Morale and Capability

In contrast to those who believe that covert operations should be separated from intelligence functions or eliminated altogether, many people recall with nostalgia the days when the CIA helped install a friendly regime in Teheran. Publications as diverse as *The Wall Street Journal* and *The New Republic* recently have called for greater covert capabilities.

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[10] Interview, Dec. 11, 1979.

[11] Morton H. Halperin, "The Intelligence Failure in Iran," *First Principles*, February 1979, p. 16, 14. The Center for National Security Studies monitors the intelligence agencies from a civil libertarian point of view and publishes the magazine *First Principles*. Halperin is a former aide to Henry A. Kissinger. He sued Kissinger, charging that Kissinger tapped his private phone.

[12] House Permanent Select Committee on Intelligence, Subcommittee on Evaluation, *Iran: Evaluation of U.S. Intelligence Performance Prior to November 1978* (1979), p. 1, pp. 7-8. Rep. Edward P. Boland, D-Mass., is committee chairman.

They argue that resort to outright military force is rarely feasible now that the Soviet Union is at or on equal military footing with the United States. With U.S. interests threatened in unstable Third World countries, they conclude, the United Staes needs some means of intervention between all-out war and inability to do anything at all.

At the time the Carter administration took office, it has subsequently been reported, the CIA's operations division already had been reduced to 4,730 employees, down from roughly 8,000 at the peak of the Vietnam War. Turner dismissed 820 others, in a reputedly untactful way. Jack Maury, a former assistant secretary of defense, said "the peremptory dismissal of hundreds of skilled and experienced officers . . . profoundly affected morale, resulting in the voluntary retirement of hundreds of others." Writing in 1978, he went on to say the agency was a "victim of the theology . . . which holds that official secrecy, like military strength, is, by definition, immoral or sinister. . . ."[13]

On top of the staff dismissals, a disaffected former CIA agent, Philip Agee, has been publicizing names of covert operators around the world, and a Washington publication inspired by his efforts — the *Covert Action Information Bulletin* — subjects the agency to relentless criticism. Some universities, moreover, have attempted to limit and control the CIA's use of academic experts on college campuses.[14]

The CIA and its friends believe that this barrage of public criticism and public exposure has left the agency dangerously weakened. Recent incidents in which U.S. citizens have been convicted of selling classified information to the Soviet Union suggest to some that the country as a whole is losing its moral fiber and will no longer support the kinds of activities needed to survive in a hostile world.[15] George Ball, a former State Department official critical of America's unqualified past support for the shah, has gone so far as to suggest that criticism of the CIA is responsible for Iran's threats to try "U.S. spies" in some kind of show trial. "While emasculating the CIA," Ball asserted, "we wallowed so masochistically in the disclosure of its wickedness . . . that we have created the impression not only that the agency is guilty of every misdeed but also that it is 20 feet tall, with almost magical capabilities for evil."[16]

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[13] Jack Maury, "What Hinders CIA from Doing Its Job?" *The Washington Post*, Dec. 3, 1978.

[14] See Morton H. Halperin, "The CIA on American Campuses: The Harvard Confrontation," *First Principles*, September 1978, pp. 1-4.

[15] See, for example, *U.S. News & World Report*, May 7, 1979, pp. 26-31, and Dec. 10, 1979, pp. 36-40; and *The Wall Street Journal*, Oct. 4, Nov. 11 and Dec. 7, 1979.

[16] Writing in *The Washington Post*, Dec. 9, 1979.

Development of U.S. Intelligence

SINCE World War II, the history of U.S. intelligence has been strongly marked by alleged forecasting failures, conflicts among intelligence services, and competition between analytic and operational divisions for funds, personnel and attention. The surprise Japanese attack on Pearl Harbor, the worst intelligence failure in U.S. history, brought the United States into the war and prompted President Roosevelt to establish the Office of Strategic Services. One objective of the OSS was to coordinate intelligence estimates and get them to the relevant policy-makers, but independent intelligence services were uncooperative from the start. Gen. Douglas MacArthur excluded the OSS from the Pacific theater during the war, and Nelson A. Rockefeller — Coordinator of Inter-American Affairs during the war — did the same in Latin America.[17]

After the war President Truman established a Central Intelligence Group to carry out the intelligence activities handled by the OSS, and in March 1946 U.S. intelligence was assigned its first major postwar project. The Army, Navy and Air Force intelligence services were told to join with the Central Intelligence Group "to produce the highest possible quality of intelligence on the U.S.S.R. in the shortest possible time." The project was ridden with contention, as each service tried to protect its turf and produce estimates that supported its budget requests, and a final report appeared only in March 1948, two years after it had been commissioned.

