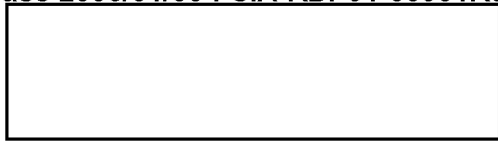


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**ANTHONY
LEWIS**

commentary

Secrecy, Censorship Are Reagan Legacies

BOSTON

Secrecy in government has a thousand fathers: a thousand excuses. But Frank Carlucci, the new secretary of defense, came up with a particular gem last week. He testified that the president should not have to inform the congressional intelligence committees promptly about covert operations because foreign countries whose help we need do not like the idea.

"These countries don't always understand our institutions," Carlucci said, "and simply cannot appreciate the oversight mechanism. They are basically mistrustful of the dissemination of information beyond the executive branch."

In other words, the United States has to trim its system of government to suit other countries, many of them tyrannies. Of course the excuse of what other countries think is just that: an excuse. The real reason for opposing this bill is power. The president and his people want the power to act on their own, without the inconvenience of having to explain and justify their policy.

Every effort by the executive branch to keep its policies secret is essentially a grab for power. Secrecy is the modern battleground of the eternal struggle for power and the American system of divided government.

Indeed, it is the current habit of executive officials to claim that any effort to keep the president accountable to Congress is an invasion of his constitutional power.

Congress, with its plenary authority over what the government spends, could at any time prohibit all covert operations. To require a prompt report on them is a far milder exercise of its undoubted power. But nowadays there is a cult of presidential power on the American right. Its spokesmen argue that presidents must be free to do whatever they want in foreign affairs: start wars, spend money, ignore Congress.

Anyone seriously interested in how our constitutional system governs the conduct of foreign affairs should read an article in the current issue of *Foreign Affairs* by Louis Henkin, a professor at Columbia University.

He concludes that current clashes over the Constitution and foreign policy stem "not from constitutional uncertainties but from unhappiness with, even resistance to, what the Constitution prescribes." Presidents just regard the Constitution as out of date for our world.

The royalist view of the presidency has in fact been tried in recent years, and the record speaks for itself. Presidents acted on their own, in secret, at the Bay of Pigs, in Vietnam, in the Iran-Contra affair. Those exercises of power without accountability were disastrous.

It turns out that the men who wrote our Constitution 200 years ago knew best after all. In foreign affairs, as in domestic, policy is wiser when there are checks on its exercise.

The Reagan administration has pushed the claims of executive secrecy and power to new extremes. A recent report by the civil liberties group People for the American Way traces the growth of secrecy in myriad ways: a secret Pentagon "black budget," unreported presidential directives, censorship. It will be one of Reagan's most crippling legacies to this country.



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 USA Today _____
 The Chicago Tribune _____

Date 21 Dec. '87

Corporate Post Made Carlucci Rich

By Molly Moore
 Washington Post Staff Writer

Defense Secretary Frank C. Carlucci became a millionaire in private business during the four years between leaving the Pentagon's No. 2 position in 1983 and returning to government employment earlier this year, according to his federal financial disclosure reports.

Carlucci's disclosure papers, filed after he was nominated defense secretary in November, state that his salary and bonuses totaled \$1.2 million in 1986, including a \$735,722 "termination settlement" when he resigned as chairman of Sears World Trade Inc.—which went out of business following heavy losses—to become President Reagan's national security adviser earlier this year.

As a member of Reagan's Cabinet, Carlucci is being paid \$80,100 per year.

Carlucci's salary in 1986 as a

Sears executive was \$385,794, according to the report. In addition, he was paid \$63,000 in directors' fees and other compensation from six other corporations including UNISYS Corp., a computer firm that does business with the Pentagon; Rand Corp., and the American Stock Exchange.

The report also shows that Carlucci's investment and stock assets for 1986 and 1987 are worth between \$1.1 million and \$2.6 million, a sharp contrast to the assets he listed in a 1982 report, while he was at the Pentagon, that showed assets of between \$30,000 and \$100,000. Precise figures are not available because the federal reports only show a general range of values.

Carlucci, 57, earned between \$72,000 and \$201,200 from those investments during 1986 and 1987, according to the report. The records he filed in 1982 showed income from his assets as \$1,900 to \$11,500.

The defense secretary listed his only liability as a mortgage of \$50,000 to \$100,000 on a McLean rental property.

The four years as a top executive of Sears, Roebuck and Co. were Carlucci's only stint in the private sector after a long career of almost exclusive government service.

He was a foreign service officer early in his career, then was ambassador to Portugal. His resume includes a long list of administrative jobs: the second-ranking position at the Office of Economic Opportunity, No. 2 job at the Office of Management and Budget, second in command for the Central Intelligence Agency under Stanfield Turner and deputy defense secretary under Caspar W. Weinberger from 1981 to 1983.

He left Sears in December 1986 to become Reagan's national security adviser, replacing Rear Adm. John M. Poindexter. Carlucci succeeded Weinberger last month.

Soviet marshal to see Carlucci at Pentagon

The Washington Post _____
 The New York Times _____
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 The Chicago Tribune _____

Date 9 Dec '87

By Bill Gertz
 THE WASHINGTON TIMES

One of the Soviets' highest-ranking military officers will make an unprecedented visit to the Pentagon today and tomorrow at the invitation of Defense Secretary Frank Carlucci.

Marshal Sergei Fedorovich Akhromeyev, chief of the Soviet general staff and first deputy minister of defense, will meet Mr. Carlucci in his office during a brief visit this afternoon, according to Pentagon spokesman Fred Hoffman.

The marshal, a key player in Soviet arms control negotiations, will join Adm. William J. Crowe, chairman of the Joint Chiefs of Staff, for breakfast at the Pentagon tomorrow morning, followed by a tour of the National Military Command Center, Mr. Hoffman said.

The center, located deep within the Pentagon and dubbed "the tank" because of its tight security, is a huge, high-tech operations center used for directing U.S. forces in the event of nuclear war.

"To my knowledge, it's the first time a senior Soviet military officer will be in the building, let alone meeting with U.S.

officials," Mr. Hoffman said.

A former Defense Intelligence Agency chief, retired Lt. Gen. Daniel O. Graham, said he saw nothing unusual about the marshal's visit. He said he met with lower-ranking Soviet military officials in his office during his career at DIA.

Mr. Hoffman said Mr. Carlucci, when he extended the invitation, did not discuss the possibility of U.S. officials visiting Soviet defense facilities during a possible summit in Moscow next year.

Mr. Hoffman said the Soviet military leader will not receive a "full-blown" military honor guard. Instead, a military honor cordon — two lines of soldiers — will greet Marshal Akhromeyev when he arrives for the meetings.

No agenda has been set for either session, he noted.

James T. Hackett, a national security affairs specialist at the Heritage Foundation, said he thought it was unusual that no reciprocal visits by U.S. defense and military leaders had been worked out in advance.

"One of the basic guidelines for dealing with the Soviets over the years is that you never do anything without seeking reciprocal treatment," Mr. Hackett said

in an interview. "I would think that anything we do, like showing them our facilities, should be based on reciprocity."

Mr. Hackett said Pentagon visits are normally reserved for close U.S. allies.

"It sounds to me as if the administration is forgetting that the Soviet Union is an adversary," he said. "They're letting this whole business of 'glasnost' [openness] get out of hand."

Marshal Akhromeyev, 64, is the Soviet's second-ranking military official after Defense Minister Dmitri Yazov. Mr. Yazov took over the military post last May following a military shake-up sparked by the penetration of Soviet airspace by Matthias Rust, a West German who landed a small plane in Moscow's Red Square.

Marshal Akhromeyev arrived with Soviet leader Mikhail Gorbachev on Monday. Mr. Yazov remained in Moscow.

U.S. officials said Marshal Akhromeyev is viewed as a shrewd negotiator who deftly protected the Soviet military's interest during arms talks at the Reykjavik summit last year.

"He's regarded by our people as a pretty savvy pragmatist and he's got Gorbachev's ear," said one administration

official, who declined to be named.

Other official sources said Marshal Akhromeyev is a Kremlin hardliner who in the past has expressed displeasure with the Soviets' 18-month moratorium on nuclear testing.

A biography released by the Pentagon describes him as "highly intelligent and well-informed."

"An engaging conversationalist but tough negotiator in the past, he has demonstrated that he can be reasonable and for a Soviet, uncommonly flexible," the Pentagon stated.

Marshal Akhromeyev became chief of staff in September 1984, replacing Nikolai Ogarkov, the Soviet military official who reportedly was relieved of command after a Soviet interceptor jet shot down a South Korean airliner in September 1983.

He was wounded in World War II during the siege of Leningrad.

The marshal became chief of staff and first deputy commander of the Far Eastern Military District in 1972 and moved up to the Moscow general staff in 1974. Between 1979 and 1984 he was first deputy chief of the general staff.

Carlucci: Big Man About Intelligence

By James Bamford

CAMBRIDGE, MASS.

A year ago he ran a small, money-losing division of Sears. Two weeks ago he was in charge of a micro-sized unit, the National Security Council, in the White House. Today Frank C. Carlucci, the newly appointed Secretary of Defense, directs the activities of close to 3 1/2 million people and supervises the spending of more than a quarter of a trillion dollars. At the same time, in a far less visible role, he directs the free world's largest and most complex intelligence organization.

Carlucci's swearing in last week completes a revolution in the U.S. intelligence community that began with the appointment of former FBI chief William H. Webster to take over the critically ill Central Intelligence Agency. Although little noticed by the public, responsibility for the collection of intelligence has shifted dramatically over the last three decades from the CIA to the Pentagon. The primary reason is technology. In the 1950s, former CIA Director Allen W. Dulles chose to concentrate on the traditional human side of espionage, allowing the Pentagon to grab onto the budding techno-spies—satellites, listening posts and reconnaissance planes.

Eventually, because it became more efficient to take a high-resolution photograph from space or eavesdrop on key communications than attempt the difficult task of recruiting an agent-in-place, the Pentagon began getting a larger share of the intelligence dollar. So the CIA, to justify its existence, began shifting efforts away from its original purpose—espionage—toward the risky and questionable areas of covert action and paramilitary operations.

Today the Pentagon controls the largest intelligence machine the world has ever known and it will be one of Carlucci's most difficult tasks to bring it under control. Among the organizations now under his authority is the National Reconnaissance Office, the highly secret and expensive joint Pentagon-CIA agency responsible for the development and operation of the nation's growing fleet of spy satellites. For the last several years the NRO has been in a state of near emergency, as the launch systems designed to put new and replacement satellites into space—the space shuttle and Titan rockets—encountered serial disasters. The organization now appears on its way to recovery with the successful launch last week of a Titan 34D rocket carrying a critically needed KH-11 photographic satellite.

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AS PUBLISHED

L.A. TIMES, PT. 5, P. 2
Date 29 Nov 1987

Another large network now under Carlucci is the Defense Intelligence Agency, the Pentagon's own expanding organization that performs myriad tasks—from analyzing photos by spy satellites to running the Defense Intelligence College to collecting human intelligence from a worldwide corps of military, naval and air attaches.

But there are two areas the new secretary will have to take an especially close look at: the National Security Agency and the ad hoc intelligence units set up by various military services. NSA eavesdrops on communications and makes and breaks codes, making it the agency that could most effectively spy on U.S. citizens if directed to do so. In 1975 then-Sen. Frank Church (D-Ida.), who conducted a Senate investigation of intelligence abuses, said of NSA technology: "That capability at any time could be turned around on the American people and no American would have any privacy left; such [is] the capability to monitor everything . . . there will be no place to hide."

Because of its potential for abuse, NSA directors must demonstrate absolute trustworthiness or else be replaced. And this is an evaluation Carlucci will have to make about the current director, Lt. Gen. William E. Odom, whose actions during the Iran-Contra affair raised important questions. Because of the agency's enormous capability to intercept communications worldwide, it picked up many messages and telephone conversations among and involving the participants in Iran, Israel and Washington. Instead of passing this information on to his boss, then-Secretary of Defense Caspar W. Weinberger, as required, Odom bypassed the normal chain of command and gave it to the National Security Council. Thus Weinberger did not find out the policy he had opposed was being implemented.

This led to Weinberger's extraordinary admission during last summer's Iran-Contra hearings: his first discovery that the United States was negotiating with Iran came through an NSA intercept that was placed on his desk by accident. He was then told by the NSA, his subordinate given the report by mistake and wasn't entitled to know anything more. The American public needs reassurance that such behavior will not be repeated.

The other area requiring a hard look by Carlucci is the maze of small, specially trained intelligence and paramilitary units, many of which operate in the name of secrecy.

is the unit, set up in 1981. At the time, NSA's Odom, then the Army's intelligence chief, argued that the ISA was needed to fill a gap in the CIA's many activities. Congressional intelligence committees were never informed of the unit's creation and, like Weinberger in the Iran negotiations, discovered it only by accident. Eventually, the ISA placed agents throughout the world, operating under various covers. In Panama, for example, the agents used a refrigeration company as a front.

Among its activities was an unauthorized plan to conduct a raid into Laos in search of missing Americans from the Vietnam War. According to one report, Weinberger became so incensed that he ordered the ISA disbanded. But it survived nonetheless. Other mysterious, highly compartmentalized intelligence units set up in the Army have now come to light, including those with such bizarre names as Sea Spray, Yellow Fruit and FOG (Field Operations Group). When one such organization gets into trouble and has to be disbanded, it often simply reemerges under a new name. A secret naval intelligence unit known as Task Force 157, for example, became public and was supposedly disbanded in 1976. But a few years later a nearly identical unit, Task Force 168, quietly emerged and still exists.

There are probably few people better equipped to deal with these problems than Carlucci, who has served in the Office of Management and Budget, as a U.S. ambassador and in the State Department, as the former No. 2 man at the Pentagon and as the CIA deputy director under Stansfield Turner. To some extent the problems may seem like *deja vu*.

In his book, "Secrecy and Democracy," Turner wrote that Carlucci "had come to perceive that running the CIA from the director's office was like operating a power plant from a control room with a wall containing many impressive levers that, on the other side of the wall, had been disconnected. We decided that we were not really in charge of a single CIA, but of three separate organizations operating almost with autonomy. Neither of us had ever seen anything like it before." □

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Frank Carlucci's challenge

"My own philosophy," Frank Carlucci told the Senate Armed Services Committee in 1981 when he was appointed deputy secretary of the Defense Department, "is that we all have to compromise. That's what it's all about." While Mr. Reagan's choice to replace departing Defense Secretary Caspar Weinberger brings outstanding credentials to the herculean task of running the Pentagon in the last days of the Reagan era, a philosophy of compromise is not what gained Mr. Weinberger the reputation for integrity and strength for which Mr. Reagan praised him last week. Moreover, it is unlikely that willingness to compromise will help the president in the months to come.

Still, Frank Carlucci brings to his new job long experience from the foreign service, the CIA, the Pentagon itself in the first year of the Reagan administration and, most recently, the National Security Council in an era when that office seemed about to decompose in the wake of the Iran-Contra episode.

The one quality that distinguishes him is his ability to serve different masters efficiently and faithfully. As deputy director of the CIA under Stansfield Turner in the Carter administration, for example, Mr. Carlucci gained the reputation of being Admiral Turner's hatchet-man, chopping off several hundred career intelligence officers in reforms that left the agency nearly blind in an age of rampant terrorism and an escalating Soviet military buildup. At the NSC, Mr. Carlucci ironically was instructed to do a similar thing in the wake of the Iran-Contra affair. He thus has shut down operations and retired staffers who had done more than their own part in reconstructing vitally needed pro-

grams. Conversely, as ambassador to Portugal in the 1970s, Mr. Carlucci helped prevent the rise of a communist government there, even though his strategies put him at odds with Henry Kissinger.

Frank Carlucci, then, is the consummate aparatchik. He now faces his most difficult challenge — to follow the example set by Mr. Weinberger, and fight relentlessly to keep American defenses strong. That means, at a very minimum, promoting the Strategic Defense Initiative, and ensuring that it does not become a strategic arms control bargaining chip.

It also means that he not only must battle Congress to keep our defenses strong, but that he also must wage internecine warfare to keep the Pentagon in the policy loop in arms control. The Pentagon is not formally part of the arms control process, but Mr. Weinberger by his own adherence to principle for the last seven years kept at bay the party of compromise with Moscow, and again Mr. Carlucci would do well to follow his example.

Mr. Carlucci's hearings before the Senate Armed Services Committee should present an opportunity for eliciting commitments from him on SDI and arms control issues that will show Congress — and Moscow — that he will stand fast for the policies of the man who appointed him. If he makes these commitments clear, then we will be able to say of him what Mr. Reagan said of Mr. Weinberger last week, that he brought "courage, constancy, loyalty, together with uncommon brilliance, decisiveness, and determination" to a difficult job.

Carlucci a Tough Pragmatist in Pentagon's Corner

By **ELAINE SCIOLINO**
Special to The New York Times

WASHINGTON, Nov. 5 — When President Reagan was considering several ideas about how to retaliate against Iran's attack on a Kuwaiti tanker flying the American flag last month, he accepted the option proposed by his national security adviser, Frank C. Carlucci.

The Joint Chiefs of Staff argued that the United States should sink an Iranian frigate, while Secretary of State George P. Shultz telephoned from the Middle East that he favored an attack against the Iranian Silkworm missile installations on the Fao peninsula. But Mr. Carlucci fought for a more measured response to give the Administration more room to maneuver should it

have to retaliate again, persuading the President to attack two Iranian offshore oil platforms.

That the 57-year-old Mr. Carlucci won illustrates how much the President has come to rely on him in the 10 months since he assumed the White House's top foreign policy position. It also reflects how Mr. Carlucci, a controlled, low-key official who has held senior military, diplomatic and intelli-

gence posts in both Democratic and Republican administrations, has frequently worked his will on Administration policy.

"He has a realistic appreciation of what to do in difficult circumstances," one senior White House official said of Mr. Carlucci, who was chosen today as Secretary of Defense. "He took over the job in incredibly difficult circumstances but gradually has gotten everybody's confidence."

Warm Relations on Capitol Hill

Unlike the retiring Defense Secretary, Caspar W. Weinberger, who has repeatedly clashed with lawmakers over key military issues, Mr. Carlucci has taken pains to cultivate his relationship with Capitol Hill.

Last week the White House sent out signals that it would delay its request for a \$270 million aid package to the Nicaraguan rebels after Mr. Carlucci reported he was persuaded by key Republican lawmakers that the Administration would lose badly if it pressed for a vote. Earlier last month he was instrumental in working out a compromise with leading senators to rescue \$1 billion of the floundering arms package for Saudi Arabia.

Until recently, Mr. Carlucci, sensitive to criticism by Secretary of State Shultz of the expansion of the National Security Council's role in foreign policy, has avoided the limelight.

When Mr. Carlucci consulted directly with ambassadors in Washington and took a highly visible trip to European capitals last summer to garner support for the Administration's Persian Gulf policy, Mr. Shultz was said to be deeply annoyed.

But last month Mr. Carlucci began to assume a higher profile. He appeared on television talk shows two weeks in a row. Wednesday night in an on-the-record address to the Council on Foreign Relations in New York, he strongly defended the Administration's military buildup in the Persian Gulf and titillated the audience of foreign policy experts with his first-hand anecdotes about the Soviet leadership.

Despite his origins as the grandson of an Italian immigrant stonecutter, Mr. Carlucci grew up comfortably in Scranton, Pa., the son of a successful insurance broker. After graduating from Princeton University and attending Harvard Business School, he spent two years in the Navy and a brief stint as a rental agent, salesman and swimwear management trainee before joining the Foreign Service 31 years ago.

A short, athletic man who was on the wrestling team in college, Mr. Carlucci has been known to embrace dangerous assignments. As a junior Foreign Service officer in the Congo in the early 1960's, he was stabbed and beaten by an angry African mob, challenged at bayonet point by Congolese soldiers and threatened with arrest, winning a State Department award for bravery.

Mr. Carlucci has probably held a wider range of senior Government positions than anyone in Washington. He has held the post of chief deputy at the Pentagon, the Central Intelligence Agency, the Office of Management and Budget and the now defunct Department of Health, Education and Welfare. He was also of the Office of Economic Opportunity, the domestic poverty program under President Nixon.

Foreign Service Officer

A former Ambassador to Portugal, he has also served as a Foreign Service officer in South Africa, the Congo, Zanzibar and Brazil.

Mr. Carlucci's only serious foray into the private sector was unsuccessful. In the three years before becoming national security adviser after the abrupt resignation of Vice Adm. John M. Poin-

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dexter, he did not distinguish himself as president and chief operating officer of Sears World Trade Inc., an international business subsidiary of Sears, Roebuck & Company. Early this year, the unprofitable subsidiary was folded into other Sears operations.

A fiercely competitive tennis player, Mr. Carlucci plays on his own court in the backyard of his McLean, Va., home, which a Washington monthly recently assessed at \$1 million. Although Marcia, his second wife, is generally regarded as a better player, he is known to publicly criticize her game in their doubles matches. Mr. Carlucci has

three children, two by his first wife and one by the second.

As Secretary of Defense, Mr. Carlucci is expected to be less combative than Mr. Weinberger, whom he served as deputy, and less likely to make snap judgments, according to his colleagues. Like his former boss, however, he intensely mistrusts journalists and fiercely opposes unauthorized disclosures of classified information.

"He's much calmer, more realistic and less ideological than Weinberger," said one senior official who works closely with both men. "And that, by God, is what we need these days."

FILE ONLY

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 The Chicago Tribune

Date *7 Nov. 87*

Carlucci has been a key player for Democratic, GOP presidents



Frank Charles Carlucci III

■ Born Scranton, Pa., Oct. 18, 1930; A.B., Princeton University, 1952.

■ Foreign Service officer in South Africa, The Congo, Zanzibar, Brazil, 1956-1969.

■ Assistant director for operations, Office of Economic Opportunity, 1969; director, 1970.

■ Associate director, Office of Management and Budget, 1971; deputy director, 1972.

■ Undersecretary of health, education and welfare, 1972-74.

■ U.S. ambassador to Portugal, 1975-78.

■ Deputy director, Central Intelligence Agency, 1978-81.