The National Security Act of 1947 replaced the Central Intelligence Group with the Central Intelligence Agency, made it responsible to a newly founded National Security Council, and established a unified Department of Defense.[18] The debates in Congress leading to the National Security Act indicated that legislators envisioned the CIA's role as limited to intelligence analysis and coordination, but within two years of its creation the agency, in the words of a Church Committee report, "assumed functions very different from its principal mission" and became "a competing producer of current intelligence and a covert operational instrument in the American Cold War offensive."[19]

[17] Anne Karalekas, "History of the Central Intelligence Agency," in Senate Select Committee to Study Governmental Operations with respect to Intelligence Activities, *Final Report* (1976), Book IV, p. 5.

[18] The National Security Council was set up "to advise the president with respect to the integration of domestic, foreign and military policies relating to the national security." It is composed of the president, vice president, secretaries of defense and state, the director of Central Intelligence, chairman of the Joint Chiefs of Staff, and the president's national security adviser.

[19] Karalekas, *op. cit.*, p. 2.

OSS: Legacy of Elitism

The OSS attracted into its ranks many members of America's educated elite, and later many of these same people played prominent roles in staffing the CIA's covert action and intelligence divisions. For example, three of the men who were to hold highly influential positions in the CIA, Richard Bissell, Tracy Barnes and John Bross, had attended the same preparatory school (Groton) together. Bissell and Barnes went on to Yale, and Bross to Harvard. The Ivy League became a recruiting ground for the CIA and, some of its critics have said, an old-school-tie network quickly developed in the agency's formative years.

During the war, many of the CIA's covert operators worked closely with anti-German resistance movements in Europe, and in the course of that work became intimately familiar with the conflicts between communist and anti-communist factions within the movements. When Cold War tensions emerged in the late 1940s, these veterans of the OSS were in a strong position to argue for, create, and manage anti-communist covert actions.

William Langer, who set up the CIA's Board of National Estimates, was head of the OSS's Research and Analysis Division. As the author of several books on Bismarck, the brilliant chancellor of Germany in the late 19th century, Langer trained a whole generation of American historians, diplomats and intelligence analysts to admire the theory of power politics — the theory that international policies are not only most effective but also most humane when they are based on the protection of abiding national interests.

Both the OSS and CIA have often been accused of being excessively chummy with British intelligence because of a shared social elitism. These charges have proved embarrassing at times. In the early 1950s it was discovered that the British intelligence service's liaison man in Washington, Kim Philby, was a Soviet agent. The British allowed Philby, a product of the upper class, to resign quietly. They did not expose him publicly until 1963. By that time he had escaped to Russia. Last November it was disclosed that Sir Anthony Blunt, former curator of the Queen of England's art collection, had been a member of Philby's spy ring.

Thomas Powers, in a book on Richard Helms, wrote that Rear Adm. Roscoe H. Hillenkoetter, presiding over the transiton from CIG to CIA, asked the agency's general counsel whether the National Security Act provided authority for covert actions. The counsel replied that he thought not, but Hillenkoetter went ahead and set up a "special procedures group" anyway, taking authority from a clause in the act which said the CIA would "perform such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally."[20]

[20] Thomas Powers, *The Man Who Kept the Secrets* (1979), p. 29. The biography of Helms is based on extensive interviews with Helms and other CIA officials.

Fear that the Soviet Union might exploit unstable situations in Greece, Iran and the Philippines, and fear that Communist parties might win elections in Western Europe, provided the CIA with fertile ground for clandestine activities in the late 1940s. On June 18, 1948, a National Security Council directive, NSC 10/2, authorized creation of the CIA's Office of Policy Coordination to perform operations "so planned and conducted that any U.S. government responsibility for them is not evident to unauthorized persons and if uncovered the U.S. government can plausibly disclaim any responsibility for them."

Once established, covert operations gained a momentum of their own, and increasingly they dominated the agency's overall effort. Many CIA recruits were OSS veterans who were eager to continue with the exciting undercover work they had done during the war. Since clandestine activities seemed more glamourous than ordinary assessment work, individuals tended to be judged and promoted in terms of the number of covert action projects they initiated and managed. The budgeting process encouraged CIA officials to invent as many covert projects as possible to justify future allocations.

Impact of Korean War and Spy Scandals

The outbreak of the Korean War, which again prompted charges of an intelligence failure, strengthened the position of the CIA in relation to other agencies and led to the expansion of both analytic and covert activities. In October 1950, three months after the war began, Truman appointed Gen. Walter Bedell Smith, Gen. Dwight D. Eisenhower's former chief of staff, director of Central Intelligence. Gen. Smith soon established the Board of National Estimates to prepare intelligence reports on individual countries and he named William Langer, America's most prestigious diplomatic historian, to head the office. Because of his reputation and abilities, Langer was able to attract top talent.

The war hardened the public's view that it faced an expansionist, dangerous and unscrupulous foe in the Soviet Union. It seemed to follow logically that at least some U.S. agencies would have to be able to fight Russia by whatever means necessary, a conclusion which came to be reinforced by a series of spy scandals. In little over a year, between January 1950 and February 1951, Alger Hiss — who had held high positions in government — was convicted of perjury in connection with espionage charges; Klaus Fuchs, an atomic scientist who had worked with the British team on the wartime atom-bomb project at Los Alamos, confessed to being a Soviet spy; and Julius and Ethel Rosenberg were convicted of atomic espionage and eventually put to death.

Under pressure from Sen. Joseph McCarthy, R-Wis., who had made communists in government a national issue, Truman set up loyalty programs for government employees and decreed secrecy labeling of material by all government agencies. Legislation enacted in 1949 already had exempted the CIA from many laws governing other agencies and allowed the director of intelligence to spend money "without regard to the provisions of law and regulations relating to the expenditure of government funds." During the following years the agency carried out purges of employees whom it suspected of being unreliable.

Ascendancy of Covert Operations in CIA

Under Allen Dulles' directorship from 1953 to 1961, covert operations came to dominate the CIA, and at the same time the agency emerged as an integral part of the U.S. policy-making apparatus. Dulles had made a name for himself as the manager of special operations in Europe during World War II, and as brother to Secretary of State John Foster Dulles he had direct access to President Eisenhower.[21] From 1953 to the end of the Nixon administration, CIA's directors were veterans either of the covert operations branch or of the Atomic Energy Commission, which shared with the CIA the distinction of being the heart of what came to be known as "the secrecy system." Richard Helms (1966-73) and William Colby (1973-76) had risen to the director's post through covert operations, while John A. McCone (1961-65) and James Schlesinger (1973) had come to the job from the AEC, where both were chairmen. Nobody has risen from the analytic division to head the agency.

Richard Helms

Congressional supervision of the CIA was minimal during the 1950s and 1960s; indeed, no formal oversight mechanism existed. The chairmen of the armed services and appropriations committees could demand information on CIA activities, but Sen. Richard Russell, D-Ga., the most powerful chairman of all, took the position that the CIA should be allowed to do what it saw fit. As for presidential supervision, the Church Committee found that "[n]o one in the executive — least of all the president — was required to formally sign off on a decision to implement a covert action program."[22] Executive oversight was based on "deniability," the doctrine that the president had to be able plausibly to deny any association if an embarrassing project came to light.

[21] See Allen Welsh Dulles, *The Craft of Intelligence* (1963).

[22] Karalekas, *op. cit.*, p. 93.

Already in 1953, by the committee's count, there were major covert operations in 48 countries, and throughout the Fifties and Sixties the CIA was able to conduct big programs largely under cover of secrecy. Stimulated by operations that were considered successful in Iran and Guatemala (in 1954), the CIA went on to conduct important clandestine activities in Indonesia and Iraq during the late 1950s and in the Congo in the early 1960s.

In 1961 the Kennedy administration took office strongly committed to launching counter-insurgency efforts around the world. The main effect was a massive growth of covert operations in Indochina, which eventually came to include: operations against North Vietnam, started in 1961; the establishment and financing of interrogation centers in each of South Vietnam's 44 provinces; the Phoenix program to locate, capture or kill suspected Viet Cong agents; and training and support for tribal armies in the remote hill regions of Vietnam and Laos. After North Vietnam's conquest of the South in 1975, many thousands of Indochinese who had collaborated with the CIA met a cruel fate, while most of the CIA members were able to escape the country unharmed.

The Indochinese were far from the only people who ended up suffering from their association with the agency. The same was true of some East Europeans and Ukrainians, whom the CIA encouraged to rebel against Soviet rule in the late 1940s and early 1950s, without being able to give them real help; the Kurds, whom the CIA and the Shah of Iran encouraged for a while to rebel against Iraq; and above all Cuban exiles, whom the CIA not only trained to overthrow Castro but also used as mercenary soldiers in other parts of the world.