■ Deputy secretary of defense, 1981-82.

■ President, Sears World Trade Inc., 1983-86.

■ National security adviser, 1986-87.

The Washington Times

THE ASSOCIATED PRESS

Frank Charles Carlucci III, who began his government career as a Foreign Service officer, has played key roles in four administrations.

The fifth national security adviser in the Reagan administration, Mr. Carlucci took over after his predecessor, Rear Adm. John Poindexter, resigned under fire as the Iran-Contra affair began to unfold.

If he succeeds Caspar W. Weinberger as secretary of defense, Mr. Carlucci will assume the most visible position in his career of public service, which was interrupted from 1983-1986 by a stint in private enterprise.

Mr. Carlucci was deputy director of the CIA under President Carter and deputy defense secretary in the first two years of President Reagan's administration. He served as U.S. ambassador to Portugal from 1974-77.

The 57-year-old grandson of an immigrant Italian stonecutter, Mr. Carlucci has seen his nominations to top federal posts questioned at separate times by such opposites as liberal Sen. Alan Cranston, California Democrat, and conservative Sen. Jesse Helms, North Carolina Republican.

A Weinberger protege, Mr. Carlucci was the No. 2 official when Mr. Weinberger headed the Office of Management and Budget and then the Department of Health, Education and Welfare in the Nixon administration.

In 1981, when Mr. Reagan first tried to bring Mr. Carlucci into the administration, there was vigorous opposition from Mr. Helms and a handful of other conservative Senate Republicans.

To some of them, Mr. Carlucci seemed tainted by his tenure at the CIA during the Carter years, when critics believed the intelligence agency was weakened.

Once confirmed by the Senate, Mr. Carlucci was a staunch advocate of presidential policies as the Penta-

gon's No. 2 official, talking of a "growing Soviet threat" and of the need to increase military spending accordingly.

Mr. Carlucci has been highly visible in arms control diplomacy with the Soviet Union, accompanying Secretary of State George P. Shultz to Moscow last month. Appearing Sunday on a television talk show, Mr. Carlucci said a U.S.-Soviet treaty on intermediate-range nuclear missiles should win Senate approval.

For a while in 1970, it looked as if a dispute involving then-California Gov. Reagan would derail Mr. Carlucci's career just as it was picking up speed.

An old Princeton University friend, Donald Rumsfeld, had brought him into the anti-poverty Office of Economic Opportunity in 1969, and President Nixon nominated Mr. Carlucci to succeed Mr. Rumsfeld as head of the agency in 1970.

The confirmation was blocked by Mr. Cranston, who insisted that Mr. Carlucci announce whether in his OEO job he would bypass a veto by Gov. Reagan of a federal grant to legal services programs for California's rural poor.

He was confirmed after working out an arrangement that eased what could have been a major federal-state dispute — an arrangement that kept Mr. Reagan's veto intact but also kept the grant money flowing temporarily.

Mr. Carlucci joined the Foreign Service in 1956, working in various African posts and in Brazil over a dozen years. He won the attention of President John F. Kennedy and the respect of Congolese leaders when he came to the aid of a carload of Americans who had been besieged by an angry mob. Mr. Carlucci was stabbed in the neck during his rescue of the Americans.

Mr. Carlucci, a native of Scranton, Pa., has two children by his first wife and one by his second.

NSC chief scores Times editorial on covert actions

I am writing to correct the profound mistakes of fact and interpretation contained in The Washington Times' Aug. 12 editorial, "The Reagan dissolution continues."

A revised system for approval, review and notification of special activities was outlined in President Reagan's letters of Aug. 7 to Sens. David Boren and William Cohen, respectively chairman and vice chairman of the Senate Select Committee on Intelligence. Far from "disabling our spy activities" as The Times' editorial suggests, the procedures established by the president ensure that such activities will continue to be effective. They reflect his firm view that, while the existing statutory framework in this area should not be changed, new executive branch procedures to implement current statutes nevertheless are desirable.

To correct the principal errors of fact, I note the following.

First, there has been and will be no redefinition of so-called special activities, which will continue to be

defined as in Executive Order No. 12333 of 1981. The new procedures accordingly will not affect counter-intelligence activities or sensitive intelligence collection operations.

Second, in affirming that special activities conform to applicable law, the procedures fit within existing statutes, which do not require approval by the intelligence committees as a condition precedent to initiating such activities.

Third, for the most part these procedures merely regularize existing practice followed by the NSC and CIA, including accepted mechanisms and timetables for notification to the intelligence committees. In this respect, they establish an appropriate framework for ensuring the indispensable congressional support for special activities. As the president wrote, "We cannot conduct an effective program of special activities without the cooperation and support of Congress."

Finally, The Times' editorial misleads readers to believe that the

president surrendered his constitutional authority and, in the process, rendered our intelligence services ineffective. Indeed, the adoption of new procedures by the president represents the exercise of that very authority. Meaningful executive branch review and coordination and appropriate notification to Congress, implemented with due regard for protection of intelligence sources and methods, will not "bureaucratize covert actions." Nor will they reduce the president's ability to act in the most extraordinary circumstances with that degree of secrecy and dispatch necessary to ensure the security of the nation and its citizens. Rather, they will better ensure that special activities are properly authorized, are carried out according to law and are consistent with the national policy they are intended to serve.

FRANK C. CARLUCCI
Assistant to the President
for National Security Affairs
Washington

Webster expected to take CIA reins with quiet efficiency

By Bill Gertz
 THE WASHINGTON TIMES

The CIA, subject to unusual public scrutiny and with a new leader, is not expected to undergo radical changes under William H. Webster, according to present and former intelligence officials.

Several intelligence officials, speaking on condition of anonymity, said Mr. Webster, a former federal judge who ran the FBI for the past nine years, plans to approach his new job with an impartial "judicial" perspective that they welcome.

Mr. Webster was confirmed as CIA director by the Senate Tuesday, by a 94-1 vote.

One senior FBI official said Mr. Webster will be "coming over light" to the agency's headquarters in Langley, Va. The new director is expected to bring a small staff that includes FBI Special Assistant John B. Hotis, FBI Assistant Director for Public Affairs William Baker, two law clerks and his longtime FBI secretary, the official said.

"He will be depending a lot on the people already over there, especially [CIA deputy director] Bob Gates," the official said. "He doesn't have any strong feelings on the way the agency should be run."

The official said Mr. Webster plans to operate at the CIA in much the same way he approached the FBI in 1978, when the bureau was faced with public and congressional pressure over alleged improper domestic intelligence activities.

"He plans to take a studied look, to be briefed and briefed and briefed again," said the official. "And then he'll make some deliberate moves. But he's not going in with any fixed agenda."

The official said Mr. Webster, who is referred to at the FBI as "the Judge," does not plan to restrict CIA activities, but expects to "keep people accountable" to the often complex executive guidelines and congressional regulations imposed on the agency.

As FBI director, Mr. Webster has been praised by most intelligence officials for his role in building up the FBI's counterespionage cap-

abilities.

Sen. Chic Hecht, Nevada Republican and member of the Intelligence Committee, said in an interview that Mr. Webster's record as FBI chief and his good relations with congressional oversight panels are his best asset and will serve him well as CIA director.

"He has in place a tremendous operations staff over there," Mr. Hecht said. "That will be his true test: if he allows the staff in place to continue carrying on what [former CIA director] Bill Casey built up."

Mr. Casey, who died of cancer this month after resigning May 6, directed a major buildup of the agency's operations capabilities involving "a top group of dedicated and professional young people" posted at CIA stations around the world, Mr. Hecht said.

Witnesses in the Iran-Contra investigation in Congress have closely linked Mr. Casey and a Central American CIA operative to the case, but so far broad agency involvement in the operation has not been uncovered.

One administration official, speaking on condition he not be identified, said morale in most parts of the agency remains high despite the continuing investigations.

The official said Mr. Webster is expected to learn his new job quickly since he has more experience in intelligence than past directors brought in from outside the agency.

However, the Iran-Contra inquiry has affected the morale of some field agents in Central America who feel that "there are more investigators than case officers," he said.

Officials said Mr. Webster's presence at CIA will help to ensure that legal restrictions on agency operations will be strictly enforced.

The Senate Intelligence Committee recently informed the CIA and the National Security Council that the committee plans to conduct spot checks of financial records to ensure that operations conformed to legal guidelines.

Another reform recently put in place by National Security Adviser Frank Carlucci, according to offi-

cial, was to set up a covert action review board, similar to a CIA review board, that will periodically review all such programs.

However, one official said that contrary to some reports describing a one-third cutback in covert action programs, there has been no reduction as a result of the Iran-Contra affair.

Some reports have suggested that Mr. Webster's friendship with former CIA Director Stansfield Turner may signal major policy changes at the agency.

Adm. Turner, CIA director during the Carter administration, brought in a large number of Navy officials to assist him and he dismissed or transferred many of the agency's most experienced operatives.

The official pointed out that while Mr. Webster knows Adm. Turner from their days at Amherst College, Mr. Webster also is close to former CIA Director Richard Helms, an agency stalwart well respected by hard-liners.

One senior CIA operations official, who retired in the late 1970s, described Mr. Webster as independent-minded official who "goes by the book" and thus may have a "tempering affect" on agency covert operations.

"I don't think he'll abandon it as a tool, but he may just wait until he's more comfortable with it," the official said.

He said Mr. Webster could have the greatest impact on developing CIA counterintelligence, which has rebounded in recent years from a decline that began in the late 1970s.

David Atlee Phillips, former CIA Latin America operations chief, said some agency operatives have taken a "wait and see" approach to Mr. Webster because of his lack of experience.

"There's a big difference between handling a really clandestine type of operation as opposed to a partially clandestine type of operation that the FBI is used to running," he said. "People in the operations directorate are wondering if he'll be able to do that."

Cuts Urged In Covert Operations

White House Review Follows Iran Affair

By David Hoffman
and Walter Pincus
Washington Post Staff Writers

SANTA BARBARA, Calif., April 18—An internal White House review of secret intelligence operations has concluded that nearly a third of the covert missions authorized by President Reagan should be terminated, informed administration sources said today.

The review, ordered following the Iran-contra affair, focused on secret intelligence "findings" such as the one that Reagan signed to allow sale of arms to Iran. The Tower commission criticized the White House for failing to monitor the covert operation properly and failing to notify Congress, and Reagan later ordered a review of all other active findings.

Sources said a decision to cancel nearly a third of them could indicate a significant scaling back from the emphasis on covert operations as a foreign policy tool under former Central Intelligence Agency director William J. Casey. The sources said the review targeted covert operations, as distinct from secret intelligence-gathering efforts.

The sources said national security adviser Frank C. Carlucci is more reluctant to use covert operations because of the potential for political backlash, and his views are shared by acting CIA director Robert M. Gates, who has been more closely associated with the intelligence collection and analysis functions of the agency.

Reagan is expected to receive results of the review shortly, the sources said. The review was conducted by a special group under deputy national security adviser Colin L. Powell and included representatives from other agencies as well as the White House.

Although the precise nature of the operations targeted for termination could not be learned, one informed source said many are counterterrorism operations in the Middle East and Southwest Asia. Some were apparently an outgrowth of efforts to free Americans held hostage in Lebanon, the sources said.

The review has found that some operations were outdated and that others had run astray, the sources added. In addition, the review showed that some "findings" were unnecessarily kept active as an umbrella for future operations although no current missions were under way, the sources said.

Some of the covert action findings are to be studied longer, officials said. The White House has also decided to keep Powell's review group for periodic checking of all covert operations.

The president's covert action findings will "come back up on the scope again on a regular basis," one official said.

Such a regular review was urged by members of the Senate Select Committee on Intelligence during confirmation hearings for FBI Director William H. Webster to head the CIA, and Webster agreed to do so. Webster drew a parallel with a Federal Bureau of Investigation program to review the use of informers.

In the Iran affair, the Tower commission found that White House officials drew up a covert action finding only after they had started the arms sales to Iran. The report said the finding was not shown to key policy-makers and that it was wrongly kept from Congress as well.

The Tower commission said it "found no evidence that an evaluation was ever done during the life of the operation to determine whether it continued to comply with the terms" of the Jan. 17, 1986, finding Reagan had signed approving it.

Reagan, vacationing at his ranch near here, said in his weekly radio address today that Secretary of State George P. Shultz had "made constructive progress" on arms control and other issues during his

Shultz "made clear," Reagan said, "that Americans take human rights seriously, as is evident during this week of religious import. We cannot and will not close our eyes to the suppression of religious freedom, be the victim a Christian, a Jew or other religious faith."

Reagan also reviewed the status of the arms-control talks and said the superpowers "have an opportunity to take tangible, step-by-step progress toward a more peaceful world. This is in both our interests."

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JACK ANDERSON and DALE VAN ATTA

Conservatives Had CIA 'Hit List'

STAT Within days after Ronald Reagan's election as president in 1980, a transition team for the incoming administration compiled a secret hit list of 26 "leftists" to be purged from the Central Intelligence Agency. The conservative blacklist included Frank C. Carlucci, now the president's national security adviser.

The hush-hush plan to politicize the nation's top intelligence agency failed, primarily because William J. Casey, who had served as Reagan's campaign chairman decided not to follow through on it when he became CIA director.

The politically suspect names were contained in a transition team report on the CIA dated Nov. 22, 1980—just 17 days after Reagan's landslide victory over Jimmy Carter. The report was classified (then and now) top secret and submitted to Casey, who approved its general conclusion.

STAT But not long after he took over at the CIA, Casey abandoned at least the recommendation to fire the 26 supposed leftists. Carlucci, who was No. 2 man in the agency, did leave—to become No. 2 man in the Pentagon at the insistence of Defense Secretary Caspar W. Weinberger. Carlucci's place at the CIA was taken by John McMahon, who had been in charge of clandestine operations—and who was also on the secret hit list.

STAT Another person on the list, R.E. Hineman, also was promoted. In 1980, Hineman was deputy director for the National Foreign Intelligence Center. He was promoted to deputy director of the Science and Technology Division.

What had the 26 CIA people done to incur the wrath of the Reaganites?

"[These] individuals are, in the main, Carter administration proteges who advanced in grade and position during the past four years because of their willingness to support leftist-oriented perceptions and programs," the report charged. It added that there "should be immediately some key and visible staff changes at the top, both for the internal morale of the agency and in order to reverse the effect of Carter administration policies. Decent intelligence from the agency is not likely for at least six months in the new administration, almost regardless of what actions are taken, but a start must be made."

We have been able to determine the current status of most of the people on the blacklist. Four are still with the agency, but according to CIA and other intelligence sources, only two of the 19 known to have left were forced out of their jobs.

STAT The 17 others we were able to track either resigned after lengthy service with the agency or went on to better jobs elsewhere. For example, Robert Dean, then an assistant national intelligence officer specializing on the Soviet Union, left to accept a top post in the State Department.

STAT The flip side of the "leftist" purge didn't play any better. The secret report offered the names of 15 politically reliable people who should be given top posts in the CIA. Casey didn't hire a single one—but several did join the staff of the National Security Council.

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New NSC Chief's Ties to Men Cited in Iran Crisis, Illegal Arms Deal May Cloud Housecleaning Task

By JONATHAN KWITNY

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Frank Charles Carlucci III, who became President Reagan's fifth national security adviser last Friday, has already ordered wholesale staff changes, and friends who have long enjoyed his loyalty predict he'll cleanse the National Security Council in the wake of the Iran-Contra arms scandal. No one has challenged his integrity.

If there's a shadow on Mr. Carlucci's housecleaning prospects, however, it is other old loyalties—loyalties he has shown to members of a circle that seems deeply involved in the same shadowy world of overseas arms sales and secret dealings that has been exposed in the Iran-Contra scandal. They are former associates of Edwin Wilson, the former U.S. intelligence operative who amassed tens of millions of dollars by illegally selling U.S. arms, explosives and expertise to Libyan leader Moammar Gadhafi and others. Mr. Wilson is now serving a 52-year federal sentence for weapons exports and for conspiracy to murder at least 10 people, including two federal prosecutors.

Mr. Carlucci says he has never met Mr. Wilson and doesn't believe in guilt by association. But he acknowledges investing great faith in two men who have associated with Mr. Wilson, and who have been linked to—though never formally charged with—a plot to steal taxpayers' money on arms shipments to Egypt.

Three years ago, the Justice Department declined to prosecute the two men, Maj. Gen. Richard Secord and Erich von Marbod, who have steadfastly proclaimed their innocence. By various accounts, both were occasional visitors to Mr. Wilson's \$4 million Virginia estate while he was still a \$32,000-a-year civil servant, and continued friendly relations with him after he was ousted from his Naval Intelligence job in 1976. Gen. Secord regularly used Mr. Wilson's private plane, and had an investment transaction with him.

In a recent interview, Mr. Carlucci confirmed that, as deputy defense secretary in 1982, he overrode the Pentagon's general counsel and personally rescued Gen. Secord's career when the general was suspended because of a grand jury investigation into his dealings with Mr. Wilson.

Gen. Secord wasn't indicted, but he later resigned his senior Pentagon post after newspapers reported his Wilson ties.

Some current and former law-enforcement officials who were active in the Egyptian arms investigation are still furious over Mr. Carlucci's reinstatement of Gen. Secord in 1982. Now, Gen. Secord has become a focal point of the current scandal surrounding Mr. Reagan's National Security Council, the house Mr. Carlucci is assigned to clean. Gen. Secord reportedly has been involved both in supplying equipment to the Nicaragua rebels and in aiding NSC officials in the covert shipment of arms to Iran. Twice last month, he invoked his Fifth Amendment right against self-incrimination in refusing to testify before congressional committees probing the arms sales and Contra money.

Carlucci's Right-Hand Man

But it is to Mr. von Marbod that Mr. Carlucci has the closest ties. Mr. von Marbod was the Pentagon's chief arms-sales official, until he resigned, asserting health reasons, while under investigation in the Egyptian arms scandal. Although it was determined that the transactions Mr. von Marbod had approved had led to massive abuses, it was decided there was too little information to charge him with criminal misconduct.

Mr. Carlucci, who is 56 years old, came to the national security adviser's post with broad experience in several administrations, Republican and Democratic. He first entered government as a foreign-service officer in 1955, held high posts in the Office of Economic Opportunity, the Office of Management and Budget, and the Department of Health, Education and Welfare during the Nixon administration, and was deputy director of the Central Intelligence Agency under President Carter before becoming deputy defense secretary during President Reagan's first term. He is expected to be the most powerful national security adviser of the five to serve President Reagan, largely because of his broad government experience and because his services are so needed right now.

When Mr. Carlucci left the Defense Department in 1982 to become president of Sears World Trade, the Sears, Roebuck & Co. unit that is now closing its doors, he brought Mr. von Marbod along as a \$200,000-a-year consultant.

Roderick M. Hills, former chairman of the Securities and Exchange Commission and the original chairman of Sears World

Trade, who left it in 1984, says, "Erich von Marbod was at least chief of staff for Frank. Erich read all his mail, answered all questions, went to all meetings." Susan Clough, Mr. Carlucci's executive assistant at Sears World Trade and a former personal secretary to President Carter, says Mr. von Marbod was one of the three people most influential with Mr. Carlucci, the others being his wife and former Defense Secretary Donald Rumsfeld.

"Yes, I listened to him," Mr. Carlucci responds, laughing. Mr. von Marbod, now a representative of LTV Corp. in Europe, hasn't returned telephone calls.

The relationship of Mr. Wilson, Gen. Secord, Mr. von Marbod and former CIA officer Thomas Clines was reported by The Wall Street Journal and The Washington Post in October 1982. The Journal story concerned a 1979 Egyptian arms deal that later resulted in \$10,000 in criminal fines paid by a holding company headed by Mr. Clines, and the repayment of \$3 million of an alleged \$8 million in illegal profits made by Egyptian American Transport & Services Corp., or Eatsco. The profits came from an arms-shipment contract approved by Mr. von Marbod while at the Pentagon; Gen. Secord also oversaw some aspects of the Egyptian arms sales.

Eatsco was co-founded by Mr. Clines, who also has played a role in the secret National Security Council dealings with Iran. Mr. Clines used funds borrowed from Mr. Wilson to establish Eatsco.

Connections Charged in Book

"Manhunt," last year's best-selling book about Mr. Wilson by Peter Maas, contained charges that all four men owned stock in a trading company that invested, through Mr. Clines's holding company, in a major chunk of Eatsco. All but Mr. Wilson have denied this, and Gen. Secord's lawyer, Thomas Green, complained it was an "outrageous accusation" without "a shred of reliable evidence." The book's publisher, Random House, has refused his demand for a retraction.

According to 1979 correspondence between Mr. Wilson, his lawyer and Mr. Clines's lawyer, which Mr. Maas made available to the Journal, Mr. Wilson expected an ownership share in the trading company. A Jan. 18, 1979, memo from Mr. Wilson's lawyer says stock will be owned by four "individual U.S. citizens," but doesn't name them. Mr. Wilson's book-keeper and companion, Roberta Barnes, told the Justice Department that Mr. Wilson had identified Messrs. von Marbod and Clines and Gen. Secord as in on the deal;

Continued

she and Messrs. Wilson and von Marbod and Gen. Secord met over dinner in London late that January. During the subsequent investigation, Mr. Clines denied he had any partners besides the Egyptian with whom he started the company, and the Justice Department decided it couldn't prove otherwise.

Mr. Carlucci says he first met Mr. von Marbod when he was proposed for the Pentagon arms job. Mr. Carlucci was so impressed, he says, that he battled the Joint Chiefs of Staff to make the appointment; they had wanted a military officer in the job.

A year after Mr. von Marbod resigned, he followed Mr. Carlucci to Sears. Mr. Carlucci says, "I had assured myself the investigation had pretty well run its course. I even saw the results of a polygraph. I have complete confidence in his (Mr. von Marbod's) integrity."

Hills Startled by News

But Mr. Hills, the former Sears World Trade chairman, recalls that Mr. von Marbod came to him in May 1983 with startling news: He was being investigated by a grand jury, might be indicted over an arms deal, and would resign if Mr. Hills wanted.

Also, Mr. Hills says, it was only then that he learned that Mr. von Marbod was working almost full-time for \$200,000 a year. "Frank never bothered to tell me or our budgetary people he was doing something of this magnitude," Mr. Hills says.

Mr. Hills says of the investigation: "It bothered me. I told Frank, 'It would have been helpful to me if you had mentioned it before we started.'" Mr. Carlucci says, "I'm reasonably confident I mentioned it to Rod Hills" at the start, but adds "it could have happened" as Mr. Hills says. Mr. Carlucci says he "can't recall" whether he had previously told Mr. Hills the size of Mr. von Marbod's fees.

One idea at Sears World Trade, Messrs. Hills and Carlucci and others say, was to lure foreign consulting clients by offering them Mr. Carlucci's expertise in Pentagon procurement. Once the sought-after clients swallowed the bait of military sales, the company would try to sign them up for consulting on all their businesses. Everyone stresses that Sears's headquarters insisted it would be involved only in consulting, not in actual arms trading.

Though Mr. Carlucci says the military procurement consulting arm he started was a success, Sears senior management ordered drastic cutbacks in 1984. "Our strategy proved to be too diverse and too ambitious," Mr. Carlucci says. "We decided to focus on consumer goods." After Mr. Hills left the company, Mr. Carlucci ultimately assumed his titles, though under tight control from Sears headquarters in Chicago.

By the end of 1984, Mr. von Marbod was gone. Last October, with reported losses topping \$60 million and more expected, Sears announced it would sell some units of Sears World Trade, eliminate much else, and fold what was left into its retailing division.

Mr. Carlucci then brought a wealthy former Iranian finance minister, Hushang Ansary, to Sears management with a proposal to buy some units and possibly retain Mr. Carlucci as manager. Sears decided to sell the units elsewhere. Says Mr. Carlucci: "In my view the Sears World Trade undertaking was a rather extraordinary venture that brought together a lot of very talented people, that someday will be implemented."

Asked if Mr. von Marbod might join the National Security Council staff, he says, "No, he's very well situated as is. There's no particular fit here for his talents. I haven't even discussed it with him." He adds, however, that he had called Mr. von Marbod about the time his appointment was announced.

Link to Secord in Letters

More details of Mr. Carlucci's relationship with Gen. Secord emerged in correspondence last year between Mr. Green, the general's Washington lawyer, and Mr. Maas's publisher, Random House.

The letters, which Mr. Maas showed to the Journal, disclose a secret struggle within the Defense Department in the months after February 1982, when Gen. Secord was suspended because of the investigation. Mr. Green wrote that he had lobbied William H. Taft IV, then the department's general counsel, for Gen. Secord's reinstatement, but that Mr. Taft "refused to budge."

According to Mr. Green, "After battling with Taft for a couple of months, we ultimately took our case to Mr. Carlucci in early May of 1982. Carlucci proposed a polygraph examination and he further proposed that if Secord passed the examination my client would be immediately reinstated. Gen. Secord instantly embraced the proposal."

But, the correspondence shows, Theodore Greenberg, the prosecutor who was handling the Eatsco case, objected to "the compulsion inherent in the Defense Department's decision," and barred the test.

Gen. Secord's lawyer, Mr. Green, said he then "went back to Carlucci," who demanded better evidence from the Justice Department. Mr. Green says none came, and Gen. Secord was reinstated May 21, 1982.

Mr. Carlucci agrees with this account, except to say that the negotiations were handled through an aide, Francis West,

and that he doesn't recall meeting Mr. Green himself. He says he remembers being briefed several times about the Eatsco investigation, including once before a meeting with the Egyptian ambassador.

He says he favored a quick reinstatement of Gen. Secord because "it was a key point in our relations with the Middle East." Among other things, he cites Gen. Secord's familiarity with arms matters in the area, including the then-pending and highly controversial sale of Awacs planes to Saudi Arabia.

In 1983, Gen. Secord was called to testify for Mr. Wilson's defense, which was trying to show that Mr. Wilson was working with senior U.S. officials at the time of his weapons sales. But most of the testimony sought from Gen. Secord was ruled irrelevant.

MEESE, CITING POSSIBLE CRIME, ASKS A SPECIAL PROSECUTOR; CARLUCCI IS NAMED FOR N.S.C.

By BERNARD WEINRAUB
Special to The New York Times

WASHINGTON, Dec. 2 — Saying that illegal acts may have been committed in the diversion of millions of dollars to Nicaraguan rebels from United States arms sales to Iran, the Reagan Administration announced today that it was requesting an independent prosecutor to look into the case.

President Reagan, in announcing the special counsel plan in a four-minute televised speech, also said that he was appointing a former deputy director of the Central Intelligence Agency, Frank C. Carlucci, as his new national security adviser.

Mr. Carlucci, whose appointment received bipartisan support in Congress, will succeed Vice Adm. John M. Poindexter, who resigned last week in the furor over the clandestine diversion of aid.

To Look Into Criminality

Moments after Mr. Reagan spoke, Attorney General Edwin Meese 3d said, "We think that we have a statutory basis to believe that a Federal law may have been violated."

"There may have been people who are in a position in government who may have violated it," Mr. Meese said.

He added that the independent counsel would seek to determine "if there is any criminality whatsoever involved" in the case involving the Iran arms sale and the diversion of proceeds to Nicaraguan rebels, known as contras.

Mr. Reagan, who is facing bipartisan Congressional pressure, said in his midday speech that the Justice Department had "turned up reasonable grounds" to seek the appointment of an independent counsel to examine the Iran-Nicaragua affair.

Court to Appoint Counsel

The President said that he had "immediately urged" Mr. Meese "to apply in court here in Washington for the appointment of an independent counsel."

"If illegal acts were undertaken, those who did so will be brought to justice," Mr. Reagan said, speaking somberly from the Oval Office.

Mr. Meese said in a news conference at the Justice Department that "we are proceeding to make that application."

He said the application "will be broad enough to give an independent counsel the opportunity to look into all aspects of possible violations of Federal statutes and anything dealing with either the Iran transfer of arms or the transfer of funds to the contras."

The request for an independent counsel is likely to be acted on promptly by a special panel of three Federal appellate judges whose headquarters are in the District of Columbia. The three are Circuit Court Judges Walter R. Mansfield, Lewis R. Morgan and George E. MacKinnon. In the past, judges selecting an independent counsel have generally chosen a lawyer or a prosecutor.

Mr. Reagan made his unexpected speech amid concern within the Administration about the potential impact of the developments on the last two years of his Presidency.

Calls for Resignations

The speech itself, which concluded with the naming of Mr. Carlucci, was an attempt to quell the uproar over the diversion of funds to Nicaraguan rebels. The affair has led to calls from Democrats and from some Republicans for the resignations of Donald T. Regan, the White House chief of staff, and William J. Casey, Director of Central Intelligence.

Confusion Over C.I.A. Role

Meanwhile, confusion continued to surround the question of who in the Government had approved the Central Intelligence Agency's involvement in a November 1985 arms shipment to Iran by Israel.

Senator Daniel P. Moynihan, Democrat of New York, said Sunday that the shipment had been approved by John N. McMahon, a deputy director of the Central Intelligence at the time.

Mr. Casey first told the Senate Select Committee on Intelligence that he had been traveling when the authorization was given. But he later said that he "misspoke" and that neither he nor Mr. McMahon had approved the agency's involvement.

Congressional investigators view the matter as significant because the weapon delivery by Israel occurred two months before President Reagan formally authorized a C.I.A. role in the Iran arms dealings.

Mr. McMahon, who resigned from the agency this year, appeared before the Senate panel in closed session on Monday. Other witnesses from the C.I.A. are expected to be called to clarify the November flight by an air freight company with direct ties to the

Reagan Favors Single Inquiry

Mr. Reagan called on the House of Representatives and the Senate to consolidate their inquiries and form "some mechanism," presumably a single committee, to examine the affair.

The President made no mention of the suggestion by the Senate Republican leader, Bob Dole of Kansas, for a special session of Congress to establish an investigating panel.

Publicly, White House officials brushed aside a New York Times/CBS News poll showing that Mr. Reagan's overall approval rating had dropped to 46 percent from 67 percent a month ago. This is the sharpest one month drop ever recorded by a public opinion poll in measuring approval of a Presidential job performance.

Dan Howard, a White House spokesman, observed: "Polls go up, polls go down, polls go back up again." Privately, however, White House officials said that Mr. Reagan's mood was grim, and that, despite the President's public efforts to deal with domestic issues, such as the fiscal 1988 budget, the scandal was consuming most of Mr. Reagan's and his senior staff's time.

Decline in Popularity

One ranking White House official said tonight, referring to Mr. Reagan's apparent decline in popularity, "It's not good, but we expected it. There's no doubt that the majority of the public thinks Reagan made a mistake in dealing with Iran, and it wasn't helped any by the revelations about the Contras."

The official said, "I suspect we're in a trough, or close to a trough." The official added, "But there's going to be a full agenda and I just don't think people's affection for the President is dissipated on a permanent scale."

Mr. Reagan's speech was the fourth time in three weeks that he has appeared publicly to seek to quell the storm over the diversion of funds, which the President and Mr. Meese revealed last Tuesday. Lieut. Col. Oliver L. North, a National Security Council aide, was dismissed by the President for his apparent role in funneling funds to the "contra" rebels, and Admiral Poindexter resigned. MORE

In naming Mr. Carlucci, a 56-year-

old former deputy director of the C.I.A. in the Carter Administration as well as No. 2 at the Defense Department during the first two years of the Reagan Presidency, Mr. Reagan plainly sought a strong-willed figure with powerful bipartisan support. Some conservatives, however, including Patrick J. Buchanan, the White House director of communications, opposed Mr. Carlucci's selection, a White House official said.

Sen. Orrin Hatch, a conservative Republican of Utah, who voted against Mr. Carlucci's confirmation in the Defense job in 1981, said, however, that because of Mr. Carlucci's knowledge of Federal agencies, "I think he is an excellent choice for national security adviser."

Sen. Daniel P. Moynihan, Democrat of New York, a vocal critic of the Administration in recent days, said, "Frank Carlucci is a friend of 20 years. His is a superb choice."

Mr. Carlucci -- once a protege of Defense Secretary Caspar W. Weinberger in the Nixon Administration -- is the fifth man to hold the National Security job during Mr. Reagan's six years in office. As N.S.C. director, he does not need Senate confirmation.

Mr. Carlucci left Government serv-

ice in 1982 to become president and chief operating officer of Sears World Trade Inc., the export-import subsidiary that Sears, Roebuck, and Co. recently said would be scaled back into the company's merchandising group.

Mr. Reagan, who met with Republican congressional leaders just before making his speech at noon, told the nation:

"I've done everything in my power to make all the facts concerning this matter known to the American people. I can appreciate why some of these things are difficult to comprehend. And you're entitled to have your questions answered."

Mr. Reagan pledged "to get to the bottom of this matter." The President added that, as he stated yesterday, he would "welcome the appointment of an independent counsel to look into allegations of illegality in the sale of arms to Iran and the use of funds from these sales to assist the forces opposing the Sandanista Government in Nicaragua."

"This morning, Attorney General Meese advised me of his decision that his investigation had turned up reasonable grounds to believe that further investigation by an independent counsel would be appropriate.



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New Security Adviser Has Wide Experience

Carlucci Held Diplomatic, Intelligence Jobs

By Don Oberdorfer
Washington Post Staff Writer

President Reagan's new national security adviser, Frank C. Carlucci, brings to the job unusually close relations with Cabinet members in the foreign affairs field and extensive experience in senior diplomatic, military and intelligence posts for Democratic and Republican administrations alike.

Carlucci is a longtime close associate of Defense Secretary Caspar W. Weinberger, having served as deputy director of the Office of Management and Budget and undersecretary of health, education and welfare (HEW) under Weinberger in the Nixon administration and, at Weinberger's insistence, as his deputy secretary for the first two years of the Reagan administration.

A former U.S. ambassador to Portugal who began his long and varied government service as a career Foreign Service officer 30 years ago, Carlucci also has been on good terms with Secretary of State George P. Shultz, who recruited him to lead a study on U.S. foreign aid in 1983 after Carlucci left the Pentagon.

Shultz has put out feelers to recruit Carlucci for senior full-time diplomatic jobs in recent months to no avail, according to State Department insiders.

Carlucci, a deputy director of central intelligence in the Carter administration, is intimately familiar with intelligence operations and is reported to be highly acceptable to William J. Casey, director of the Central Intelligence Agency.

At age 56, Carlucci has had more experience across a broader spectrum of top government jobs than almost anyone on the Washington scene. In addition to being a career diplomat and ambassador and holding the No. 2 jobs at the OMB, HEW, CIA and Defense Department, he was director of operations and eventually chief of the Office of Economic Opportunity, the domestic poverty program, under President Richard M. Nixon.

Carlucci has been less successful

in business as president and chief operating officer for the last three years of Sears World Trade Inc., an international business subsidiary of Sears Roebuck & Co. The subsidiary is being folded into other Sears operations next month after losing \$60 million, but "it was not because of him [Carlucci]," said a Sears official who declined to be quoted by name. "The deck was stacked against him to begin with. And the timing [of the trading venture] was atrocious—the world trade climate was anything but propitious."

A senior State Department official said Carlucci's toughness, extensive experience and good relations with top officials throughout government have given rise to optimism that he will bring about a sweeping reorganization of the National Security Council.

Even before recent disclosures concerning Iran and the Nicaraguan counterrevolutionaries, or contras, many officials at the State Department and other agencies had said they considered Reagan's NSC staff a notably weak link in policy-making and coordination.

A White House official said Carlucci will report to work around the first of the year. He reportedly will spend the intervening weeks settling his private financial affairs and studying NSC activities and personnel.

"This is a superb appointment, the best Reagan has made in six years," said retired admiral Stansfield Turner, whom Carlucci served as deputy CIA director in the Carter administration.

Turner said that Carlucci is "a man of integrity, which is essential in this trying situation," and that, as his deputy at the CIA, Carlucci was skilled at management and at hammering out solutions among officials with differing views.

"He sponsored a number of covert operations" at the CIA, Turner said. "I put him in charge of one of the most daring ones, and he took it over and traveled abroad." Turner would not elaborate on the operation.

While testifying before the Senate Armed Services Committee in January 1981 on his nomination to be deputy secretary of defense, Carlucci said that "my own philosophy is that we all have to compromise. That's what it's all about."

After all the pulling and hauling within government, Carlucci continued, the key question becomes, "Can I live with that decision? In three instances I had prepared to resign. The decisions did not go against me, so I didn't resign." He did not elaborate, and no senator asked what the decisions were.

One question already being raised in some quarters on Capitol Hill concerns Carlucci's relationship with retired Air Force major general Richard V. Secord, believed to have played a key role in guiding the secret contra air resupply operation. As deputy secretary of defense, Carlucci had overall responsibility for the work of Secord, who was several layers down as deputy assistant secretary for the Middle East.

At one point Secord was investigated in connection with charges of massive financial abuses against a transportation firm involved in Egyptian-U.S. military aid programs, according to "Manhunt," a recent book by Peter Maas.

Secord, Maas wrote, "was removed from his key position in the sale of arms to the Middle East, pending a polygraph. But he never took the test. Instead, without any prior notification to the Justice Department, he was abruptly reinstated" by Carlucci.

Francis B. West, Secord's immediate superior at the time as assistant secretary of defense, said he, rather than Carlucci, reinstated Secord after discussions with the Pentagon's general counsel, William H. Taft IV (now deputy secretary of defense), and with the office of the U.S. attorney investigating the case. No charges were brought against Secord, who later won \$1 million damages in a libel suit against one of his accusers.

At the Pentagon, Carlucci was known as an enthusiastic advocate of polygraph tests. After the leak of secret Pentagon budget data to The Washington Post in early 1982, an angry Carlucci ordered a full-scale investigation, including polygraphs of service secretaries, the chairman of the Joint Chiefs of Staff and other top officials—and took a polygraph himself to set an example.

Continued

His view of polygraphs is in sharp contradiction to that of Shultz, who opposes their widespread use and who threatened a year ago to resign if required to submit to such a test.

At the Pentagon and the CIA, Carlucci was noted for his strong opposition to leaks of classified security information. In 1979 he advocated removal of the CIA from

key provisions of the Freedom of Information Act on grounds that confidential sources feared exposure. One of his first acts on becoming assistant secretary of defense in 1981 was to warn Pentagon employees about leaks.

A short, wiry man who was on the wrestling team at Princeton University, Carlucci has been known for his willingness to face imposing obstacles and danger. As a junior Foreign Service officer in the Congo (now Zaire), Carlucci waded into a mob threatening a group of people and was stabbed while executing the rescue. He won a State Department award for bravery.

In a renowned incident at the White House several years later, Congolese Prime Minister Cyrille Adoula—who had come to know and trust Carlucci as the local embodiment of the United States—was visibly uncomfortable, peering from person to person in the State Dining Room while visiting President John F. Kennedy.

Adoula asked Kennedy urgently "*Ou est Carlucci?*" (Where is Carlucci?) The president, on learning *who* was Carlucci, sent for the then-Congo desk officer of the State Department—and other presidents have been doing so ever since.

As a Foreign Service officer, Carlucci served in South Africa, the Congo, Zanzibar and Brazil. While political counselor in Rio, he was known for helping engineer drastic cuts in the size of the embassy staff.

Carlucci has been acquainted with Reagan since the two clashed in 1969 over a California legal assistance agency; Carlucci was an official of the poverty agency and Reagan was governor. Lengthy negotiations that also involved Edwin Meese III, then an aide to Reagan and now attorney general, resolved the dispute. That Christmas, Carlucci later recalled, Reagan sent him a bottle of brandy with a note of thanks.

Staff writers Joe Pichirallo and Caroline Mayer contributed to this report.

FRANK CHARLES CARLUCCI



BORN: Oct. 18, 1930, Scranton, Pa.

FAMILY: Married Marcia Myers, April 15, 1976. Children: Karen, Frank, Kristin.

EDUCATION: A.B., Princeton University, 1952; postgraduate, School of Business Administration, Harvard University, 1956; Wilkes College, Kings College, 1973.

PROFESSIONAL HISTORY: Jantzen Co. in Portland, Ore., 1955-1956; Foreign Service officer, State

Department, 1956; vice consul, economic officer in Johannesburg, 1957-1959; second secretary political officer in Kinshasa, Congo, 1960-1962; officer in charge of Congolese political affairs, 1962-1964; consul general in Zanzibar, 1964-1965; political affairs counselor in Rio de Janeiro, 1965-1969; assistant director for operations, Office of Economic Opportunity, 1969, and director, 1970; associate director, Office of Management and Budget, 1971, and deputy director, 1972; undersecretary of Health, Education and Welfare, 1972-1974; ambassador to Portugal, 1975-1978; deputy director, Central Intelligence Agency, 1978-1981; deputy secretary, Defense Department, 1981-1982; Sears World Trade Inc., 1983-1986.

WASHINGTON TIMES
 8 December 1986

North belonged to secret group that planned global covert action

STAT

By Bill Gertz
 THE WASHINGTON TIMES

Former National Security Council aide Lt. Col. Oliver North participated in a secret Reagan administration covert action planning group dubbed the "208 Committee," according to informed sources.

The committee, unofficially named after the Old Executive Office Building conference room where it met, could become a focal point in investigations of the Iran arms scandal and secret funding of Nicaragua's anti-Marxist rebels, sources said.

About a dozen specialists from the U.S. intelligence and defense community made up the inter-agency group, including covert action specialists from the CIA's Directorate of Operations, the State and Defense departments and Joint Chiefs of Staff.

Some NSC staff members participated, including Col. North, who planned and directed covert action programs in Central America, Africa, the Middle East and Asia until he was dismissed last month by President Reagan, sources said.

The group met irregularly to discuss ways of implementing covert action programs. Decisions were reached by informal consensus and few written records were kept. The group was authorized to commit millions of dollars in secret White House and CIA funds to the programs, sources said.

Currently, there is nothing to indicate that the secret Nicaragua re-funding scheme run by Col. North was ever discussed by the committee. Nevertheless, members of the group are likely to be questioned at length by federal and congressional investigators looking into the Iran-Nicaragua scandal, the sources said.

Moreover, the scandal is likely to prompt broader congressional inquiries about the Reagan administration's use of covert aid in other areas of the world.

Deputy CIA Director Robert Gates, who testified before the Senate Intelligence Committee for four hours Thursday, has described covert action as "an appropriate instrument of foreign policy, as long as it is undertaken in the context of a larger policy."

"The decision to undertake covert action is a policy decision... made by the National Security Council, and CIA is the instrument by which it is implemented. And I believe that when that decision is made, that CIA has the obligation to implement it as effectively as it can," Mr. Gates said in congressional testimony last April.

Covert action describes three types of secret activities designed to be untraceable to the U.S. government: funding of foreign political parties, foreign media manipulation and, as in the case of U.S.-backed anti-communist insurgencies, large paramilitary operations that are difficult to keep secret.

Between 1950 and 1974, CIA agents played active roles in the Philippines, Iran, Congo, Chile, Ecuador, Greece, Vietnam, Laos and Cambodia.

Press accounts in 1974 of CIA domestic covert activities, in violation

of the agency's charter, led to a series of debilitating congressional inquiries that virtually shut down the agency's covert operations, according to former intelligence officials.

The CIA began to rebuild its covert action capabilities in the late 1970s and the process was accelerated in 1981 by the incoming Reagan administration. Since then, hundreds of millions of dollars have been devoted to covert action programs throughout the world, in such places as Nicaragua, Afghanistan and southern Africa.

Traditionally, the CIA has been solely responsible for carrying out covert action programs. But revelations of Col. North's activities indicate that NSC staff also had begun playing operational roles in covert action programs.

Last week the president ordered his NSC staff, which coordinates covert action policies, to refrain from taking part in "the operational aspects of sensitive diplomatic, military or intelligence missions" pending the outcome of a three-member Special Review Board.

Sources said NSC Director of Intelligence Programs Vincent Cannistraro was known as the 208 Committee's "controller" — the NSC official who granted access to the top-secret planning sessions.

Mr. Cannistraro directed the CIA task force supporting Nicaragua's so-called Contra rebels until 1984, the sources said. He was removed from that post following disclosures that the CIA helped formulate an insurgency handbook for the rebels calling for "neutralization" — the CIA euphemism for assassination,

an activity banned by U.S. law, sources said.