Bay of Pigs Setback; Assassination Plots

After the failure of the CIA-sponsored invasion of Cuba at the Bay of Pigs in 1961, unseating Castro became an obsession in the Kennedy administration. A small group was set up to supervise the effort, known as Operation Mongoose. The group was headed by Gen. Maxwell Taylor, and it included Attorney General Robert F. Kennedy, who took a strong interest in the operation's progress. Mongoose involved extensive efforts to sabotage the Cuban economy, promotion of political and military opposition within Cuba, and attempts to murder Castro. Whether the Kennedy brothers authorized the assassination plots, some of which involved Mafia figures, has become a highly controversial question.[23] Castro apparently knew some-

[23] Powers argues that "the available evidence leans heavily toward a finding that the Kennedys did, in fact, authorize the CIA to make an attempt on Castro's life." See his article, "Inside the Department of Dirty Tricks," *The Atlantic*, August 1979. Two former Kennedy administration officials, Frank Mankiewicz and Adam Walinsky, vigorously disputed Powers' charges in a letter published in the magazine's December 1979 issue. They said that Robert F. Kennedy ordered the plots terminated when he heard of them and that the plots continued because the CIA lied to him.

thing of the plots; in a speech on Sept. 7, 1963, he issued a public warning: "United States leaders should think that if they are aiding terrorist plans to eliminate Cuban leaders, they themselves will not be safe."

In addition to trying "to get" Castro, the Kennedy administration also sought to make Chile a showcase for Latin American democracy. The Church Committee found that the CIA channeled $3 million to Chile in 1964 (equivalent to about $60 million in a U.S. election) to help elect a conservative president, and in 1970 spent about $1 million in a vain attempt to prevent the election of Salvador Allende. When that failed, the committee report added, President Nixon personally ordered Richard Helms to spend up to $10 million, and more if necessary, to unseat Allende; Helms' notes from the meeting included the instruction, "make the economy scream." Nixon told Helms to keep the effort secret from the State Department, the Pentagon, and the U.S. ambassador to Chile.

After Allende's inauguration, the CIA was authorized to spend $7 million for opposition activities, and on Sept. 11, 1973, Allende was overthrown and murdered in a military coup. CIA intelligence estimates in the early 1970s stated that the United States had no vital interests in Chile, that Castro was not moving rapidly to make Chile a base for Latin American subversion, and that Russia probably would avoid the open-ended aid commitment to Chile that it was saddled with in Cuba.[24]

Performance in Intelligence and Analysis

The CIA's intelligence division always has been sharply separated from its clandestine operations. This separation may have helped prevent estimates from being tainted by operational interests much of the time, but it also limited the intelligence division's influence and made it isolated and insular. Top positions in the intelligence division increasingly were occupied by people who had risen through the ranks, and the agency became set in its views. The director of Central Intelligence never managed to act as a real coordinator of national intelligence, and by the late 1960s the Board of National Estimates had become vulnerable to political attack.

From 1952 to 1963 the agency got most clandestine information via liaison with foreign governments, a convenient arrangement but one that had many pitfalls. Technological advances — especially in aerial reconnaisance — heightened the quality of CIA information about activities inside Russia and strengthened the agency's position versus the military services. According to many sources, the agency was skeptical about the probability of

[24] See "Covert Action," Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, *Final Report*, Vol. 7, pp. 11-17, 29-32, 193-195.

a Soviet attack on West Europe in the late 1940s, more realistic than the services about Russian bomber production in the mid-1950s, and much more accurate than the Air Force in forecasting Soviet missile production for the early and mid-1960s. It is said that only in the late 1960s, after Russia began a military buildup in response to its setback in the Cuban missile crisis, did the CIA's estimates of Soviet plans begin to err somewhat on the side of complacency.

Lawrence Freedman, who wrote a comprehensive study of U.S. assessments of Soviet strategic plans as a doctoral dissertation, later published as a book, gave the CIA high marks for professional integrity. The agency occasionally made mistakes in its strategic estimates, he found, but he detected few "examples where the CIA analyses have been distorted to satisfy the preconceived notions of its clientele."[25]

Outside the field of Soviet intelligence, some cases of tailoring data to suit the clientele have been reported. For example, Richard Helms was accused of suppressing a 1967 report — subsequently shown to be accurate — that North Vietnam's forces were twice as large as supposed; after the Tet offensive of 1968 the report surfaced, and the analyst who had prepared it tried to get Helms fired.[26] Generally, though, CIA intelligence appears to have acquitted itself fairly well. The agency got poor marks, to be sure, for failing to predict the oil embargo of 1973 and the Middle East war that same year. But the agency repeatedly questioned the prospect for success in Vietnam, and prior to the Arab-Israeli war in 1967, the CIA was insistent that Israel would be able to win the war in less than 10 days. The Church Committee concluded that "the CIA's Directorate of Intelligence is by far the best analytical organization for the production of finished intelligence in the government."[27]

Whether the CIA was listened to is another question. In the committee's view, Presidents Eisenhower and Kennedy recognized the value of sound intelligence and gave the agency direct access to them. Johnson, on the other hand, "was not interested in reading intelligence reports unless they told him something scandalous about foreign leaders, and the pessimistic tone of the NIEs [national intelligence estimates] on Vietnam irritated him."[28] Powers portrayed Nixon as coming into office with a chip on his shoulder about the CIA; Powers said Nixon blamed it for allowing Kennedy to make much of the missile-

[25] Lawrence Freedman, *U.S. Intelligence and the Soviet Strategic Threat* (1977), p. 187.

[26] See Sam Adams, "Vietnam Cover-Up: Playing War with Numbers," *Harper's*, May 1975, pp. 41-73.

[27] "Foreign and Military Intelligence," Select Committee to Study Governmental Operations with Respect to Intelligence Activities, *Final Report* (1976), Book 1, p. 257.

[28] Freedman, *op. cit.*, pp. 42-43.

gap issue in the 1960 presidential election campaign.[29] His national security adviser, Henry A. Kissinger, was highly critical of CIA intelligence and eager to concentrate control over intelligence in his own hands, Powers said.

The position of the CIA gradually eroded under Johnson and Nixon, and in 1971 a review of U.S. intelligence carried out by James R. Schlesinger, then assistant director of the Office of Management and Budget. The review concluded that the CIA director's control over intelligence was a fiction; that estimates were often obscured by bland compromises; that the analytic section of the agency had become insular; and that the quality of technical intelligence was far better than political intelligence. William Colby, shortly after his appointment as CIA director in 1973, abolished the Office of National Estimates and replaced it with 11 specialized National Intelligence Officers.

Church Committee and Other Investigations

Colby succeeded Schlesinger as CIA director, and even though Schlesinger served less than a year at the CIA, he took one action that had momentous consequences. Upon learning that the CIA was implicated in an illegal break-in, Schlesinger decided on the advice of Colby to issue a directive ordering all of its top officials to report activities that might have violated the CIA charter. This directive resulted in Colby's compilation of what came to be known as the "family jewels," a 693-page document listing the CIA's illegal operations — some 700 individual items.

William Colby

Colby tried for some time to keep the family jewels under wraps, but on Dec. 22, 1974, reporter Seymour Hersh disclosed in *The New York Times* that the CIA had spied on thousands of U.S. citizens. Then on Jan. 16, 1975, President Ford let it slip at a luncheon with editors of the *Times* that the agency had been involved in assassination plots. Ford set up the Rockefeller Commission to investigate intelligence agency abuses in the United States, and the Senate set up the Select Committee on Intelligence — the Church Committee — to take a broader look at the agencies.

The Church Committee's most sensational findings were that U.S. officials had "initiated plots" to assassinate Fidel Castro

[29] Powers, *op. cit.*, p. 201. Kennedy's charge that the United States had fallen behind Russia during Eisenhower's presidency, which subsequently proved to be wrong, may have arisen partly from an intelligence gap. After an American U-2 reconnaissance plane was shot down by Russia on May 1, 1960, there was no information on the country from aerial photography for about a year.


Frank Church

and Patrice Lumumba, a contender for power in the Congo, and that "American officials encouraged or were privy to coup plots which resulted in the deaths of" Gen. Rafael Trujillo, dictator of the Dominican Republic, Ngo Dinh Diem, ruler of South Vietnam, and Gen. Rene Schneider, chief of staff of Chile's army, who was firmly opposed to any military coup to unseat Allende. No foreign leaders were killed as a result of the plots initiated by the CIA, and the committee was unable to determine — partly because of the doctrine of "plausible denial," partly because many important protagonists had died — whether the plots initiated by the CIA had been authorized by any president.

The Church investigation resulted in the establishment of standing Senate and House oversight committees and a series of CIA purges. Many former CIA officials who retired, resigned or were dismissed have begun to write about their experiences and to talk with reporters, resulting in a growing volume of CIA literature *(see bibliography)*. But of course little of the information is completely reliable, and there may still be important matters that everybody would prefer not to talk about. The Church Committee left the greater part of covert operations unexplored. Concerning the CIA's massive three-decade-long operation in Iran, for example, there is scarcely one hard fact on the public record.[30]

Proposals for Agency Reform

PRESIDENT Carter issued on Jan. 26, 1978, Executive Order 12036, which set out new guidelines for the U.S. intelligence community. The directive set up a new National Security Council panel, the Special Coordination Committee, to manage all of America's foreign intelligence operations. The president's national security adviser (Zbigniew Brzezinski) is chairman of the committee, and the intelligence director is required to report all proposals for sensitive foreign operations to it. The executive order set up a second panel, the President's Intelligence Oversight Board, to oversee intelligence operations. The board is staffed

[30] Of the eight volumes published by the Church Committee, just two dealt with covert operations; of these one was devoted exclusively to Chile, and the other to the assassination plots. The committee staff made detailed studies of covert operations in six countries, three of which were Vietnam, Laos and Angola; the identity of the other three remains classified.

by three non-governmental members appointed by the president. The current members are William Leonhart, former U.S. ambassador to Yugoslavia, retired Army Gen. Bruce Palmer, and Professor Klaus Knorr of Princeton University.