Mr. Reagan and then-National Security Adviser Robert McFarlane said at the time that all officials involved in developing the insurgency manual would be dismissed. Mr. Cannistraro, however, was transferred to the NSC, sources said. His future is uncertain in light of reports that incoming National Security Adviser Frank Carlucci, who takes over Jan. 1, has promised a thorough NSC staff reorganization.

Mr. Cannistraro coordinated the 208 Committee's drafts of "findings," or orders, that were later signed by Mr. Reagan and represent the first step in setting a covert action program in motion.

Once signed, copies are sent to the Senate and House intelligence committees and a team is dispatched to answer congressional questions.

"If the committees don't ask the right questions, they don't get the right answers" about covert programs, said one source.

Information on covert programs is tightly guarded among the few officials allowed access to the committee. Analysts at the State and Defense departments and the intelligence bureaucracy are not notified about covert programs.

"Big things could be going on inside a country that only a few government officials know about," the source said.

The handful of U.S. officials granted access to all covert action findings includes the president, the secretary of state and two senior State Department officials, the secretary of defense and two senior deputies, the CIA director and two deputy directors, and three or four representatives of the Joint Chiefs of Staff.

"It's considered the high politics of national security," one source said of the covert action group.

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Carlucci Wants to Revamp Management By U.S. of Covert Operations, Sources Say

By JOHN WALCOTT

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President Reagan's esignated national security adviser, Frank Carlucci, is moving to tighten the administration's management of covert operations in the wake of the Iran-Contra affair.

Mr. Carlucci is proposing the creation of a new interagency mechanism to oversee covert operations carried out by U.S. intelligence agencies, according to administration sources. In addition, he is preparing a directive making it clear that the National Security Council henceforth will be an advisory and coordinating body, not an operational agency, according to officials who are helping Mr. Carlucci reshape the council's staff.

Mr. Carlucci, who will assume his new job Jan. 2, also has decided to hire a general counsel to help police the council staff and to monitor congressional restrictions on the president's foreign policy powers, the sources said.

In a meeting yesterday, Mr. Carlucci told newly hired council staff members that the National Security Council's small staff will no longer run secret operations and will concentrate on improving the quality of foreign policy advice to the president, according to officials who were there.

Administration officials have said the administration's secret arms sales to Iran and the effort to divert some profits from the sales to Nicaraguan rebels were deliberately kept hidden from two interagency committees that are supposed to manage covert operations.

The two committees are the cabinet-level National Security Planning Group and the so-called Policy Development Group, which is composed of senior officials from the State and Defense departments, the Central Intelligence Agency and other agencies.

Ensuring Reviews

Sources close to the new national security adviser say Mr. Carlucci, a former deputy director of the CIA and deputy defense secretary, has concluded that the absence of broad oversight allowed the administration's sensible idea of seeking improved relations with Iran to degenerate into a trade of arms for U.S. hostages—and perhaps into a questionable source of financing for the Nicaraguan rebels as well.

As a result, these sources said, Mr. Carlucci has suggested taking steps to ensure that high-ranking officials from the White House, the CIA, the Pentagon, the State Department and other agencies review proposals for covert operations and monitor them after they are launched.

Trimming Staff

Mr. Carlucci also intends to trim the size of the National Security Council staff and clarify the chain of command within it, administration officials said. He will have one deputy, Army Lt. Gen. Colin Powell, a former top aide to Defense Secretary Caspar Weinberger. Lt. Gen. Powell returned to Washington yesterday from an assignment in West Germany.

The new general counsel, the executive secretary, a public affairs expert, a congressional relations officer and a newly created position of "counsellor" will report to Mr. Carlucci and Lt. Gen. Powell, officials said.

Mr. Carlucci has recruited Grant Green, a former aide from his Pentagon stint, as executive secretary. He will name Peter Rodman, a current council staff member and former aide to Henry Kissinger, to serve as counsellor, administration sources said. He hasn't hired a general counsel and is still searching for congressional and public relations experts, the sources said.

State of the World Message

Among other things, Mr. Rodman, the new "counsellor," will be responsible for preparing a "state of the world" message President Reagan is to deliver next April, and for bringing in outside experts and paid consultants to brief Mr. Carlucci, the president and other officials.

Under Mr. Carlucci, the council's controversial office of political-military affairs, where fired White House aide Oliver North worked, will be abolished and replaced by a catch-all office of multilateral affairs.

The new office will be responsible for counter-terrorist policy, United Nations affairs and other issues, sources said. No one has been hired to head the office or to manage the council's oversight of intelligence programs and international economic policies, the sources said.

Direct Line to Reagan

The staff assembled by Mr. Carlucci so far suggests the new national security adviser is emphasizing experience and professionalism over ideology or political credentials in his hiring decisions.

Some officials said they believe Mr. Carlucci's and Lt. Gen. Powell's ties to Mr. Weinberger may mean the council staff will align itself more closely to the Defense Department's hard-line positions on arms control and East-West relations. But officials close to Mr. Carlucci said the new national security adviser is determined to serve as an honest broker between the Pentagon, the State Department, the CIA and other agencies.

The officials said Mr. Carlucci also has been careful to secure a direct line to President Reagan, bypassing White House chief of staff Donald Regan.

New N.S.C. Chief Is Said to Plan A Near-Total Overhaul of Council

By BERNARD WEINRAUB

Special to The New York Times

"He feels the staff needs to be strengthened considerably and not take sides and get caught up in the quarrels between agencies," the official said, but rather work "as coordinators to produce the best possible policies."

The professional staff of the National Security Council, which was set up in 1947, serves as the foreign policy arm of the White House and was designed, essentially, to review and coordinate agency proposals to the President.

The council's role grew during the Kennedy Administration, and flourished when Henry A. Kissinger became

President Nixon's national security adviser. Under President Reagan the council has played a key role in not only coordinating but also in helping shape policy.

Officials Set to Leave

Senior council officials are expected to leave shortly, officials said. These include Alton G. Keel Jr., the council's deputy director, and Comdr. Rodney B. McDaniel, the council's executive secretary. One of Mr. Keel's deputies, Peter W. Rodman, formerly director of the State Department's Office of Policy and Planning, may remain in his job, officials said.

Mr. Carlucci is reportedly planning to name as his deputy Lieut. Gen. Colin L. Powell, a former senior military assistant to Defense Secretary Caspar W. Weinberger who is one of the highest ranking black officers in the military.

Mr. Ermarth will replace Jack F. Matlock Jr., a career diplomat, who has made efforts in the last year to be named Ambassador to Moscow. The current Ambassador, Arthur A. Hartman, has indicated that he wants to remain in Moscow.

Mr. Ermarth has spent a considerable portion of his career in the C.I.A., and worked at the Northrop Corporation heading a strategic planning group in the early 1980's. He returned to the C.I.A. in the early 1980's in a senior analytical job where he specialized in the Soviet Union and Eastern Europe.

Views and Words

In substance, his views are not known to be very different from Mr. Matlock's, say sources who know Mr. Ermarth, although his public words are said to be far tougher.

Mr. Sorzano is expected to replace Raymond F. Burghardt, who will probably return to the State Department.

WASHINGTON, Dec. 15 — The new director of the National Security Council, Frank C. Carlucci, plans a virtually complete overhaul of the council, and has already selected key aides on the Soviet Union and Latin America, Administration officials said today.

One Administration official said that Mr. Carlucci, who was named less than two weeks ago to replace Vice Adm. John M. Poindexter, plans a "clean deck of people" at the council, and that he was "disturbed" about the way the council had been operating.

Mr. Carlucci's plans to revamp the National Security Council come amid revelations that council officials apparently played a central role in what the White House has described as the diversion of millions of dollars to Nicaraguan rebels from the profit of clandestine Iran arms deals. Admiral Poindexter resigned as assistant to the President for national security affairs as the arrangements were revealed, and a key aide, Lieut. Col. Oliver L. North, was dismissed.

Council Role in Policy

Officials said Mr. Carlucci, in his preliminary findings, had decided that the National Security Council staff was far too involved in shaping foreign policy — as opposed to coordinating it — and that the caliber of the staff appointed by the recent council heads, Robert C. McFarlane and Admiral Poindexter, "dissatisfied" him, according to one associate.

The official said most council staff members would probably return to the agencies from which they originally came, such as the State Department, Pentagon and Central Intelligence Agency.

Officials said Mr. Carlucci planned to appoint Fritz W. Ermarth, a strategic arms analyst who worked in the National Security Council during the Carter Administration, as his chief Soviet specialist. Mr. Ermarth's previous jobs included one in which he worked on the office of strategic evaluation at the Central Intelligence Agency in the 1970's.

Mr. Carlucci also plans to name Jose S. Sorzano, a former United States deputy representative at the United Nations, to serve as the council's chief Latin American specialist.

'Entirely New Approach'

An official close to Mr. Carlucci said the new director seeks "an entirely new approach, much closer to what they've had in the past." The official said Mr. Carlucci viewed the council as one whose mandate was foreign policy coordination among various Government departments and not advocacy of certain policies.

Also today, Rhett Dawson, a Washington attorney and former staff director of the Senate Armed Services Committee, was named director of the panel examining the council. The panel is headed by former Senator John G. Tower, Republican of Texas, who had served as chairman of the Senate Armed Services Committee.

Mr. Tower said a Washington lawyer, W. Clark McFadden, would be general counsel. Herbert Hetu, a former spokesman for the C.I.A., was named public affairs counselor for the review board.

Meanwhile, White House aides said that despite suggestions by some Republican legislators, President Reagan had no plans to go before Congress to address the Iran issue.

Officials also said Colonel North had prepared a chronology of the Iran arms deals at the request of Admiral Poindexter. They said the chronology, which is now in the hands of Peter J. Wallison, the White House counsel, was prepared after initial reports appeared about the arms sales to Iran, but before the Administration said profits from the arms sales had been diverted to the Nicaraguan rebels. There were no further details about the chronology.

TRYING TO TURN BACK A RISING TIDE

■ In the peculiar arithmetic of politics and crises, things still aren't adding up for Ronald Reagan. Yes, he named a distinguished replacement as national-security adviser. And yes, he urged an independent inquiry into the scandal over secret Iran arms shipments and the subsequent diversion of millions of dollars to the Nicaraguan *contras*. But like a stubborn schoolchild, Reagan is admitting no error, and aides say he fervently believes he made none. "A lot of aspects in the Iran operation went awry, and for that we express deep regret," says a White House official. "But Ronald Reagan is now, has been and will be convinced he was right."

Cascade of events

The President still insists that the controversy is little more than a "Beltway bloodletting." But it obviously is much more than that. Reagan's public promise of full cooperation in his fourth television appearance on the affair seemed a bit shaky in a week when John Poindexter, his recently resigned national-security adviser, and Lt. Col. Oliver North, the former National Security Council staffer, both invoked the Fifth Amendment against self-incrimination during testimony before the Senate Intelligence Committee. Naming an independent counsel to conduct a separate investigation outside the Justice Department was widely applauded, but it also means that the investigation will last for several months, paralleling a separate review by a presidential commission headed by former Texas Senator John Tower. In addition, the Senate and House are setting up select committees to conduct their own investigations, and the proceedings could well be televised—keeping the entire affair front and center.

Meanwhile, many of Reagan's fellow Republicans were breaking ranks, calling for the resignation of White House Chief of Staff Donald Regan and even of Secretary of State George Shultz. Vice President George Bush also seemed to put a few inches of distance between himself and the boss, conceding that "mistakes were made." But he basically played good soldier, backing his Commander in Chief, and sounded the theme that he and Reagan are willing to "take our lumps" if need be. Said Bush: "Let the chips fall where they may."

Reagan's aides now counsel the press that the President has "crossed over the big ridge" of the crisis. But there are growing signs of a bunker mentality at the White House, according to one GOP loyalist on Capitol Hill, and a sense that preoccupation with the crisis has placed almost everything else on hold.

It may be hard to clear the air and get on with the business of government because revelations keep surfacing. Congressional investigators intend to widen their focus on the role of Central Intelligence Agency Director William Casey, and other sources say that Assistant Secretary of State Elliott Abrams and Assistant Defense Secretary Richard Armitage also may figure in the probe.

Whether anyone still in the White House knew of the secret operation, of course, is still the most intriguing question in Washington. Robert McFarlane,

Reagan's former national-security adviser, reportedly told senators that the President gave advance approval to the secret Iranian arms shipment. Another name that seems to come up often is that of Regan, who made a quiet pitch for his job last week, buttonholing GOP congressional leaders after they left a White House meeting with the President. "Remember," Regan said, "there has to be some continuity around here."

For now, there is mostly speculation in the absence of precise information. What is certain is that most Americans are not buying the White House line that North ran the secret Iran-*contra* operation alone and only Poindexter, his boss, knew of it. If public suspicions are confirmed and disclosures keep coming, it is a certainty that the Presidency of Ronald Reagan will be paralyzed for the rest of its term and the political landscape going into the presidential elections in 1988 will be dramatically changed.

Reagan did take one major step to blunt the gathering criticism. Last week, he named Frank Carlucci as his new national-security adviser. A savvy veteran of the Pentagon and the CIA, Carlucci served as ambassador to Portugal and is close to many cabinet members, especially Defense Secretary Caspar Weinberger. At the announcement of Carlucci's appointment, there were sage nods of approval, and it seemed a big point for the President. Carlucci demanded a quid pro quo—direct access to Reagan. He got it and immediately

set a 10-person transition team to work. "There will be substantial personnel changes," said a top White House aide.

Capitol Hill anger

Carlucci's appointment, however, did not stop the angry head-shaking on Capitol Hill. In a reflection of the public at large, most members of Congress have little faith in Reagan's explanations. When North and Poindexter invoked the Fifth Amendment—North apparently over 40 times—frustrated senators wondered if they would ever be able to piece together the Iran-*contra* caper if they don't strike a deal with both men, offering immunity from prosecution in exchange for full testimony.

So far, there have been howls of outrage but no hard talk of a deal. The silence of North and Poindexter had Republicans and Democrats worrying about a wider scandal with, in the words of a key GOP aide, "more revelations trickling out day by day, which neither we nor the President know about." It's a scenario to spook even staunch Reagan supporters, and many were plainly nervous. "We've got to be fairly careful," said Senate Majority Leader Bob Dole (R-Kans.). "There might be a bear trap out there somewhere."

Already, some are in evidence. Reports of secret Swiss bank accounts man-

aged by the CIA (*U.S. News*, December 8) funded with clandestine deposits from the U.S. and Saudi Arabia may have been the biggest shock of the week for Congress. The *Washington Post* reported that profits from the Iran arms sales were deposited in one CIA-managed account into which the U.S. and Saudi Arabia had placed \$250 million apiece. That money was disbursed not only to the *contras* in Central America but to the rebels fighting Soviet troops in Afghanistan. Administration officials promised a full accounting of the transactions, but already they seem a flat contradiction of explanations provided by Atty. Gen. Edwin Meese. Only two weeks ago, Meese said the arms profits were "deposited in bank accounts which were under the control of representatives of the [*contra*] forces in Central America." Not only have *contra* leaders insisted they have no Swiss accounts, but the administration conceded that funds for the *contras* and the Afghan rebels were mixed as a result of a "dumb" mistake by a midlevel staffer at CIA headquarters in Virginia.

Hard questions ahead

As the special congressional committees gear up, members of both parties are clamoring to become part of the inquisition. The panels, which will subpoena cabinet-level officials, will ask about the CIA accounts as they begin digging into other aspects of the Iran-*contra* affair.

No doubt they'll also take a closer look at the administration's increasing use of private agents like billionaire H. Ross Perot, who secretly agreed to a request by North to put up \$2 million in an unsuccessful attempt to gain release of some U.S. hostages in Lebanon. Diplomatic and intelligence sources have told *U.S. News* that the administration has made unprecedented use of back-channel agents, companies and even third-party countries in critical operations overseas, particularly in the Mideast and Central America (see page 26).

Another area sure to come under review by Congress is the inquiry conducted by Meese before he decided last week to seek appointment of an independent counsel to pursue the investigation outside the Justice Department (see page 26). Senior officials inside the department have said privately that Meese botched the investigation by failing, because of potential conflict of interest, to seek an independent counsel earlier; it was he who gave the legal opinion to proceed with the secret arms shipments to Iran. More important, Meese failed to secure the White House offices of North and Poindexter after uncovering the secret flow of money to the *contras*. Justice Department sources say the oversight may have allowed the men to shred key documents in an attempt to cover their trail, although FBI agents have found no conclusive evidence to that effect. Nevertheless, it's

things like that that have Republicans and Democrats thinking uncomfortable thoughts about Watergate.

Senator Ted Stevens (R-Alaska) raised the old ghost, asking Reagan to tell everything and not duplicate the mistakes of the Nixon era. "Don't do it to us again," he pleaded at a meeting late last week. The Republican congressional leaders also called for an in-house counsel to handle the White House inquiry. And others had complained earlier that Reagan's usually good political

instincts were failing him. "We wanted to underscore the severity of what's going on," explained House Minority Leader Bob Michel (R-Ill.) after Republican leaders met with the President. Added a top GOP leadership aide, referring to a *New York Times*-CBS

percentage point drop in Reagan's public-approval rating: "A 20 percent free fall in the polls is not something you want to be a part of."

Regardless of how they turn out, the probes by Congress and the special counsel—coupled with the sudden damage to his credibility—may prevent Reagan from regaining lost momentum. With the new Democratic Congress in January, it's unlikely that even a limited presidential agenda will have much staying power unless Reagan's aides are right and the worst of the scandal has passed. In any event, the President probably will encounter stiffer resistance from a Congress anxious to play a bigger role in foreign policy—and that implies trouble for the White House on such issues as additional funding for the *contras* and any U.S.-Soviet agreements. At home, budget deficits may suffer from inattention, unless the Democrats step into the breach.

The potential for that kind of opening for the Democrats may be the biggest news of all in the fallout from the current scandal. Republicans generally have been hurt by the recent disclosures, and a spreading scandal could all but doom their chances in the presidential election of 1988. Even as they were counseling Reagan, some Republicans were edging away. With his speech before the American Enterprise Institute, in which he twice used the word "mistake," Bush

clearly was establishing distance between himself and Reagan. And Dole, with his blunt remarks and call for a special session of Congress to deal with the crisis, also put some turf between himself and the scandal. "There is no comparison to Watergate at this point," House Minority Whip Trent Lott told Reagan, according to others who sat in on the meetings between the President and GOP leaders. "What you do from this point on will determine whether there is to be a comparison or not."

"More in sorrow"

If Republicans were playing damage control, Democrats, with few exceptions, were making sure not to gloat. "Any step we take will be interpreted to be politically inspired," worried Representative Leon Panetta (D-Calif.). Senator John Glenn (D-Ohio) said most Democrats viewed the scandal "more in sorrow than anger." And if that seemed at least slightly disingenuous, it was clear that neither Republicans nor Democrats relished the prospect of drift and deadlock for the next two years.

An evolving scandal would consume time and energy and leave neither party with the wherewithal to accomplish the kinds of goals they could tout with pride going into 1988. If that turns out to be the case, it seems everyone will lose. ■

WASHINGTON TIMES
8 December 1986

Carlucci to shift liaison to the Hill

By Jeremiah O'Leary
THE WASHINGTON TIMES

Newly named National Security Adviser Frank C. Carlucci will make unprecedented efforts to work with Congress when he takes over the president's National Security Council on Jan. 1, it was learned yesterday.

He is expected to dismiss Ronald K. Sable, the NSC officer in charge of congressional relations, along with other top aides.

The emphasis on congressional relations, in part, is said to reflect Mr. Carlucci's astonishment when he discovered NSC liaison with Capitol Hill was almost non-existent under his predecessor, Vice Adm. John Poindexter.

The agency, involved in numerous clandestine diplomatic and military missions including the Iranian arms sales and diversion of funds to the Nicaraguan resistance, was obsessed with secrecy and had a bunker mentality, according to those close to Mr. Carlucci's transition team.

Also slated for dismissal or transfer to government posts outside the agency are most top aides to Adm. Poindexter, including acting NSC Director Alton Keel and Peter Rodman, a former aide to Henry Kissinger when Mr. Kissinger was secretary of state.

Mr. Carlucci is expected to name Col. Grant Green as his deputy. Col. Green served in the Pentagon under Mr. Carlucci during the early years of the Reagan administration.

Also expected to leave the NSC are most aides in the agency's arms control section as well as directors of the economics division and the political-military affairs division.

Howard Teicher, listed as the immediate superior of Marine Lt. Col. Oliver North, who masterminded the Nicaragua funding scheme, is expected to be replaced.

White House spokesman Dan Howard declined to comment on prospective staff changes at the NSC other than to say: "The president has given him [Mr. Carlucci] a free hand" in personnel matters.

There is no indication that Mr. Teicher knew of the Nicaragua funds transfer and other secret projects undertaken by Col. North, but Mr. Carlucci's thinking is, "If he didn't know, he should have," said one source.

Mr. Carlucci will rely heavily in the transition and first stages of his new post on the expertise of Russell Rourke, former secretary of the Air Force, former assistant secretary of defense for congressional affairs and an administrative assistant to three members of Congress.

Mr. Rourke, who will not take a full-time job in the new NSC, also worked in the Ford White House as a congressional liaison under John O. March, who is now secretary of the Army.

President Reagan recently barred the NSC from participating in sensitive diplomatic and military operations, limiting the agency's 46-member staff to advising the president and his top aides.

The total NSC operation, including military and civilian personnel on temporary assignment to the agency, includes nearly 200 people, according to administration officials.

The agency's future role is being studied by a presidentially appointed three-member Special Review Board headed by former Texas Republican Sen. John Tower.

Mr. Carlucci, according to sources, is working closely with the Tower board so he can "hit the deck running" on Jan. 1.

The NSC also has officers from the State and Defense departments, the CIA and academia working as

regional experts. Most of these officials are expected to be sent back to their parent organizations.

As a result, Mr. Carlucci and his transition team have been inundated with phone calls from NSC staffers or their important friends seeking to save their jobs.

"The changes to come will be transfers to their home organizations or, in the case of secretaries, to other assignments within the White House," said one associate of Mr. Carlucci. "These people are not being fired. Mr. Carlucci thinks it bad policy to keep people in the NSC so long that it becomes a self-perpetuating institution.

"For example, Ollie North came to NSC from the Marine Corps in August 1981 and several others have been there as long or longer," the source said. "That's too long for a military officer to be away from his service organization and it's not good for his chances of promotion."

On arms control, Mr. Carlucci is relying on the advice of Kenneth Adelman, head of the State Department's Arms Control and Disarmament Agency.

But Mr. Carlucci, considered a tough administrator, intends to make sure there won't be any "cowboy style" operations in the future, sources said.

Mr. Carlucci, a veteran of the Foreign Service, the CIA and the Defense Department, should have no difficulty getting along with Secretary of Defense Caspar W. Weinberger, Secretary of State George P. Shultz and CIA Director William Casey, all of whom supported his appointment.

One of the most important mandates Mr. Carlucci received was assurance from the president that he would not have to report to the Oval Office through Mr. Regan or whoever succeeds the chief of staff.

Reporters also may find Mr. Carlucci, although determined not to discuss intelligence matters, to be much more accessible than Adm. Poindexter. He is expected to resist a suggestion by White House spokesman Larry Speakes that the NSC handle its press relations through the White House press office, which is under Mr. Regan's control.

ABROAD AT HOME | Anthony Lewis

Can Reagan Govern?

BOSTON

For nearly six years Ronald Reagan governed on his terms. He reigned and ruled. It did not matter if he was inconsistent, if he said one thing and did another, if he got the facts wrong. He got the images right. He dazzled the public. He bent Congress to his will.

That is over. With the facts on Iran and Nicaragua coming out over many months and in many forums, there is no prospect that the Reagan magic will dominate again. Concerned voices ask now whether the President can govern at all. In foreign policy, especially, is this country inevitably in for two years of drift and danger?

The answer is that Mr. Reagan still can provide leadership — assuming, at least, that there are no more devastating disclosures of criminality and folly. But his leadership would have to be of a different kind: collaborative, not royal; centrist, not driven by ideological obsessions.

The possibilities, bad and good, have been demonstrated by Mr. Reagan himself. Within one week he went in opposite directions on the Iran affair, starting down what looked like a fatal path, then correcting himself.

The first step was his interview with Hugh Sides of Time magazine. Mr. Reagan blamed "another country," Israel, for funneling Iranian money to the Nicaraguan "contras." He blamed the press — "this whole thing boils down to a great irresponsibility on the part of the press." He called Oliver North, who ran the mad adventure, "a national hero."

It sounded like vintage Richard Nixon: admit nothing, blame everyone else, be bitter. That way would surely lie a fatally wounded Presidency, leaving the United States without leader-

If so, it will
not be by
dominating

ship in world affairs for two years.

But then Mr. Reagan turned the other way. He faced the necessity for an independent counsel. And he appointed a respected professional, Frank Carlucci, as his national security adviser. One wonders who helped bring the President back from the brink.

The Carlucci appointment could be a significant signal. Mr. Carlucci is not an ideologue or a cowboy. He has served Administrations of both parties. Most interesting, he had the sense and courage to disagree with Henry Kissinger in Spenglerian mood. As Ambassador to Portugal in 1975, he urged help for the democratic socialists there while Secretary of State Kissinger was trying to write them off as harbingers of Communism.

If there is to be effective leadership in foreign policy now, it must be in collaboration with Congress. The reaction to Mr. Carlucci's appointment — relief from Republicans, warm support from Democrats — showed how much it could help. But other personnel changes cannot be avoided if the President hopes to work with Congress.

William Casey, the Director of Central Intelligence, has tried to deceive the intelligence committees too often to retain credibility there. His latest falsehood was a dilly. On Nov. 21 he

told the Senate committee that he knew nothing of an arms shipment to Iran via Israel in November 1985 — before the Reagan program — though the C.I.A. had in fact helped arrange it with his approval.

Donald Reagan has almost no friends on Capitol Hill now. His method as White House chief of staff has been to isolate the President even further from the hard decisions — from reality.

But collaboration with Congress depends on the substance of policy as well as respect for those who carry it out. There can be no collaboration if the President insists on ideological crusades. The inescapable question is Nicaragua.

For years now, Mr. Reagan has obsessively sought to overthrow the Nicaraguan Government, by foul means or fair. He managed to override Congressional objections and win aid for the contras. But there can be no bipartisan policy along those lines. That is something that not only the President but some of his intellectual backers are going to have to understand. Crusades lacking broad support in the country are not on any longer.

There is a model in history for a Republican President and a predominantly Democratic Senate working well together: the Eisenhower years. A fascinating book by George Reedy, "The U.S. Senate," throws much light on it. George Reedy was assistant to the Senate majority leader then, Lyndon B. Johnson, and he has great stories to tell about that age of consensus politics. But he warns that the country has to want it for consensus to work. I think Americans want it now. I think the Democrats in the Senate would support the President in that kind of foreign policy. It is up to Mr. Reagan. □

PREZ SEEKS SPECIAL PROSECUTOR FOR IRAN SCANDAL

WASHINGTON — President Reagan tried to put the brakes on the Iran arms scandal yesterday by speeding the appointment of a Watergate-style special prosecutor to probe "illegal acts."

Reagan, moving quickly to put his foreign-policy team back on track, also named Frank Carlucci, a widely respected veteran of the CIA and the Pentagon, as his new national security adviser.

The President also called on Congress to consolidate its investigations of the affair, suggesting the appointment of a special Watergate-style committee.

"Since the outset of the controversy over our policy relating to Iran, I've done everything in my power to make all the facts concerning this matter known to the American people," Reagan said in an unusual nationally televised address from the Oval Office yesterday afternoon.

"I can appreciate why some of these things are difficult to comprehend and you're entitled to have your questions answered. And that is why I've pledged to get to the bottom of this matter," Reagan said.

The address was Reagan's third appearance on national television since the Iran affair was disclosed one month ago, creating the worst crisis of his presidency.

In his announcement yesterday, Reagan said a preliminary in-

vestigations by Attorney General Edwin Meese had turned up "reasonable grounds" for believing that federal laws had been violated.

By NILES LATHAM
Bureau Chief

vestigation by Attorney General Edwin Meese had turned up "reasonable grounds" for believing that federal laws had been violated.

"I immediately urged him to apply to the court here in Washington for an independent counsel," Reagan said.

By law, such a counsel, formerly known as a special prosecutor, must be selected and appointed by a panel of three federal judges, rather than by the executive branch.

National security adviser John Poindexter and an aide, Lt. Col. Oliver North, were booted from the NSC staff last week. In other developments:

● The Senate Intelligence Committee completed its second day of closed-door hearings on the arms deal and heard about 20 minutes of sworn testimony from Poindexter.

Sources said Poindexter was required to testify under oath because he gave mis-

leading statements to congressional committees last month about the extent of U.S. government involvement in the Iran affair.

North invoked the Fifth Amendment 40 times during his testimony Monday before the same committee.

● CIA Director William Casey came under increasing congressional pressure yesterday to resign because he allegedly gave misleading briefings about his role early in the scandal.

● The Post has learned that the Justice Dept. has formally instructed the CIA, the

White House and the State and Defense Depts. to turn over all documents in their files relating to the activities of five men who may have been involved in the money laundering scheme.

The five are former national security adviser Robert McFarlane; National Security Council aides Donald Fortier, who died of cancer last summer, and Cmdr. Paul Thompson; Adolfo Calero, leader of a Nicaraguan rebel group, and retired Air Force Maj. Gen. Richard Secord.

The selection of Carlucci, a career diplomat who became a professional government troubleshooter for four presidents, was widely hailed in Washington.

White House sources told The Post that Carlucci was pushed by Defense Secretary Caspar Weinberger and CIA Director Casey over modest objections from White House Chief of Staff Donald Regan and Secretary of State George Shultz.



LARS-ERIK NELSON

Right man for the right job

WASHINGTON—If President Reagan had a magic lamp, he could not have conjured up a better genie than Frank Carlucci, the man he named yesterday to be his new national security adviser.

In one stroke, Reagan solves the key problems that were threatening to blight his presidency: He fills the void at the National Security Council, and he trims the power of the increasingly arrogant and independent princes of his administration—chief of staff Donald Regan, CIA Director William Casey, Defense Secretary Caspar Weinberger and Secretary of State Shultz.

Start with the NSC. Reagan has replaced an ineffective and inexperienced national security adviser, John Poindexter, with a tough professional who knows how to protect his country, his boss and himself. Poindexter created the greatest crisis of the Reagan presidency by never inquiring into—and never reporting to the President—the full details of Lt. Col. Oliver North's secret cash flow from Iran to the Nicaraguan Contras.

"If anybody tries those tricks on Carlucci's watch, he'll throw them out of a window," says Robert Hunter, an NSC veteran of the Carter administration. "If he has to, he'll crack heads."

On to State. After the befuddled

summit at Reykjavik and the fiasco of Iran, Reagan bounces back by keeping firm control of foreign affairs at the White House. For a moment, Secretary of State Shultz appeared to be off and running with his own foreign policy. Carlucci, a career Foreign Service officer, has more foreign experience than Shultz and most of his staff—and he will be at the President's side.

On to Defense. With Carlucci in the White House, Reagan sets the stage for a more rational and successful defense buildup. For the past six years, Defense Secretary Weinberger has repeatedly gone to Congress with unrealistic requests for more money—and then let Congress cut both the funds and the defense programs higgledy-piggledy, with no coherent strategy.

Carlucci, who was Weinberger's deputy at the Pentagon from 1981 to 1983, favors a defense buildup, but he told senators at his confirmation hearings in 1981 that there was no way the Pentagon could "spend every dollar some people want to spend on defense." Look for a more rational approach.

On to the CIA. Reagan now has an experienced and skeptical adviser to deflect madcap schemes for covert operations like the Iranian arms sale. As deputy CIA director during the Carter years, Carlucci ran "one of the

riskiest covert actions we undertook," former CIA director Stansfield Turner said yesterday. "But both he and I resisted covert operations that were not founded on our basic foreign policy interests."

Finally, into the center of power at the White House, where Don Regan has taken charge of virtually all operations, foreign and domestic. Carlucci will not report to Reagan through Regan. And he's not going to get bullied, shouted down, shot down or ground down in intramural squabbles.

How tough is Frank Carlucci? He was stabbed in the back in a brawl in the Congo in 1960 as he saved a Navy driver from an infuriated mob. As a 44-year-old ambassador to Lisbon in 1974, he defied then-Secretary of State Henry Kissinger and persuaded him to defeat communism in Portugal by backing a moderate Socialist government.

In addition, says Stansfield Turner, Carlucci "is a man of impeccable integrity, an excellent conciliator and very sensitive toward the workings of Congress."

Those are all his good qualities. Now for his drawbacks. How does a man of Carlucci's experience support Reagan's far-fetched plan for a leakproof shield against nuclear missiles? How does a Carlucci advise the President when he dreams that democracy can be restored to Nicaragua by giving just another \$100 million to Comandante Yahoo and the Manana Liberation Army?

Tough days are ahead for America, the President and for Frank Carlucci. He's a good man for tough days.

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APPEARING
ON PAGE A1

WASHINGTON POST
3 December 1986

Reagan Seeks Special Counsel, Names Carlucci Security Aide

By David Hoffman and Lou Cannon
Washington Post Staff Writers

President Reagan yesterday called for the appointment of an independent counsel to investigate charges that the administration illegally diverted money from the Iran weapons sales to the Nicaraguan rebels, and he appointed Frank C. Carlucci, a former deputy defense secretary and deputy CIA director, as his fifth national security adviser.

"If illegal acts were undertaken, those who did so will be brought to justice," Reagan said in a four-minute nationally televised address from the Oval Office, his fourth attempt in as many weeks to respond publicly to the intensifying political crisis.

Attorney General Edwin Meese III announced that the Justice Department investigation had turned up enough evidence to warrant an application to the U.S. Court of Appeals here for an independent counsel.

Reagan's announcement brought sighs of relief from congressional Republicans who have grown increasingly concerned about the controversy, but leaders in both parties said their own independent inquiries will move ahead regardless of the special counsel or White House personnel moves. Reagan endorsed the idea of a consolidated, Watergate-style congressional investigation. The Republican leaders told Reagan they could not defend him unless they knew the full story, sources said, and they are returning to the White House for another meeting with the president today.

The president's brief speech yesterday followed a flurry of debate among senior White House officials about what he should say. Informed administration sources said that aides loyal to the embattled chief of staff, Donald T. Regan, sought to include language in the president's address to the effect that Regan did not have any prior knowledge that money was diverted to the Nicaraguan rebels. However, the language was not included in the final speech.

The choice of Carlucci also followed a struggle within the administration in which Regan was apparently isolated. As recently as Monday, the chief of staff told aides Carlucci was not a serious candidate for the post. Carlucci was backed by CIA Director William J. Casey, Defense Secretary Caspar W. Weinberger and Secretary of State George P. Shultz, sources said.

The sources said it was the first time in nearly two years that the president made an important personnel choice that was not ad-

vocated by Regan. But sources close to Regan claimed, after the decision, that Carlucci was acceptable to the chief of staff.

Regan indicated to Republican congressional leaders yesterday that he intends to resist demands that he resign in the aftermath of disclosures that \$10 million to \$30 million from Iran weapons sales was funneled to the contras through Swiss bank accounts. Regan told the leaders that the need to maintain continuity in the president's program requires him to remain on the job.

Sen. Alan K. Simpson (R-Wyo.), the outgoing majority leader, said after seeing the

chief of staff: "I don't see how you can possibly leave the president with a coming session, a State of the Union address, budget considerations, Gramm-Rudman-Hollings ... and other things. You can't leave him alone to do that. And it's very important, I think, for stability, and I think you're going to see everything come up, and that's the key." House Minority leader Robert H. Michel (R-Ill.) quoted Regan as saying there would be a "delay" in Reagan's program if he left.

However, another influential Republican, outgoing Senate Foreign Relations chairman Richard G. Lugar (R-Ind.), called for Regan and Casey to resign.

Sources inside and outside the administration said Reagan had come to the conclusion over the weekend that he needed to call for an independent counsel investigation, and on Monday he said he would "welcome" one if the Justice Department found it warranted. After learning that Meese was prepared to seek an independent counsel, Reagan said he "immediately urged" Meese on Tuesday to do so.

Reagan noted his own special review board's inquiry into the functions of the National Security Council and said it would, along with the independent counsel, provide "a dual system for assuring a thorough review of all aspects of this matter."

He did not mention Congress as part of this "dual system," but added in the speech that "I recognize fully the interest of Congress" in the secret operations. "We will cooperate fully with these inquiries," he said. "I have already taken the unprecedented step of permitting two of my former national security advisers to testify" before Congress.

Reagan was referring to Vice Adm. John M. Poindexter, who resigned last week, and his predecessor, Robert C. McFarlane, who made a secret trip to Tehran on a mission delivering weapons last May. McFarlane has testified extensively before the Senate Intelligence Committee this week, but Poindexter yesterday reportedly refused to answer questions.

Another key figure in the clandestine operations, former National Security Council staff member Lt. Col. Oliver L. North, also refused to answer questions, invoking his Fifth Amendment privilege against self-incrimination before the Senate panel.

The president said congressional inquiries "should continue" but asserted that Congress could conduct the probe "without disrupting the orderly conduct of a vital part of this nation's government." Reagan said he supported the idea of outgoing Senate Majority leader Robert J. Dole (R-Kan.) that the congressional probe be consolidated into one bipartisan panel.

"If the investigative processes now set in motion are given an opportunity to work, all the facts concerning Iran and the transfer of funds to assist the anti-Sandinista forces will shortly be made public," Reagan said. "Then the American people, you, will be the final arbiters of this controversy."

A source present at the meeting between Reagan and the congressional leaders said the lawmakers sought to impress on him the serious nature of the controversy.

"Gradually, over time, the president is acquiring a realization of how serious his problem is," said the source. "The president is angry at the whole situation, he's angry at the press and the Republicans in Congress for not defending him. We tried to convey to him that there was a risk in defending him unless we knew the whole story."

The president's actions were hailed by Democrats as well as Republicans on Capitol Hill, although leaders continued to press ahead with plans for one or more congressional probes of the affair, and some lawmakers of both parties called for further action by the administration.

"The president has taken some very positive steps. He could take more," including "cleaning house around him and saying to the American people he recognizes even with the benefit of hindsight, he has

made a mistake," said Senate Democratic leader Robert C. Byrd (D-W.Va.).

House Majority Leader James C. Wright Jr. (D-Tex.) said Reagan made "two steps in the right direction" by calling for appointment of a special counsel and naming Carlucci as national security adviser. But he said there are unanswered questions about violation of laws, including those involving arms sales and aid to the Nicaraguan contras, that still need to be addressed by the administration.

Dole said, "He's come a long way . . . Now it's up to Congress to get a mechanism and go to work, not wait till next January and drag this all into next spring and summer."

Several Democrats and Republicans said they anticipate a further shake-up of top-level personnel within the administration. "I suspect that will be forced on the president . . . by public opinion," said Sen. J. James Exon (D-Neb.).

Congressional leaders remained at odds over how to proceed with congressional inquiries, but it became increasingly apparent that a Watergate-style select committee could be named in the Senate if not the House, or by the two houses acting jointly.

Wright said he had "no particular prejudice" against consolidating House committee probes under the umbrella of a select committee but wanted to confer with other House leaders before coming to a decision. Byrd, who will take over as majority leader when Congress reconvenes next month, said he favored creation of a Senate investigative committee but did not rule out the joint House-Senate probe favored by Dole.

Byrd said he hoped to consult with Dole and Wright on the issue shortly and plans to introduce legislation to create a Senate panel as a first order of business when Congress convenes Jan. 6.

Byrd said he envisioned a bipartisan committee of no more than 11 members and has already recruited a large number of volunteers to serve on it. Asked whether he thought this response indicates a Democratic zeal to go after the Reagan administration, Byrd said no, adding that Dole also is getting a "plethora" of volunteers from the Republican side of the aisle.

Also yesterday, Democrats on the Senate Judiciary Committee

House officials may have broken at least six criminal laws in the clandestine operations, and urged the appointment of the independent counsel.

Staff writer Helen Dewar contributed to this report.

WASHINGTON TIMES
3 December 1986

New NSC chief seen safe choice though Viguerie voices 'shock'

By Roger Fontaine
and George Archibald
THE WASHINGTON TIMES

Frank C. Carlucci, President Reagan's fifth national security adviser in six years, is considered a safe choice at a critical time for the administration.

Mr. Carlucci, like his predecessors, is expected to keep a low profile and be a president's man. He is not expected to push new policy initiatives.

The current crisis over U.S. arms sales to Iran and low morale on the National Security Council staff will test his bureaucratic skills to the fullest. He is entering uncharted waters, because there is no precedent like this in the NSC's 40-year history.

Nevertheless, Mr. Carlucci enters office with some strong cards. He is an experienced, professional civil servant who has done stints in the Foreign Service and filled the No. 2 spots at the CIA, the Department of Defense and the Office of Management and Budget.

His strongest supporters for the job are CIA Director William Casey, Secretary of Defense Caspar Weinberger and Secretary of State George Shultz, all of whom are key members of the NSC.

"He has high-powered friends and admirers on both sides of the aisle," said one intimate.

Conspicuously absent from this list of supporters is White House Chief of Staff Donald Regan, who informed sources say pushed another candidate, William Hyland, currently editor of Foreign Affairs, a quarterly journal of the Council on Foreign Relations. Sources also indicate that Mr. Carlucci's appointment is another sign of Mr. Regan's rumored departure from the White House.

Mr. Carlucci has a far greater variety of experience in government and its management than any of his predecessors. As Mr. Reagan told the nation yesterday, he is "uniquely qualified."

Mr. Carlucci has also built a reputation for making things work under adverse conditions — a reputation which he will have to earn again, as the demoralized NSC staff will be subjected to months of investigations.

Critics are skeptical of his management skills, pointing to his foray into private sector top management beginning in 1982 at Sears World Trade Inc. He headed the trading company until it was dissolved a month ago after losing a reported \$60 million.

Mr. Carlucci has since operated his own Washington-based consulting firm, International Planning Analysis Center, with reported annual billings of \$4.5 million.

During the Kennedy and Johnson administrations, the 56-year-old

Pennsylvania native served in various diplomatic assignments in Africa and Latin America.

He headed federal anti-poverty programs at the old Office of Economic Opportunity and was No. 2 under Mr. Weinberger at the Office of Management and Budget during President Richard M. Nixon's first term.

Mr. Carlucci again served as Mr. Weinberger's deputy as undersecretary of Health, Education and Welfare after Mr. Nixon's re-election in 1972.

Although he is an experienced foreign policy hand, Mr. Carlucci left government service more than four years ago, and it will take time for him to familiarize himself with the issues and the detail necessary to be an effective manager of national security policy. He has no association with the present Iran-induced troubles of the White House, which will keep him from being dragged into the on-going controversy.

He will have to bring in his own immediate staff, which will contribute to the awkwardness of the transition. He also will have to forge a working relationship with a president who feels uneasy with new faces. But his reputation as "a team player" will go down well in the White House in general and with Mr. Reagan in particular.

Mr. Carlucci has critics. "He's just a bureaucrat with no fixed philosophy or beliefs in the foreign policy arena," a former senior NSC official said.

Conservative activist Richard Viguerie said he reacted with "shock and disbelief" at the appointment. "This signals the end of the Reagan

revolution. It's gone. They are going to play the establishment game. He is totally capitulated to the Washington establishment."

Conservatives have resisted his earlier appointments and distrusted Mr. Carlucci's record of serving both Democratic and Republican administrations.

The suspicion that he does not share the president's beliefs, is reinforced, they say by Mr. Carlucci's testimony at hearings that confirmed him as deputy secretary of defense. He summarized his political philosophy to a Senate committee by saying, "We all have to compromise. That's what it's all about."

During Jimmy Carter's presidency, Mr. Carlucci was deputy director of the CIA.

In 1977, Mr. Carlucci was first told by a reporter who had known him for many years that he had been chosen by then-CIA director Adm. Stansfield Turner for the agency's No. 2 post, the reporter said.