Executive Order 12036 established within the CIA a National Foreign Intelligence Board to advise the intelligence director, and a National Intelligence Tasking Center to coordinate and assign intelligence projects. The order made the director, for the first time, responsible for the entire intelligence community's budget — a reform designed to strengthen his hand as intelligence coordinator. The intelligence community includes the CIA, the National Security Agency, the Defense Intelligence Agency, the Pentagon offices responsible for managing (but not evaluating) aerial reconnaissance, the Bureau of Intelligence and Research of the Department of State, and the intelligence activities conducted by the military services, the FBI, the Department of the Treasury, the Department of Energy, and the Drug Enforcement Administration. The community's total budget in 1978 is thought to have exceeded $8 billion.[31]

Executive Order 12036 prohibits the intelligence community from conducting research on individuals without their informed consent; from contracting out work with private companies or institutions without informing responsible members of the contracting organization of the intelligence community's involvement; from detailing intelligence personnel to other government agencies without informing responsible members of those agencies; and from engaging in or conspiring to engage in assassination. The CIA is given exclusive authority to conduct "special activity" (covert action), unless the president determines that "another group is more likely to achieve a particular objective."[32]

Some of the provisions have come under sharp criticism from people who monitor the intelligence community. The most dangerous aspect of the order, they say, is Section 2-201, which allows electronic surveillance (bugging), mail interception and unconsented physical searches (break-ins) with the approval of the Attorney General. No court order is required if there is probable cause to believe that a United States citizen "is an agent of a foreign power." Morton Halperin calls Section 2-201 "the most explicit and far-reaching claim of an inherent presidential right to intrude without warrant into areas protected by the Fourth Amendment ever stated publicly by an American president."[33]

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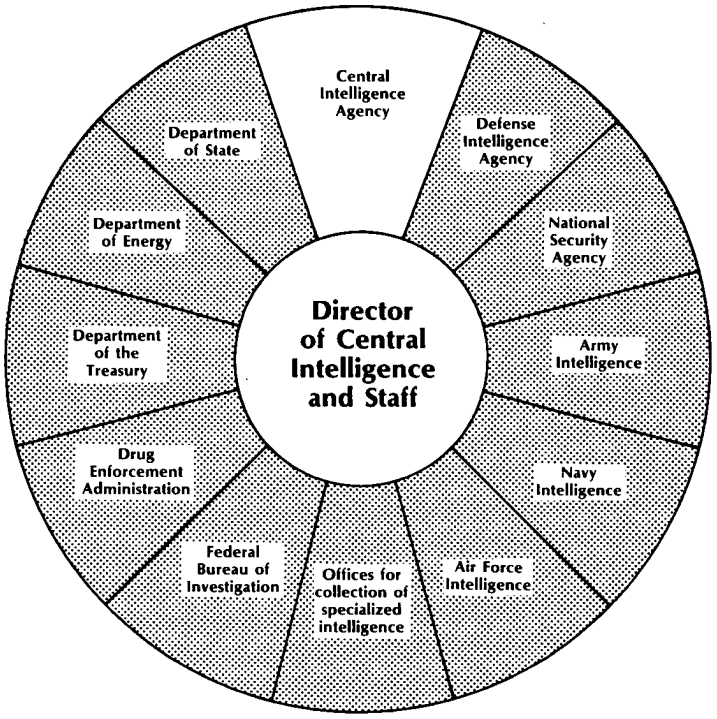
[31] Congress has continued to keep the intelligence budget secret. The $8-billion estimate is contained in The Boston Study Group, *The Price of Defense* (1979), p. 284.

[32] *Federal Register*, Jan. 26, 1978, pp. 3674-3692.

[33] Morton H. Halperin, "The Carter Executive Order: A 'Foreign Agent' Exception to the Fourth Amendment," *First Principles*, February 1978, p. 3.

The Intelligence Community



The Director of Central Intelligence is responsible both for coordination of the intelligence community as a whole and for management of the CIA. He reports to the President via the National Security Council and, on occasion, directly.

Critics also have accused the CIA of failing to comply with the spirit of the Freedom of Information Act,[34] and they have expressed dismay about the Carter administration's willingness to enter into "graymail" agreements with former intelligence officers accused of crimes. In one case, the administration entered an agreement with Helms which enabled him to escape a jail sentence on perjury charges, evidently because he threatened to divulge information embarrassing to the U.S. government.