Mr. Carlucci responded, "That's [expletive], I barely know the man," the reporter said. Mr. Carlucci said he had met Adm. Turner only once in West Germany at a tennis game with Gen. Alexander Haig.

"So how did you get the job?" the reporter asked. "[Former Vice President] Fritz Mondale, I was his choice," Mr. Carlucci responded.

"In those days, it was fashionable to brag about one's Democratic contacts," the reporter said. "'How did you get to know Mondale?' I asked him."

Mr. Carlucci explained that, as director of the OEO years earlier, "he was Mondale's contact in the Nixon administration . . . and kept Mondale [then a Democratic senator from Minnesota] up to speed on what was going on," the reporter said.

Mr. Carlucci first came to national attention in November 1960 by rescuing a carload of Americans from an angry mob in the Congolese capital of Leopoldville after a local citizen was killed in a traffic accident. He barely escaped with his life after being stabbed in the back of the neck during the rescue.

Fifteen years later, as President Ford's ambassador to Lisbon, Mr. Carlucci was credited with saving Portugal from joining the Soviet bloc when, according to intimates, then-Secretary of State Henry Kissinger had "written off" the country as going to the communists.

With \$50 million from the CIA and West Germany's Social Democratic Party, arranged by former Chancellor Helmut Schmidt, Mr. Carlucci quietly backed Portuguese Socialist Party leader Mario Soares as an alternative to the communists in the country's 1975 Constituent Assembly elections.

Following the Socialist election victory, Mr. Carlucci then prevailed over Mr. Kissinger's view that U.S. aid to Portugal's leftist military regime at the time should be cut off.

Mr. Carlucci's support for the Portuguese Socialists riled prominent conservatives then backing Mr. Reagan instead of President Gerald Ford for the 1976 GOP presidential nomination. The conservatives also were angry over Mr. Carlucci's support at OEO for continued funding of federal legal services programs, which then-Gov. Reagan was trying to cut off in California.

In 1981, when Mr. Reagan became president, some of his conservative advisers tried to prevent Mr. Carlucci's appointment as No. 2 man at the Pentagon. But Defense Secretary Weinberger insisted on the appointment.

Security Adviser Gets High Marks For Diplomatic and Political Skills

By MICHAEL R. GORDON
Special to The New York Times

WASHINGTON Dec. 2 — The appointment of Frank C. Carlucci as President Reagan's national security adviser was generally praised today as a step that would improve management of the National Security Council and help restore the Administration's credibility.

State Department officials, who have been openly at odds with the National Security Council over the Iran affair, cited Mr. Carlucci's background as a Foreign Service officer and his long experience in several Government agencies.

"If you went to central casting, you could not get a better N.S.C. director," one State Department official said.

Pentagon officials cited Mr. Carlucci's experience in managing the Defense Department in the first years of the Reagan Administration and noted his close ties with Defense Secretary Caspar W. Weinberger.

Some officials from the Carter Administration also praised the move.

"He is a man of great integrity and is skilled in bringing divergent views together," said Adm. Stansfield Turner, retired, who was Director of Central Intelligence when Mr. Carlucci held the No. 2 job at that agency. "He understands the political process and how to work with Congress. This Administration needs someone who understands this very much."

Current and former officials said Mr. Carlucci's predecessor as national security adviser, Adm. John M. Poindexter, lacked such political skills.

'Badly Needed' Experience

"Since he has had experience in Democratic and Republican Administrations, he brings an ability to work with people across the political spectrum which is badly needed," R. James Woolsey, Under Secretary of the Navy in the Carter Administration, and a Democrat, said of Mr. Carlucci.

But the new national security adviser is not immune to controversy.

As the day-to-day manager of the Pentagon in the early part of the Reagan Administration, he presided over a delegation of authority to the military

services that some military experts say led to a lack of coordinated budgetary planning.

According to a published report, he also intervened in the case of Gen. Richard V. Secord, who had been removed from his post as Deputy Assistant Secretary of Defense during a Justice Department investigation of his possible ties to an arms shipment company, Eatsco, that had been fined \$3 million for filing inflated invoices.

According to documents in the possession of General Secord's lawyer, the general was told that if he took a polygraph test and passed it, his suspension would be lifted. But just before he was scheduled to take the test, General Secord "was abruptly reinstated" at Mr. Carlucci's order "without any prior notification to Justice," Peter Maas wrote in his book "Manhunt," an account of the dealings of the convicted arms merchant Edwin P. Wilson.

General Secord has emerged as one of the main figures in the investigations of the supply of arms to Iran and to the Nicaraguan rebels.

Mr. Carlucci's past role in Washington has been primarily that of as a coordinator who has not overshadowed his superiors. While he brings more wide-ranging experience to his post than Mr. Reagan's previous national security advisers, it is likely that he will play less of a role in shaping policy than such past advisers as Henry A. Kissinger, who served President Nixon, and Zbigniew Brzezinski, President Carter's adviser. Another prominent national security adviser was McGeorge Bundy, who served under Presidents Kennedy and Johnson.

Mr. Carlucci, a native of Scranton, Pa., was born on Oct. 18, 1930. He has two children by his first wife and one child by his second wife.

He graduated from Princeton University, where he made friends with Donald Rumsfeld, who later picked him for a top job during the Nixon Administration.

Other members of his class at Princeton included James A. Baker 3d, the Secretary of the Treasury and former White House chief of staff, and Robert B. Oakley, former head of the State Department's office of counterterrorism policy.

Mr. Carlucci later attended the Harvard University business school, worked in private industry and served two years in the Navy.

He joined the Foreign Service in 1956 and served in a number of posts in Africa. In the Congo, now Zaire, he was stabbed and beaten by an angry mob after he came to the aid of Americans there.

In Conflict With Reagan

He served as consul general in Zanzibar, Tanzania, and was political counselor in Rio de Janeiro until 1969.

Mr. Rumsfeld then asked Mr. Carlucci to serve as his No. 2 at the Office of Economic Opportunity, the anti-poverty agency, in the Nixon Administration.

Mr. Carlucci assumed the post of director after Mr. Rumsfeld left and found himself drawn into a sharp dispute with Mr. Reagan, then Governor of California.

Mr. Reagan was seeking to end the

California rural legal assistance program, which was financed by Mr. Carlucci's agency. Mr. Carlucci resisted these efforts by Mr. Reagan and the Nixon White House and managed to keep the program alive.

Mr. Carlucci differed strongly with top officials when he served as United States Ambassador to Portugal. He took that job in 1975 after serving as a deputy to Mr. Weinberger at the Office of Management and Budget and the Department of Health, Education and Welfare.

On to the C.I.A.

Mr. Carlucci persuaded the White House to maintain ties with the leftist military government that emerged after a bloodless revolution in Portugal despite strong opposition from Henry A. Kissinger, then Secretary of State, who argued that Portugal should not be supported because it would go Communist.

In 1977, the Carter Administration named Mr. Carlucci as Deputy Director of the Central Intelligence Agency, an appointment that made him a target of conservatives when Mr. Weinberger later sought to bring his former deputy to the Pentagon.

But conservatives who assailed Mr. Carlucci for serving under President Carter had little to complain about as the Reagan Administration undertook the largest peacetime military buildup in American history.

Mr. Carlucci played a key role in managing that buildup. He initiated a number of widely publicized changes in the buying of weapons. He left his Pentagon post for private industry before these measures could be fully carried out and his effort to reform the Pentagon was, at best, a mixed success, in the view of many Congressional experts and Pentagon officials.

Veteran Diplomat Carlucci Likely to Be Strongest Reagan National Security Aide

By FREDERICK KEMPE

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Frank Carlucci, a tough veteran diplomat and former defense official, is likely to be the most powerful and influential national security adviser of the five to serve President Reagan.

The president yesterday announced that he had named Mr. Carlucci to succeed John Poindexter, who resigned last week in the storm over the sale of arms to Iran and the transfer of profits to the Nicaraguan anti-Communist Contra forces.

From the beginning, Mr. Carlucci is in a better position than his predecessor because his government experience is more extensive and his services are so greatly needed. To get Mr. Carlucci to take the job, the president promised him direct access to the Oval Office, according to a senior administration official.

That single act, officials say, ensures that the mandate of the national security adviser will be strengthened and that the influence over foreign policy of Chief of Staff Donald Regan will recede even further. Mr. Regan's position already has been considerably weakened by the Iran affair.

Mr. Carlucci will likely use his influence to shake up the National Security Council staff, replacing some members with allies from his days as deputy director of the Central Intelligence Agency under President Carter, and deputy defense secretary during Mr. Reagan's first term, as well as an ambassador and a foreign service officer. He will also try to bring more order to a now chaotic foreign policy apparatus. And he'll try to regain quickly some momentum for the U.S. on the world stage for Mr. Reagan's final two years as president, to deflect attention from the continuing investigation of the Iran arms sale.

Mr. Carlucci, who is 56 years old, currently operates his own consulting firm and is chairman and chief executive officer of an ailing Sears, Roebuck & Co. subsidiary.



Frank Carlucci

Mr. Carlucci has contacts throughout Washington and on Capitol Hill. He has a close relationship to Defense Secretary Caspar Weinberger, Secretary of State George Shultz and CIA director William Casey.

"He's one who gets along with all three of them," says Kenneth Adelman, director of the Arms Control and Disarmament Agency and a longtime friend of Mr. Carlucci. But he added that he wouldn't defer to these men: "I've never seen Frank be shy. No one will be left out, but he won't hesitate to make his position known."

The selection of Mr. Carlucci for the National Security Council post is seen by many as a victory for Mr. Weinberger, who lobbied hard for his appointment, and as a defeat for Mr. Regan, who had supported William Hyland, Foreign Affairs Magazine editor and former National Security Council staff member. Speaking in Paris, where he was meeting with government officials, Mr. Weinberger said, "I'm delighted, couldn't think of a better appointment."

Sen. Richard Lugar (R., Ind.), chairman of the Senate Foreign Relations Committee, praised the appointment but suggested it must be followed by other replacements, including that of Mr. Regan and Mr. Casey. "There are enormous opportunities for the Reagan presidency in the next two years if the president continues to move in a timely manner to bring more new people into his administration," he said.

Rep. Dick Cheney (R., Wyo.), who was White House chief of staff under President Ford and is a friend of Mr. Carlucci, says the new national security adviser will take a low profile, in the style of President Ford's National Security Adviser Brent Scowcroft, as opposed to the style of Henry Kissinger, who held the post in the Nixon administration before becoming Secretary of State.

Mr. Carlucci's critics say that although he is a skilled bureaucratic infighter, he isn't an originator of programs or an efficient manager and that he sometimes seems overconcerned with secrecy, as evidenced by his support for lie-detector tests at the Pentagon.

Mr. Carlucci is leaving a battered business at Sears. He has been chairman and chief executive officer of Sears World Trade Inc., the smallest and weakest of the retail and financial-service company's

units. Wounded by the poor trade climate and its own inexperience, it never turned a quarterly profit. In October, Sears began taking steps under Mr. Carlucci's supervision to close the unit's domestic operations and to fold its international operations into Sears Roebuck's big merchandise group.

Mr. Carlucci's stint at the Pentagon brought mixed reviews. He took charge of the administration's efforts to revamp the Pentagon's weapons buying process, which came under scathing attack in Congress and the press with disclosures of overcharges and other irregularities.

The effort produced a set of new weapons-buying policies that became known collectively as the "Carlucci reforms." Mr. Carlucci left the department before they could be fully put in place. One Carlucci aide complained that the push was too much geared to creating an appearance of reform while those who were supposed to carry out the policies weren't allowed to push them through.

Mr. Carlucci has drawn scorn from the right for not being enough of a conservative and for his CIA service in the Carter administration at a time when—the right contends—the intelligence agency had been seriously weakened.

However, he won praise in other quarters for his actions while ambassador to Portugal in the mid-1970s. At that time he persuaded the White House to support a leftist government and the country's move toward democracy in opposition to then-Secretary of State Kissinger, who feared the demise of the right-wing dictatorship would lead to Communism.

STAT Carlucci heads list of NSC candidates

By Jeremiah O'Leary
THE WASHINGTON TIMES

Frank Carlucci, the former deputy secretary of defense in the Reagan administration and the deputy director of the CIA in the Carter administration, has emerged as the front-runner to succeed Vice Adm. John Poindexter as the president's national security adviser, it was learned by The Washington Times.

An announcement of the successor might be made as early as this morning, when President Reagan meets with top officials at the White House. The president returned last night from a brief Thanksgiving break at his California ranch to a capital rife with rumor, speculation and intrigue.

The search for Adm. Poindexter's replacement has narrowed to a so-called "short list," including the names of David M. Abshire, 60, who is completing a three-year tour as U.S. ambassador to NATO, and Wil-

liam G. Hyland and Bobby Inman, both of whom were former deputy directors of the CIA.

Mr. Carlucci is said to have the support of Secretary of State George Shultz, Secretary of Defense Caspar W. Weinberger and CIA Director William J. Casey. Mr. Hyland is understood to be the favorite of Donald Regan, the White House chief of staff.

Though several people talked to Mr. Carlucci over the weekend about his availability, the job has not been tendered by the president. "This is not a job you accept with one telephone call," Mr. Carlucci said last night. "There must be a clear understanding of what the charter is all about."

The strengths that make him attractive as a compromise choice are said to be his ability to work as "a civil servant in the British mold, who can work with a Democratic or Republican administration with equal effectiveness."

Mr. Carlucci, who was deputy secretary of defense in the first two years of the Reagan administration,

has had a long career in government. He was chairman of Sears World Trade Inc., which recently was dissolved. He still operates his own consulting firm, International Planning Analysis Center, which reports \$4.5 million in annual sales.

Adm. Poindexter, the man he would replace, resigned last week after it was disclosed that profits from U.S. arms sales to Iran were diverted to Nicaragua's anti-Marxist rebels, or Contras.

The growing furor over the Iranian arms sales and Nicaraguan rebel funding led to the firing of Lt. Col. Oliver North, 43, the aide to Adm. Poindexter who is believed to have engineered the plan to divert money from Iran to the Contras during a period when Congress would not authorize aid to the rebels.

Congress has since approved \$100 million in aid to the Nicaraguan resistance.

Navy Secretary John Lehman, former United Nations Ambassador Jeanne Kirkpatrick and retired Air Force Lt. Gen. Brent Scowcroft also figured in the speculation over who would succeed Mr. Poindexter, but are now believed to be out of the running.

The replacement for Adm. Poindexter is expected to insist on a strong mandate for taking charge of the 46-member NSC staff in light of the apparent pervasive influence of White House Chief of Staff Donald Regan, who is himself the subject of rumors that his job is in jeopardy.

Mr. Regan says he knew nothing of the arms-to-Iran, cash-to-the-Contras scheme, and likened himself to a bank president who should not be held accountable for mistakes by "bank tellers," presumably Adm. Poindexter and Col. North.

Some NSC aides are bitter over what they describe as "constant interference" by Mr. Regan and his hand-picked lieutenants in national security matters.

Former National Security Adviser Robert McFarlane, one of the architects of initial arms sales to Iran in mid-1985, resigned last December after a series of disagreements with Mr. Regan.

Adm. Poindexter also operated in the shadow of Mr. Regan, who is considered the most powerful White House chief of staff since the late Sherman Adams in the Eisenhower administration.

Mr. Carlucci is a Princeton graduate, Korean War naval gunnery officer and former foreign service officer. In 1960, he was the victim of a stabbing in the Congo (now Zaire) when he rescued a carload of Americans from a mob. He served in Zanzibar and as political officer of the U.S. Embassy in Brazil. Mr. Carlucci later became director of the Office of Economic Opportunity in 1971.

The following year he became deputy director of the White House Office of Management and Budget, then run by Mr. Weinberger. In 1973, he was named Undersecretary of Health, Education and Welfare, where he helped carry out the so-called New Federalism plan to give states and localities greater control over social programs.

President Gerald Ford named him ambassador to Portugal in 1974 and he is credited with helping to

save Portugal from a communist takeover at a time when Secretary of State Henry Kissinger had written off the country and had opposed further aid to Portugal's Socialist government.

Mr. Carlucci, working closely with Helmut Schmidt, then chancellor of West Germany, helped arrange desperately needed financing for Portugal's Social Democratic Party, which finally prevailed against the Communists.

In 1978, President Jimmy Carter named Mr. Carlucci deputy CIA director under Stansfield Turner. After Mr. Reagan was elected in 1980, Mr. Weinberger refused to serve as secretary of defense unless he could have Mr. Carlucci as deputy secretary. Mr. Carlucci was strongly opposed by conservatives in the new administration and in Congress. But he got the job and worked with Mr. Weinberger until 1982, when he left to join Sears World Trade.

FILE ONLY

ENCIPHERED

Veteran dealers and middlemen are tied to the contra diversion

By Fred Kaplan
Globe Staff

WASHINGTON - The international group that engineered the flow of arms and money from Iran to the Nicaraguan rebels is part of a small, tightly knit network of arms merchants and middlemen who have reportedly dealt in the sometimes shady business of weapons transfers for years.

Its key participants have close connections with high-ranking officials in the United States, Israel and Saudi Arabia.

For years, several of them have been at the center of deals in which arms have been the instrument of policy, the means by which local politics, bureaucracies and even nationalist loyalties can be circumvented. And in some cases, they have had roles in deals in which much personal profit can be made.

A central figure in this case appears to be Richard Secord, a retired US Air Force general who has gained notoriety in recent years as one of the two main supporters of aid - private and public - to the rebels, called contras, battling to overthrow the Sandinista government of Nicaragua.

* * * * *

Unwelcome publicity

Around this time, Secord was also facing some unwelcome publicity for his involvement in another arms deal in the Middle East.

His colleagues in this arrangement were even higher notables: Erich von Marbod, former director of the Pentagon's arms-sales office; and Thomas Clines, former director of training for the Central Intelligence Agency's clandestine offices. They had all worked in Iran during the shah's reign.

According to a 1982 column by Jack Anderson, based on FBI investigations, these three were shareholders in a company that shipped US government arms to Egypt - at the same time that von Marbod was a Pentagon official in charge of making decisions on arms shipments to Egypt.

In his book, "Manhunt," Peter Maas corroborates Anderson's story and says that another investor in the company was Edwin P. Wilson, the former CIA agent who amassed a small fortune selling arms to the Libyan government and various terrorists.

Temporary removal

The company, called International Research and Trade, changed its name to the Egyptian American Transport and Services Corporation.

According to Maas, when the FBI began investigating the company in early 1982, Secord - the only one of the three still in government - was removed from office pending a lie-detector test.

Maas writes: "But he never took the test. Instead, without any prior notification to the Justice Department, he was abruptly reinstated by Frank C. Carlucci, a former deputy director of the CIA who had become the number two man in the Defense Department."

In 1983, Secord retired from the military and went into business with an Iranian of Palestinian descent named Albert Hakim, in a company called Stanford Technology Trading Group International, according to the Maas book and the Anderson column.

The company has reportedly hired several former CIA officials, including Theodore Shackley, a former associate director of clandestine services, and Frank Terpil, who was later unmasked as Edwin Wilson's associate in the terrorist arms-running market.

The company is still in existence, though Shackley and Terpil are no longer working there.

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WASHINGTON TIMES
10 February 1987

INSIDE THE BELTWAY

Ghost who walks

National Security Adviser Frank Carlucci got some distressing news during a recent NSC staff meeting called to plot the administration's dealings with Congress on arms control. Insiders say Mr. Carlucci was shocked to discover that the top staffer for arms control on the Senate Foreign Relations Committee was none other than conservative David Sullivan.

Mr. Sullivan is a former CIA analyst whose Capitol Hill career has been devoted to exposing Soviet arms treaty cheating and keeping the Reagan administration's feet to the fire about it. Mr. Sullivan recently joined the committee staff following North Carolina Sen. Jesse Helms' successful

bid to become the committee's ranking Republican.

"Sullivan?" Mr. Carlucci reportedly remarked upon learning of the Helms aide's new position. "[Expletive]! I thought I fired him."

True enough, Mr. Carlucci did fire Mr. Sullivan when both worked at the CIA in the late 1970s. Washington is a small town, though, and familiar faces do keep turning up.

STAT

ARTICLE APPEARED
ON PAGE **AL**WASHINGTON POST
4 December 1986

STAT *Carlucci Launched CIA Operation in Yemen That Collapsed*

By Bob Woodward
Washington Post Staff Writer

Frank C. Carlucci, who was appointed Tuesday as President Reagan's new national security adviser in the midst of controversy over White House covert operations gone awry, once supervised one of the Central Intelligence Agency's unpublicized failures in the Third World, according to informed sources.

In 1979, as deputy CIA director, Carlucci was urged by President Jimmy Carter's national security adviser, Zbigniew Brzezinski, to set up a top secret CIA paramilitary effort against South Yemen, a Marxist nation on the Arabian peninsula that was threatening to topple neighboring, pro-Western North Yemen, the sources said.

Working with British and Saudi Arabian intelligence agents, Carlucci set the operation in motion to harass South Yemen and thwart any expansionist ambitions. But the plan ended in disaster about a year into the Reagan administration, after Carlucci had become deputy secretary of defense, when a CIA-trained team of about a dozen Yemenis was captured trying to blow up a bridge in South Yemen. Under torture, team members betrayed their CIA sponsors before they were executed, which ended the operation in 1982, sources said.

The episode provided Carlucci with a firsthand understanding of the hazards of secret undertakings, according to sources who worked with Carlucci at the time. Consequently, the sources said, the new national security adviser supports covert operations but is aware of the potential for disastrous consequences.

Carlucci had no comment yesterday.

The South Yemen operation, according to a number of sources familiar with it, is a case study of CIA covert action and its relation to the political agenda of senior White House officials, in this instance, national security adviser Brzezinski.

In the wake of the furor over National Security Council officials secretly selling arms to Iran and diverting the profits to aid the contra rebels fighting the government of Nicaragua, five senior sources directly involved in the South Yemen affair said the case has a

special meaning in retrospect. As one of the sources put it, "There were unrealistic grand strategic goals that the White House thought could be accomplished through a covert action. And they were trying to fix a lot of things; many, too many, that had nothing to do with South Yemen."

As pieced together by numerous sources, both in and out of the government, the Yemenis became a U.S. national security priority on Feb. 23, 1979, when South Yemen made an unsuccessful three-pronged attack against North Yemen in an effort to seize airstrips and roads in a bid to overthrow the government. Almost immediately, Carter notified Congress that he would ship \$390 million in planes, tanks and other arms to North Yemen.

About the same time, Carter signed an intelligence order, known as a "finding," secretly calling for a study of possible operations against South Yemen. Brzezinski pushed for a covert mission in part because he felt the United States had been too passive in responding to Cuban activities in 1977 and 1978 in Zaire and Somalia.

Although then-CIA Director Stansfield Turner approved the operation, he pronounced it "hare-brained." But others in the agency were more enthusiastic, and wanted to bind the CIA closer to Saudi intelligence with a joint operation. Furthermore, as one source put it, some senior officials in the Carter White House held "almost a 'comity of nations' view that our allies, particularly the conservative ones that distrusted and were suspicious of Carter, needed a joint operation to prove we would be tough."

Because Vice President Walter F. Mondale, while a U.S. senator, had been a member of the Church committee that investigated CIA excesses in the 1970s, Mondale was widely viewed as anti-CIA and Brzezinski believed "it's important for the CIA to see Fritz Mondale take a stand for some sort of paramilitary action," according to sources.

Mondale evidently agreed, because he not only supported the covert operation and military shipments to North Yemen, but also at one point during a White House meeting pounded the table and declared, "We've got to get aid into North Yemen."

Carter signed a second secret finding, authorizing the operation. Partly because of Turner's skepticism and partly because the CIA director was preoccupied at the

time with negotiations over the SALT II strategic arms limitation treaty, "Brzezinski wanted Carlucci to run it . . . Brzezinski structured it so he could get Carlucci to do it," one source said.

And so Carlucci traveled overseas to begin setting up the operation. In an effort to maintain security, Carlucci and his assistants from the CIA directorate of operations attempted to decree that the 30 Yemenis trained for the operation were not to know that the agency was behind the effort.

But once the training began, sources said the Yemenis apparently were told in an effort to give the operation credibility by reassuring the operatives that the United States was supporting it.

After the preparations, one team of Yemenis was secretly sent into South Yemen. But the operation ended tragically with capture and confession. A second team that had been "inserted" into South Yemen for a similar paramilitary operation was withdrawn and the operation was ended.

In late March 1982, prosecutors in the South Yemen capital of Aden demanded the death penalty for 13 Yemenis on trial for alleged involvement in a sabotage conspiracy. Eleven members of the group, the prosecution alleged, had been trained by the CIA in neighboring Saudi Arabia with the intent of paving the way for "reactionary and imperialist military intervention" in South Yemen.

Three weeks later, the government in Aden announced that all 13 members of the "gang of subversion" had pleaded guilty to smuggling explosives to blow up oil installations and other targets.

Three had been sentenced to 15-year prison terms, the government added, and 10 had been executed.

Staff researcher Barbara Feinman contributed to this report.

THE IRAN AFFAIR

Managua accuses Carlucci of Third World subversion

By Oswaldo Bonilla
United Press International

MANAGUA, Nicaragua — The ruling Sandinista Front yesterday criticized President Reagan's new national security adviser, saying Frank Carlucci has been involved in "dirty work and coup attempts in the Third World."

Carlucci, 56, was named Tuesday to the post after Vice Adm. John M. Poindexter resigned in the controversy over the channeling of the proceeds of U.S.-Iranian arms deals to U.S.-backed Nicaraguan rebels.

Carlucci "appears to have been involved in attempted Central Intelligence Agency assassinations of Third World political leaders during the '60s," said Ramon Meneses, a spokesman for the Marxist-led Sandinista Front.

"He has been a specialist in dirty work and coup attempts in the Third World," Meneses told reporters.

The Sandinista National Liberation Front official said that Carlucci was involved in the 1961 slaying of former Belgian Congo Premier Patrice Lumumba.

"Carlucci planned [Lumumba's] assassination under orders from President Eisenhower," Meneses said.

Meneses also said Carlucci "was tied to the overthrow of Brazilian President Joao Goulart and the establishment of the military dictatorship in that country in 1964."

Carlucci, Reagan's fifth national security adviser, once served as a deputy CIA director and later was a deputy defense secretary at the start of the Reagan administration.

Meneses warned that Carlucci "would be a faithful defender of President Reagan's policies," adding: "The National Security Council has been responsible for directing the covert actions against Nicaragua."

Reagan, determined to stop what he sees as the expansion of leftist subversion in Central America, has been a staunch supporter of the 10,000 to 12,000 rebels fighting President Daniel Ortega's government.

The insurgents, known as contras, have received more than \$100 million in CIA funding since 1981, and Congress recently approved an additional \$100 million in weapons and other aid to them.

World News Tonight

December 2, 1986 6:30 p.m.

Admiral Stansfield Turner



STAT

PETER JENNINGS: And now, the President's choice to be his next National Security Advisor. We emphasize "the next" because it hasn't been a job with great security in the Reagan Administration.



Frank Carlucci will be the fifth man to hold the job since Mr. Reagan became President.

What sort of a man is he? Here's ABC's Bob Zelnick.

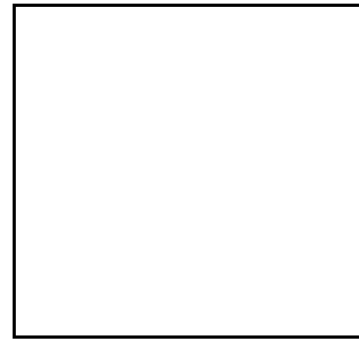
BOB ZELNICK: Frank Carlucci, described by former colleagues as a tough man who makes things work was also a cautious man in his first encounter tonight with the press.

FRANK CARLUCCI (National Security Advisor Designate): I worked for the President before. I have great admiration for his leadership, and I look forward to being of assistance to him and conducting a vigorous foreign policy. And until I'm in the job it would not be appropriate for me to make any comments.

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ZELNICK: Carlucci has served as Caspar Weinberger's deputy in three departments, including Defense.

He was Deputy CIA Director in the Carter Administration under Stansfield Turner.



STANSFIELD TURNER: I found that he was a supporter of covert activity, but he also was a man who recognized when covert activity was not appropriate.

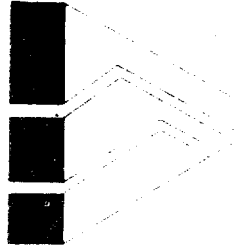
ZELNICK: Carlucci was on station in the Congo in the early 1960s when the pro-Soviet Patrice Lumumba lost his war and his life to U.S.-backed factions.

As Ambassador to Portugal in the mid-1970s, Carlucci supported left of Senate Democratic factions against the extremes of left and right.

CBS Evening News

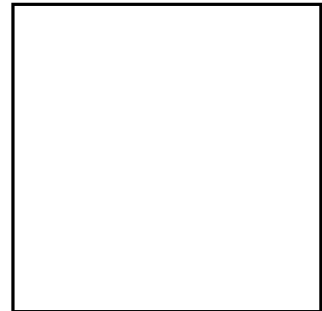
December 2, 1986

Admiral Stansfield Turner



STAT

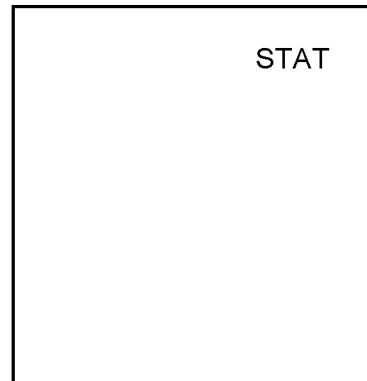
DAN RATHER: Who is Frank Carlucci, the new National Security Advisor? Washington knows him as enormously experienced, a Republican, but not an ideological zealot. The worst anybody seems to have to say about him is that he could turn out to be an insider who is too inside.



Fifty-six years old, Carlucci's last job in government was second in command at the Defense Department. Before that he was second at the CIA.

He has worked closely with many named in the arms scandal, a fact sure to raise new questions. His early years were as a career foreign service officer, first in the Congo where he was stabbed protecting colleagues from a mob. Later, Ambassador to Portugal.

Well known on Capitol Hill; he served Presidents Reagan, Carter, Ford and Nixon, always coming out clean, reputation intact. His chief mentor and close friend; Secretary of Defense Weinberger. His fans; just about everybody.



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STANSFIELD TURNER: He's a man of exceptional integrity and that's very much needed to restore credibility in the White House at this time.

RATHER: And Carlucci has a reputation for getting things done. One Democrat described him today as a kind of bureaucratic Lee Iacocca.

The naming of Carlucci today and other moves by President Reagan quieted some criticism from Congress, but by no means all of it.

UNITED PRESS INTERNATIONAL
6 August 1986

FILE ONLY

WASHINGTON

President Reagan Wednesday announced the appointment of Frank Carlucci, who has served in several top government posts, to be a member of the General Advisory Committee of the Arms Control and Disarmament Agency.

Upon confirmation by the Senate, Carlucci, 55, will be designated the committee chairman, Reagan said.

Carlucci, chief executive officer of Sears World Trade Inc., succeeds William Robert Graham on the committee.

Among his other posts, he served as deputy defense secretary under President Reagan and deputy CIA director under Reagan and President Jimmy Carter.

Since 1956, Carlucci served in a number of Foreign Service posts around the world, including South Africa, Congo and Brazil. He returned to Washington in 1969 to become assistant director for operations in the Office of Economic Opportunity and in 1970 became its director.

In 1971, he became associate director of the Office of Management and Budget under President Richard Nixon. He became OMB's deputy director in 1972. Between 1972 and 1974 he was undersecretary of the Health, Education and Welfare Department. Between 1975 and 1978 he was ambassador to Portugal.

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ON PAGE A-13

WASHINGTON POST
16 July 1985

FILE ONLY

THE FEDERAL REPORT

Reagan Names 14 to Panel On Defense Management

By David Hoffman
Washington Post Staff Writer

President Reagan yesterday named 14 industrialists, retired military officers, former Pentagon officials and Republicans with close White House ties to his new Commission on Defense Management.

The panel, chaired by former deputy defense secretary David Packard, now chairman of Hewlett-Packard, was set up by the administration in response to charges of mismanagement and waste in Pentagon procurement programs.

Democrats on Capitol Hill have charged that the panel was created to deflect criticism of Pentagon procurement-scandals in recent years.

Reagan signed an executive order creating the panel yesterday at Bethesda Naval Hospital.

The appointments are:

- Ernest Arbuckle, dean emeritus of Stanford University's Graduate School of Business.
- Gen. Robert H. Barrow, former commandant of the Marine Corps.
- Former Republican senator Nicholas F. Brady (N.J.), currently chairman, Dillon Read & Co. Inc.
- Louis Wellington Cabot, chair-

man, Cabot Corp., and chairman of the Federal Reserve Bank of Boston in the 1970s.

■ Frank C. Carlucci, chairman and chief executive, Sears World Trade Inc., and deputy defense secretary from 1981 to 1982.

■ William P. Clark, deputy secretary of state and, later, national security affairs adviser and interior secretary in Reagan's first term. He is counsel to the law firm Rogers and Wells.

■ Gen. Paul F. Gorman, who headed the U.S. Southern Command, covering Central and South America. Gorman is now vice president, Burdeshaw and Associates.

■ Carla Anderson Hills, former secretary of Housing and Urban Development in the Ford administration. She is now a partner in Latham, Watkins and Hills.

■ Adm. James Holloway, a former chief of naval operations, who headed a Carter administration commission on counterterrorism. He is now president of the Council of American Flagship Operators.

■ William J. Perry, a former Pentagon executive, now managing director of Hambrecht and Quist.

■ Charles J. Pilliad Jr., a former

chief executive of Goodyear Tire and Rubber Co.

■ Gen. Brent Scowcroft, national security adviser to President Gerald R. Ford and chairman of the Commission on Strategic Forces during Reagan's first term. Scowcroft is now vice chairman of Kissinger Associates Inc.

■ Herbert Stein, former chairman of the Council of Economic Advisers and now senior fellow, American Enterprise Institute.

■ R. James Woolsey, former Pentagon and National Security Council analyst, who also served as under-secretary of the Navy and an adviser to U.S. arms talks delegations.

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WASHINGTONIAN
April 1986

FILE ONLY

IS ANYONE HERE A REAL MANAGER?

There Are Few Clear Rules to Managing
Government Because Government Has
Few Clear Goals. The City Has Had Its
Share of Pathfinders, Problem-Solvers,
and Implementers—Plus Some Types

the Books Don't
Mention. Here's
How Our Best
Managers Have
Done It.

BY JAMES K. GLASSMAN

America has become fascinated with CEOs, with Lotus 1-2-3, with corporate culture. We've come to believe that a good manager can do practically anything—just look at Lee Iacocca. So it's time to ask this question: Could good management solve the problems of government? Could superior managers resolve the deficit, sharpen efficiency, improve bureaucratic morale? If so, just what sort of people should we get to do the solving?

The make-up of a good government manager has always been a mystery. Cabinet members and agency directors come from business, from academic life, from think tanks, from Congress, and from the bureaucracy itself. No one source is a consistent producer of successes or failures. Consider some recent successes:

- Drew Lewis, Secretary of Transportation in the first Reagan administration, is usually paired with Donald Regan, when he was at Treasury, as one of the two best Cabinet Secretaries of the '80s. Lewis came from business, where he hopped from company to company in construction, wire, tile, railroads, personnel, and consulting.

- Donald Regan came from a different kind of corporate environment (Wall Street) and stuck with one employer (Merrill Lynch) for 35 years.

- Frank Carlucci, who has served with distinction in eight federal agencies (OEO, HEW, OMB, CIA, DOD, etc.)

was a Harvard Business School dropout. He got his big break when Donald Rumsfeld discovered him laboring for his thirteenth year in the State Department vineyards.

- Rumsfeld, considered one of the two or three top government managers of the past twenty years, became director of the Office of Economic Opportunity straight from Congress (even though legislators are known, with some justice, as the *worst* managers in town).

- George Shultz, who may be the most successful Secretary of State since Dean Acheson, spent 22 years in faculty and administrative positions at MIT and the University of Chicago.

- William Ruckelshaus, called back by Reagan in 1983 to save the Environmental Protection Agency (of which he had been the first administrator), spent his formative years as a lawyer and state-government functionary in Indiana.

And look at the failures: Robert Finch, a Californian who served briefly and disappointingly as Nixon's Secretary of Health, Education, and Welfare, had a state-government background similar to that of Ruckelshaus. Michael Blumenthal, generally considered a bust as Secretary of the Treasury under Carter, looked like a cross between Lewis and Shultz: He was a Princeton PhD who had been president of Bendix. Margaret Heckler, a disaster as Health and Human Services Secretary, came from Congress like Don Rumsfeld. And poor Paul Carlin, publicly humiliated when he was fired as postmaster general in January after twelve months on the job, had been a career bureaucrat like Frank Carlucci.

"As far as I can tell," says Herbert Kaufman, a former senior fellow at the Brookings Institution who has spent his career studying public and private bureaucracies, "there is no way to predict success in government. . . . The record is just terribly mixed."

To thrive as a government manager, he says, "you exercise a different set of skills" from those that produce success in the private sector. Some businesspeople have them, some academics have them. What are they? What works in managing government?

What Is All This Mystique About Management?

Ten or fifteen years ago, few people here knew or cared who ran the city's largest companies. But today Thomas Pownall (of Martin Marietta), William McGowan (MCI), Israel Cohen (Giant Food), Sheldon Fantle (Peoples Drug), and Katharine Graham (Washington Post Company) are celebrities of a sort. We want to know how they became so successful, so we can learn to do it, too.

The phenomenon isn't new. In the 1920s, America fell in love with tycoonery and the art of management. In one typical issue of *Time* magazine in 1927, the "People" section carried items about seventeen individuals in the news: twelve were businessmen. Henry Luce wrote in his prospectus for *Fortune* in 1929. "Our best men are in business." In 1926, Erwin H. Schell published *The Technique of Executive Control*, filled with management homilies like "Don't vacillate. A poor plan persevered in is better than a good one shifted while being performed." The Depression and World War II tended to dampen the country's enthusiasm for captains of industry, but they made a comeback in the 1950s, with the stock market booming.

The idea of perfectability was taking hold: If only we could learn how to manage better, we could solve any problem, economic or political. "Management is now where the medical profession was when it decided that working in a drugstore was not sufficient training to

THE MANAGER AS SURVIVOR

George Shultz, against all odds, may be the most successful Secretary of State since Dean Acheson. Why? He's an experienced bureaucratic infighter from academia who's cautious but persistent. At State, the style seems to work.



THE MANAGER AS GODFATHER

William Ruckelshaus was the first administrator of the Environmental Protection Agency. When the EPA fell into disrepute under Anne Burford, the President called him back to apply the vision only a founding father has.



THE MANAGER AS LEADER

Donald Regan, at Treasury, was one of the two best Cabinet Secretaries of the '80s, leading by the sheer force of his personality. But strong leadership isn't necessarily the talent needed in his role as White House chief of staff.



THE MANAGER AS EXPERT

Wilbur Cohen, despite his short tenure (1968-69), was one of the best Secretaries of HEW ever, for one simple reason: He played a key role in formulating all the major social legislation that the wide-ranging department administrators.



THE MANAGER AS IMPLEMENTER

Frank Carlucci, veteran of eight top jobs under four Presidents, was above all a manager who got things done. Before moving on to the private sector, he was a master at overcoming bureaucratic inertia and moving the troops.



THE MANAGER AS PATHFINDER

Caspar Weinberger has only a handful of goals at the Pentagon—first among them, increasing the budget—and he pursues them relentlessly and, for the most part, successfully. By that measure, he's an excellent manager.



become a doctor," said Lawrence A. Appley of the American Management Association in 1959. Implicit in this statement is the idea that managers are like doctors; they're professionals who need only master a certain body of scientific information and have the analytical tools to cure business diseases.

But in the '60s, America began to realize that some problems—such as Vietnam—may be intractable, no matter how good the managers. Not even the best and the brightest—including Robert McNamara of Ford and his Whiz Kids—could get us out of the mire.

Today management is making a comeback. In the '70s, the country began running into new problems, also apparently intractable—problems of recession and inflation. American business was failing, it seemed; the solution was to manage corporations better, to produce our way out of the crisis.

We looked hard at the success of the Japanese. William Ouchi's *Theory Z* and Richard Pascale and Anthony Athos's *The Art of Japanese Management* became best sellers in 1981, introducing Americans to such concepts as quality circles and job enrichment.

The next year, Thomas J. Peters and Robert H. Waterman Jr. published *In Search of Excellence*, which told us that lots of American companies were per-

forming very well: "They've been doing it right for years. We have simply not paid enough attention to their example. [We don't] have to look all the way to Japan for models with which to attack the corporate malaise that has us in its vice-like grip."

Soon the media began catching on. Lee Iacocca saved Chrysler and became a hero. We became enamored of corporate raiders like Boone Pickens, arbitrageurs like Ivan Boesky, and investment geniuses like Warren Buffett. The cult of the CEO blossomed, and with it the populist idea that we can all be great managers—Everyman a CEO, to paraphrase Huey Long.

Books appeared telling us that if we followed seven simple steps, we could manage anything, and make a fortune. Robert Heller's *The Supermanagers* (1984), a good example, presents readers with Ten Pillars of Leadership: "Trust is a two-way process," "Total emphasis has to be placed on performance," "Temper discipline with humanity," etc.

The ultimate in this genre is *The One Minute Manager*, by Kenneth Blanchard, PhD, and Spencer Johnson, MD, a 1982 book of 111 pages, huge type, copious margins, and a \$15 price tag. We learn that "people who feel good about themselves produce good results." Here we are, back to Schell's homilies of 60 years ago.

Most writing about management is

like that—simplistic and manipulative, usually filled with pop psychology and sometimes with sentimentality. (The best of the pop-management books is Mark H. McCormack's *What They Don't Teach You at Harvard Business School*, 1984.)

But what's important is not what these books say; it's the healthy fascination with management that these books represent. "Managerial" in the '60s was almost an obscene word. Today it has positive connotations. Americans once again believe that we can manage our destiny and, more important, that individuals—managers, leaders, CEOs—can make a difference.

What Makes Good Managers?

In his new book, *Corporate Pathfinders*, Harold J. Leavitt, director of the executive program at Stanford's Graduate School of Business, says that good management requires three skills. He calls them pathfinding, problem-solving, and implementing.

Anyone who has worked in a large organization knows that most managers are good at one or, at most, two of the three. One manager might be a good conceptualizer, a person who understands the business, knows how it fits into the economy, sees where it should be going, what its mission should be. Another might be a good decision-maker, a manager who knows how to gather information, size up options, and make

THE MANAGER AS MISSIONARY

Donald Kennedy, like George Shultz, was an academic who became a successful manager. A believer that scientists should fit government service into their careers, he brought an evangelical fervor to his job as FDA chief.



THE MANAGER AS SHOWMAN

William Bennett, another former academic who's made good, uses his office as Secretary of Education as a bully pulpit. He's a master of public relations who makes his point by putting on terrific shows in the schoolrooms of the nation.



THE MANAGER AS VIRTUOSO

Drew Lewis, the veteran of corporate wars who served as Reagan's first Secretary of Transportation, was a rare find for government. He is a triple threat as a manager: a brilliant pathfinder, problem-solver, and implementer.



THE MANAGER AS WONDER BOY

Donald Rumsfeld was plucked by Richard Nixon from the most unlikely breeding ground for good managers, the Congress. He became a big success at OEO, at NATO, at the Pentagon, and today at the G.D. Searle Company.



THE MANAGER AS FIRST FRIEND

Charles Wick is an excellent bureaucratic entrepreneur who's managed to double the USIA's budget. He's been helped by Reagan's ideological affinity for the agency's mission. And being the President's pal hasn't hurt a bit.



THE MANAGER AS DECISION-MAKER

William Simon, former Wall Street bond trader, became one of Washington's best managers by using his sharp skills as a decision-maker while serving as Treasury Secretary. Being a shrewd manipulator of the press helped, too.



the right choice. A third manager might excel at getting things done, at motivating people, at putting ideas into action.