The Foreign Intelligence Surveillance Act of 1978 prohibits wiretapping, bugging or break-ins in the United States without

[34] The Freedom of Information Act, signed into law in 1966, is intended to make federal agencies disclose more information to the public. See "Freedom of Information Act: A Reappraisal," *E.R.R.*, 1979 Vol. I, pp. 125-144.

a court order. A draft charter for the intelligence community which the Senate Select Committee on Intelligence — the Church Committee's successor — introduced on Feb. 9, 1978, would prohibit the intelligence agencies from directing such actions against U.S. citizens anywhere in the world.[35] The Select Committee introduced the charter not as a final draft of legislation to be enacted, but as an agenda of items requiring resolution.

Conflicting Proposals for a New Charter

The committee's charter proposal provides criminal penalties for illegal searches, electronic surveillance and medical experimentation on unwitting victims. The stiffest penalty is reserved, however, for those like Philip Agee who disclose names of secret agents, if the disclosure results in injury or death to an agent. The charter would prohibit assassination, terrorism, torture, the mass destruction of property, creation of food or water shortages or epidemics, the violent overthrow of democratic governments, and support for police actions by foreign security services that violate human rights.

Some of these activities would be allowed in time of grave national emergency, however, and the proposed charter would not forbid the non-violent overthrow of a democratic government or the violent overthrow of an undemocratic government. The charter would allow the government to examine tax returns, plant informants and use physical surveillance in urgent cases or whenever the Justice Department gave its approval.[36]

An administration working group produced a report on the proposed charter in October 1978, resolving many issues in favor of the agencies, to the annoyance of some Senate committee members. The report was referred to a high-level administration review, and during the early months of 1979 a more definitive administration position emerged. The administration said it would support (1) a court-order procedure for surveillance of U.S. citizens abroad, but not a criminal standard, (2) repeal of the 1974 Hughes-Ryan Amendment, which requires covert operations to be reported to eight congressional committees, in favor of exclusive oversight by the two intelligence committees in Congress. The administration sought a return to category authorization of covert operations from line-by-line authorization of each individual project, a procedure the new oversight committees had introduced. Category authorization had been widely criticized in earlier years as a "blank check" procedure that often allowed operations to get out of hand.

[35] See "Intelligence Charter Debate to Focus on Civil Liberties, National Security Conflicts," *Congressional Quarterly Weekly Report*, Dec. 23, 1978, pp. 3471-3476.

[36] See David Wise, "Intelligence Reforms: Less than Half a Loaf," *The Washington Post*, April 23, 1978.

Intelligence Agencies Under Fire

At mid-year the Select Committee received the administration's comprehensive proposals for charter reform, and during August and September committee staff and administration representatives made every effort to resolve outstanding issues. This process was completed just before the crisis in Iran took on a new dimension, with the taking of U.S. hostages in Tehran on Nov. 4.

It is now reported that the administration has given up any hope of getting a new charter for the intelligence community enacted in the 1980 election year. The crisis in Iran has thrown many of the issues into sharp relief: the ability of the intelligence director to coordinate analysis and take responsibility for estimates; the conflicts between analytic work and covert operations; liaison relationships with foreign intelligence services; the ability of U.S. envoys abroad to control CIA operations that take place under their roofs; the question of what kind of capabilities are required to handle situations that fall somewhere between peace and war.

Many of these matters, for example, the relationship of intelligence to policy-making, involve sharply conflicting imperatives. Intelligence should be relevant to the needs of policy-makers, but proximity to policy makers tends to give analysts a stake in the outcome of the situation. The potential effects of covert operations should be taken into account in intelligence estimates, similarly, but proximity to covert operators tends to contaminate objective intelligence. However the Iran crisis is resolved, many of the questions reawakened by the crisis will have to be discussed anew.

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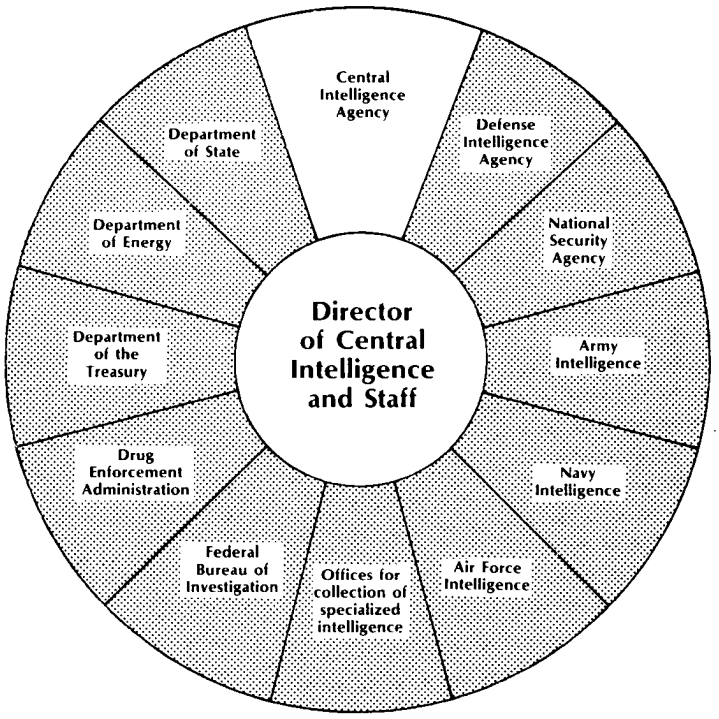

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INTELLIGENCE AGENCIES UNDER FIRE

by William Sweet

Editorial Research Reports

Washington, Dec...--The intelligence agencies came under fire in the wake of the Watergate scandal, and investigations during the mid-1970s revealed the CIA's involvment in drug experiments on unwitting victims, conspiracies to overthrow constitutionally elected governments, and plots to kill at least five foreign leaders. Because of such disclosures, the Senate and then the House set up new oversight committees, and in January 1978 President Carter issued guidelines to tighten executive control of the intelligence community.

In recent months the intelligence agencies once again have come under fire, but now they are accused not of conducting illegal activities but of failing to do their assigned tasks adequately. The discovery in August that some Soviet troops in Cuba had been organized into a combat unit several years earlier cast doubt on America's ability to verify a new strategic arms agreement with Russia. In the Senate's debate over ratification of the SALT II treaty, America's ability to monitor Soviet activities already had emerged as a major issue dividing supporters and opponents of the agreement.

It is the Iran crisis, however, which has provided critics of U.S. intelligence with their most powerful ammunition. The CIA did not foresee the tumultous series of events that unfolded in Iran during the past two years, and as late as August 1978 -- just months before Shah Reza Pahlavi was deposed in a popular unheaval -- the CIA is reported to have told Carter that Iran was ''not in a revolutionary or even a pre-revolutionary situation."

Carter more than once assured the shah of continued U.S. support, even after some advisers told him the shah's days were numbered, and now a debate is raging as to why U.S. policy went astray. Some believe that the intelligence agencies are at fault, while others say that excessive scrutiny has left the intelligence community too weak to do its job.

According to the first school of thought, the CIA's close ties with the Iranian

(M O R E)

regime -- and especially with the shah's dreaded secret police, SAVAK -- gave the agency a vested interest in his regime and made the agency incapable of recognizing his vulnerability. Others deplore the sharp cuts that have been made in the CIA's covert action division during the past few years. They argue that the CIA must have the ability to intervene quietly in delicate situations.

The House intelligence committee has concluded that Iran was "a failure to which both the intelligence community and the users of intelligence contributed."

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For nearly a year, Senate staff members and Carter administration officials have been trying to draft a new charter for the U.S. intelligence community. They apparently were close to agreement on the major legislative issues in early November when the Iran crisis took a new turn for the worse, with the taking of U.S. hostages in Tehran.

The crisis has brought back into focus many of the issues which have plagued the U.S. intelligence community throughout its postwar history, and the people working on the charter proposal may have to re-evaluate the ideas they were working out for CIA reform.

From the late 1940s, the intelligence director -- who is responsible both for the intelligence community as a whole and for day-to-day management of the CIA -- has found it difficult to win the cooperation of competing intelligence services. Because of rivalries among competing intelligence services, dissenting views often have been papered over with bland phrases, and the intelligence director has been unable to take full responsbility for intelligence estimates.

Throughout the Fifties and Sixties the CIA was free to conduct far-reaching covert operations, and frequently these activities were undertaken despite intelligence estimates that questioned their prospects for success. At the same time, the CIA's intelligence division -- sharply separated from the operations division -- often prepared estimates in ignorance of how the CIA itself was affecting a situation.

Frequently U.S. ambassadors to foreign countries, who technically are responsible for all U.S. activities in the countries where they are assigned, were unaware of what the CIA was doing and would not have approved the agency's actions if they had known of them.

Not only the intelligence committees but also the public at large will have to reconsider, in light of Iran, what the proper balance between intelligence and covert action is, how the intelligence community should be organized, and above all what legitimate role secrecy has in the preparation of intelligence estimates.

(Brief of Report issued Dec. 28, 1979: E.R.R., 1979 Vol. II, No. 24)