Most managers are best at the skill that most business schools emphasize—problem-solving. As Leavitt writes, "Managing means taking hold of complex, messy, ill-defined problems and converting them into organized, systematized forms. Managers have to make rational decisions about products, people, and markets; they have to allocate scarce resources sensibly."

Fine. Problem-solving is important. But its glorification, to the exclusion of other important tasks, has become the bane of good management. A *Fortune* article in 1955 exemplifies a point of view that has prevailed for decades: "The business executive is by profession a decision-maker. Uncertainty is his opponent. Overcoming it is his mission. Whether the outcome is a consequence of luck or of wisdom, the moment of decision is without doubt the most creative and critical event in the life of the executive."

Problem-solving is a skill that translates very well from business to government. A manager in the private sector who is adept at gathering information, analyzing it, and making decisions is usually able to do the same things well in the public sector. The information is different, but the process is the same.

That's the opinion of Drew Lewis, who this month moves from Warner

Amex Cable to become chairman of the board of Union Pacific. "The major difference between public- and private-sector management is not in the approach to problems," Lewis says. He adds, however, that public-sector problem-solving is frequently more difficult. Your decisions have to please a wider constituency. Instead of a corporate board of directors of eight or ten, says Lewis, government managers have 535 representatives and senators, the White House, and often the press to please.

In general, decision-making is the strong suit of American business. And good private-sector decision-makers are usually good public-sector decision-makers. The problems lie in the other components of management: pathfinding and implementing.

The Crucial Role of Pathfinders

In Search of Excellence emphasizes that smart analysis isn't enough. A company has to create an environment in which people can do their best work. To help create that environment, a manager has to have a clear vision and share it with employees. "Pathfinding," as Leavitt writes, "is about getting the right questions rather than the right answers. It is about making problems rather than solving them. It is not about figuring out the best way to get there from here, nor even about making sure that we get there. It is rather about pointing to where we ought to try to go."

If you have ever worked for an organization in which the CEO lacked vision—or lacked the skill to communicate that vision—you know the problem. It's easier to work for a highly demanding boss with vision than for a laissez-faire boss without it. Worst of all is a demanding boss without vision.

In business today, the manager with vision is a rare bird. Vision, or pathfinding, is a quality that entrepreneurs often have—though they're not always able to pass it down the line. In mature organizations, Peters and Waterman believe, the vision comes from a culture that permeates the corporation, "rich tapestries of anecdote, myth, and fairy tale." In many cases, the culture was established by the founding entrepreneur and lives on, as at IBM, where people tell stories about Thomas J. Watson, although they have never met the man.

Are there pathfinders in the public sector? Yes, but they tend to be different from those in the private sector. The translation process doesn't work well, for two reasons:

- In government, the person who provides the ultimate vision is the President. Lewis says that being the head of a federal department is not like being CEO but like being a COO. The President is the chief executive officer; the Secretary is chief operating officer.

The President is the pathfinder. Ronald Reagan, says Ben Wattenberg of the American Enterprise Institute, "is a

fined objectives—the most important being to increase the Defense Department's budget.

Peter Drucker, the best of the management gurus, wrote in 1977 that the first step toward making government more effective is to require clear, specific goals for every agency and for every program and project within an agency. Says Drew Lewis: "Neil Goldschmidt [previous Transportation Secretary] told me when I came to Washington, 'Don't look in your in-box. You should fill other people's in-boxes.'"

But goal-setting in government is not easy. "It's hard to order your priorities in the public sector," says Maryl C. Levine, a management expert who worked in the Carter and Reagan administrations and now heads Levine Associates, a consulting firm that works with corporate executives. "In the private sector, goals are much more definable."

She's right. Elusive objectives and political obstacles frustrate corporate CEOs who come to Washington, blithely expecting to have a good time, make a mark, and ride home in glory. It was obvious to Drew Lewis, for instance, that the way to get Amtrak closer to profitability—a clear goal for the Department of Transportation—was to eliminate service to small towns in states such as West Virginia. "Then," he says, "I ran into Bob Byrd."

It's often hard to make goals tangible in government. You're not producing anything, you don't have competition, and you aren't out for profit. In business, a company's goals may be to turn out stereo speakers that are of high quality (say, with only one set defective of 500 produced), to increase market share to 22 percent, and to make profit margins of 11 percent. In government, objectives aren't as clear, and success is harder to measure.

Agencies and departments that are regarded as the best-run are often ones that do have clear-cut missions. Despite frequent criticism, the Defense Department is on most lists of best-managed government agencies (including the list of the peripatetic Carlucci), while Labor, Commerce, and Education, whose mandates are less clear, are often considered poorly managed. Departments that are subject to political interference—that are pushed and pulled in different directions depending on who is in the White House and on congressional committees—often develop management problems.

An interesting case study in the importance of vision and mission is the National Aeronautics and Space Admin-

istration. Last October, the National Academy of Public Administration issued a prescient report titled "NASA: The Vision and the Reality," warning that budget constraints and competition from the Pentagon have changed NASA's mission and may be crippling the agency:

"When NASA was the pre-eminent US presence in space, it represented the American response to the threat of Soviet dominance. Today responsibility for preventing that dominance has shifted largely to the military space program. In the process of making this shift, the nation risks the loss of a national asset of incalculable value—the vision that inspired the great accomplishments of NASA in the past."

Can a single strong leader restore NASA's sense of mission? It won't be easy. In the private sector, the CEO as pathfinder sets the course, but in the public sector he's not alone: The President, Congress, and competing agencies like the Pentagon all play roles. It's interesting to note that when the Environmental Protection Agency began to fall apart during the Anne Burford scandal in 1983, President Reagan called on the original EPA pathfinder, the founding father Ruckelshaus, to restore the agency's sense of mission. With the *Challenger* tragedy fresh and NASA essentially leaderless and demoralized, Reagan asked James C. Fletcher to come back as administrator. Fletcher ran NASA from 1971 to 1977; he was the agency's second great entrepreneurial manager—the first was James Webb—and the father of the shuttle program. If anyone can reinvigorate NASA, Fletcher can.

You Say You Want to Implement in Washington?

Richard Neustadt's *Presidential Power*, though first published 26 years ago, may be the best book on management ever written. My favorite passage:

"In the early summer of 1952, before the heat of the campaign, President Truman used to contemplate the problems of the General-become-President should Eisenhower win the forthcoming election. 'He'll sit here,' Truman would remark (tapping his desk for emphasis), and he'll say, 'Do this! Do that! *And nothing will happen.* Poor Ike—it won't be a bit like the Army. He'll find it very frustrating.'

"Eisenhower evidently found it so. . . . 'The President still feels,' an Eisenhower aide remarked to me in 1958, 'that when he's decided something, that *ought* to be the end of it . . . and when it bounces back undone or done wrong, he tends to react with shocked surprise.'"

leader. He gives a sense of direction. Carter tried to be a GS-100."

Many federal bureaucrats do their own pathfinding—often at odds with their managers. Frank Carlucci recalls giving an order to a GS-15 at the Office of Economic Opportunity. The GS-15 wouldn't carry it out: "He said, 'I don't work for you. I work for the poor.'"

A private-sector manager who is parachuted into a federal agency with 100,000 employees sharing their own vision, the result of a bureaucratic culture that has silted up over the years, has quite a problem.

Still, there are things a good manager can do. The best ones keep focused on the big picture. When I asked Carlucci, currently chairman of the board of Sears World Trade, about success in government management, he talked immediately about providing a sense of mission. How? By quickly setting goals. Carlucci had praise for Dr. Otis Bowen, the new Secretary of Health and Human Services, who recently introduced a proposal to provide government health insurance for catastrophic illnesses. Even if the plan has no chance of passing, says Carlucci, it reminds HHS employees of their ultimate mission—it's the right kind of pathfinding gesture.

One of the reasons for Caspar Weinberger's success at the Pentagon, says a former associate, is that he came into the job with a small number of closely de-

is implementing—that is, getting things done, or, more accurately, getting people to do things, because managers can't do everything themselves. Truman accurately predicted that Eisenhower, as CEO of the government, would have a harder time implementing his programs than he did as CEO of the Army. Corporate CEOs who come to Washington run into the same problem.

Drew Lewis: "When you're the manager of a large company, people practically kiss your feet. Guys who run these companies feel so powerful. Sometimes the problem is to stop people from doing things for you. In business, you may be thinking out loud and say, 'I wonder if

Drew Lewis: "When you're the manager of a large company, people practically kiss your feet." Government doesn't work that way.

we should do so and so.' And the next thing you know, it gets done."

In government, life doesn't work that way.

"The leader here is up against an entrenched federal bureaucracy looking out for its own interests," says Maryl Levine. "That's very different from the private sector, where keeping your job depends on whether you hop to."

Truman wrote in his memoirs that career government officials "regard themselves as the men who really make policy and run the government. They look upon the elected officials as just temporary occupants." Of course, they're right. A study by the National Academy of Public Administration found that the average presidential appointee spends less than two years in his or her job—and more than one-third of appointees spend less than a year and a half. So it's easy for members of the permanent government to wait them out.

In addition, the government manager lacks one of the best tools in the corporate manager's kit: fear. It's difficult to fire people or transfer people in the federal bureaucracy. Carlucci: "I would often just say, 'Oh, Christ. This guy's no good. But it's not worth it trying to move him.'" Bureaucrats have weapons of their own, which they can direct at the manager—leaks to the press, phone calls to long-time contacts within congressional committees.

Whether that's good or bad for the country, it tends to demoralize once-powerful corporate chiefs, who are used to running their own show.

How to Succeed: Some Stars and Some Rules

To succeed in government, a manager has to be strong in pathfinding, decision-making, and implementing. But as we've seen, pathfinding and implementing are extremely difficult in the federal bureaucracy. "The impediments in the public sector are so great," says Maryl Levine, "that when public-sector managers emerge as stars, they must have done something exceptional."

Let's look at some of these stars and how they have overcome bureaucratic obstacles:

▪ Donald Regan. A survey in *US News & World Report* during the first year of the Reagan administration rated him first in the Cabinet in effectiveness and competence. (Lewis was second, Weinberger third, Haig fourth.) Regan is a brilliant leader, who manages by the force of his personality. Leaders, as opposed to managers, tend to be skilled in pathfinding and implementing. But unless they are as powerful as Regan, they are often chewed up—by pressure from the President above and from the bureaucracy below. In charge of a department like Treasury, where he had independence, Regan could thrive as a manager. But now, as chief of staff in the White House, his skill as a pathfinder doesn't come into play. "He's a ribbon clerk to the President," says a former White House staffer.

Rule 1: Powerful leaders, as opposed to managers, can thrive in the public sector—if they're in the right job.

▪ Wilbur Cohen. Being Secretary of HEW, or HHS, may be the toughest job in government. The department comprises too many disparate offices and programs, some of which are redundant, some at cross purposes. "We had fifteen different programs for the mentally retarded alone," says Carlucci. "Sometimes twelve to fifteen caseworkers were working with one family."

As Lyndon Johnson's last HEW Secretary, Cohen, in the view of many observers, was one of the best government managers ever. His great advantage was that he knew the department intimately. He came to Washington as a New Dealer and played a key role in formulating every piece of social legislation from the original Social Security Act of 1935 to the Medicare Act of 1965.

Rule 2: Knowing your agency—especially as an insider—is a big asset. But the White House rarely considers such knowledge a requirement for the job.

▪ Donald Kennedy. As commissioner of the Food and Drug Administration, Kennedy was one of the few Carter-administration appointees who deserve to be in the government-management hall of fame. Kennedy was one of the few

an expert in neurophysiology who taught at Syracuse and Stanford. (He's now Stanford's president.) In 1977 he took over what the *New York Times* called "the federal government's most criticized, demoralized, and fractionalized agency." He rebuilt morale and won respect for his stands in the controversies over banning Laetrile and saccharin. When he stepped down in 1979, the *Times* called him "the FDA's best commissioner in a long time."

Kennedy believed passionately in the FDA's mission—and believed that scientists should fit government service into their careers. The FDA, said Kennedy, was exactly the sort of place you should go if you want to put your money where your mouth is. David Packard—co-founder of Hewlett-Packard, deputy secretary of Defense from 1969 to 1971, and recently head of a presidential commission on Pentagon management—also fits this model.

Rule 3: You gotta believe. The "you can manage anything" idea, a staple of MBA programs, doesn't work in government. Crusaders often make good managers.

▪ Charles Wick. A Hollywood impresario, lawyer, and investor, Wick at first appeared unsuited for Washington, a town that demands serious mien. Wick got into trouble with the press and with other government officials for such indiscretions as taping his phone conversations. But under him, the United States Information Agency has thrived; its budget went from \$497 million in 1982 to \$974 million in 1986. By the traditional standard of bureaucratic success—growth—Wick has been a winner. Why? Partly because President Reagan is a strong believer in the USIA's mission and partly because Wick is the President's close friend—a job requisite most managers lack.

Rule 4: Being the President's friend can solve many management problems.

▪ William Simon. A bond trader with an undistinguished academic career, Simon was an unlikely candidate for success as a public-sector manager. George Shultz, then Secretary of the Treasury, was impressed by Simon's reputation as a quick, smart decision-maker and hired him out of Salomon Brothers as his deputy in 1972. Simon had a spectacular career in the government, then made a fortune with his conglomerate Wesray.

Rule 5: Don't underestimate the brilliant decision-maker. If you're as shrewd, fast, and smart as Bill Simon, good decision-making is all you need.

In the case of Bill Simon, I'd add another rule. . . .

Rule 6: Good press relations are vital to public-sector success. What the press likes is candor (or apparent candor), wit,

and responsiveness. A corollary: Simon, like Ralph Nader, realized that to get anything changed in government, you must repeat your message over and over, hundreds of times. Through the press, Simon dunned the country, preaching conservative economics before it was fashionable.

Donald Kennedy and Drew Lewis were also adept at dealing with the press, as are Regan, James Baker, and Secretary of Education William Bennett today. Shultz and Weinberger, on the other hand, do pretty well without intimate press relations.

Can Good Managers Really Make a Difference Here?

We're now back to our original question: Even if we can identify good managers, will they do any good?

First, it's important to understand that the best managers can end up as failures when their policies—or the President's policies that they're implementing—are wrong. A good example is Robert McNamara. By the usual management standards, he was one of the best Cabinet Secretaries in history: the best of the best and the brightest. McNamara's problem was that he was wrong about Vietnam. And all the good management in the world can't overcome bad policy.

But back to the main point: Can good managers solve such problems as the federal deficit, the lack of government efficiency, and the decline in morale?

Certainly, they can help boost morale. But morale is affected more by the President's attitude toward government than it is by a department head.

More important are questions of efficiency and the basic structural problem of the public sector. Douglas M. McCabe, an associate professor at Georgetown University's School of Business Administration, describes the dilemma this way:

"In the private sector, an enterprise survives by means of success in the marketplace. Consumers decide whether a company is producing the right goods at the right price. If not, the business firm cannot survive." The public sector, on the other hand, "is not dependent on the satisfaction of consumers. Governments can escape performance requirements because no externally imposed pressure exists to be better providers of services or to produce more with fewer dollars or less people."

Today the biggest challenge facing government is cutting costs and improving efficiency. So the successful manager may be the one who puts himself out of a job. That's a lot to ask. At any rate, the pressure for what Drucker calls "organized abandonment" has to come from the President, not from the depart-

ment manager or from the marketplace. In an era of growing government, good managers can be very effective. In an era of shrinking government, it's harder.

Attracting Good Managers

"Get a sheet of paper and draw a bell-shaped curve," Meryl Levine tells me. "Now, the curve starts rising, and it hits its peak in 1963, Kennedy's last year as President. Then it starts going down again."

The graph we're charting represents the quality of presidential appointees, of top government managers. Today, by some estimates, we're hitting bottom. "The quality is definitely going down

The biggest challenge today is cutting costs, so the successful government manager may be the one who puts himself out of a job.

now," says Carlucci. That judgment is confirmed by a report last November by the National Academy of Public Administration titled "Leadership in Jeopardy: The Fraying of the Presidential Appointments System." That report states:

"The tradition of Cincinnatus, of citizen leaders willing to leave their private pursuits to serve the nation, has always been a valued part of the American approach to self-government. . . . [But] for those who admire the in-and-outer approach to leadership selection, these are troubling times. It is now very clear that recent American Presidents have been less successful than their predecessors in either attracting the highest-qualified Americans into public service or in providing the hospitable and supportive environment necessary to utilize effectively the talents of non-career executives."

It wasn't always this way. Go back to the peak of Levine's bell curve, the Kennedy administration. Daniel Fenn, JFK's personnel assistant, today complains that Kennedy's inaugural address encouraged *too many* good businesspeople to enter government: "I wish to hell he'd never said that 'Ask not' business because everybody came in and said, 'I'm ready to go.'"

Today, even if we identify the qualities that private-sector managers need to succeed in the public sector, it's hard to attract them to government. Why? Some of the problems are of long standing:

Low pay. The purchasing power of Executive Level II salaries declined by 39 percent from 1969 to 1985.

Senate confirmation. It's become an

arduous and sometimes nasty process. In the Johnson administration, it took an average of seven weeks from the time the President made his final decision on a candidate to his or her Senate confirmation. In the Reagan administration, it takes twice as long.

Financial (and other) disclosure. Too much information is required; managers are embarrassed by having their private lives spread out in public. Frederic V. Malek, a Marriott executive who was Nixon's top recruiter, says that "there's a great preponderance of qualified Americans who really don't want to consider serving [in government] because of the 'guilty until proven innocent' attitude that seems to prevail in the press and on the Hill. They've seen what so many people have gone through and so many people have had their souls bared. They just don't want to subject themselves to all that."

Unproductive hours. Norman R. Augustine, executive vice president of Martin Marietta, estimates in his new book *Augustine's Laws* that over the past twenty years, Secretaries of Defense have spent one-fourth of their time testifying in Congress or preparing that testimony. He was led to promulgate "Augustine's Law of Oratorical Engineering," thus: "The more time you spend talking about what you have been doing, the less time you have to do what you have been talking about."

More important than all of these problems is the lack of personal satisfaction for hard work. And it *is* hard work. The "Leadership in Jeopardy" research found that 77 percent of appointees in the Reagan administration work 60 hours or more per week. In return for this time, what does the government manager receive?

"There's a growing inability to accomplish your goals," says Carlucci. "You have so many over-the-shoulder watchers—the GAO, CBO, 20,000 congressional staff people."

And the "Ask not" spirit is gone. "Government isn't the high calling that it was for a long time," says Arnie Miller, who was President Carter's personnel assistant. "When you get politicians knocking government all the time, it doesn't help, either."

"People want to come into government with an inspiring mission," says Carlucci. "But what's success in the bureaucracy today? The elimination of waste, fraud, and abuse? That's hardly an inspiring mission."

In fact, what's surprising is not that so few good corporate managers come to Washington, but that so many do. Why?

"The highs are higher in public life than the highs in the private sector," says Drew Lewis. Higher, but fewer. □

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LETTERS TO THE EDITOR

Lowenstein Data

Myra MacPherson's article ["Al Lowenstein's Tangled Legacy," *Style*, March 4] about my book on Allard Lowenstein, "The Pied Piper," omits significant facts.

Using Mr. Lowenstein's Selective Service records, which I obtained via the Freedom of Information Act, I show that he lied about his draft status to *Newsday* reporter Ed Hershey when he told him he had to fight his way into the army in 1956 because of bad eyes. In fact, according to his Selective Service records, he passed his physical and was declared 1-A while the Korean War was going on.

Mr. Lowenstein received an occupational deferment which he was president of the National Student Association. It has been documented in *Ramparts* magazine that NSA officers who knew of the CIA/NSA link routinely received occupational deferments to avoid combat and then student deferments for graduate school. Mr. Lowenstein also received a student deferment to go to law school after his term as president of NSA from 1950 to 1951.

In 1979, while traveling in South Africa, Mr. Lowenstein reported to Frank Carlucci, then deputy director of the CIA. Mr. Lowenstein was paid \$7,000 for this expedition through the Anglo-American Corp. of South Africa. Frank Carlucci acknowledges that Mr. Lowenstein aided him in installing Mario Soares as prime minister of Portugal to stop the communists while Carlucci was ambassador to Portugal.

Through confidential State Department cables I obtained through the Freedom of Information Act, I document that Mr. Lowenstein offered money to Spanish student groups to keep them liberal as opposed to communist. At various times, Mr. Lowenstein offered money to anti-communist, anti-apartheid groups in South Africa and money to various African national liberation groups.

I told Miss MacPherson that one of my sources is a former U.S. Army intelligence officer. I must respect confidentiality. The *Post* often relies on confidential sources, but I relied on vast documentation that Miss MacPherson does not mention.

RICHARD CUMMINGS
Bridgehampton, N.Y.

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Sears Nominates Carlucci as Chief Of World Trade Unit

* * *

Other Top Posts Go to Moran, Flummerfelt; Moves Set Consumer Products Focus

By STEVE WEINER

Staff Reporter of THE WALL STREET JOURNAL

CHICAGO—Sears, Roebuck & Co. designated new top leadership for its world trade unit, underscoring a return to a focus on consumer merchandise for the troubled enterprise.

Frank C. Carlucci, president of Sears World Trade Inc. since 1982, was nominated as chairman and chief executive officer of the unit, which attempts to serve as a middleman on international transactions, matching buyers and sellers for a variety of goods and services. The unit also has provided consulting services, geared toward helping companies and countries enter or strengthen their performance in world trade.

Mr. Carlucci, a former deputy secretary of defense and former deputy director of the Central Intelligence Agency, was among the first executives hired by Roderick M. Hills, Sears World Trade's former chairman.



Frank C. Carlucci

Mr. Hills, who had aggressively expanded the unit's scope, was deposed in April and replaced on an interim basis by Richard M. Jones, who has continued as vice chairman and chief financial officer of the parent.

Buttressing Mr. Carlucci, whose office

will remain in Washington, D.C., will be two longtime Sears executives whose careers have concentrated on merchandise. Nominated as president and chief operating officer was Charles F. Moran, vice president, corporate planning, since 1982, who has an extensive background in operations and store management.

Named president and chief operating officer of the unit's general trading group was J. Kent Flummerfelt, a buyer who since 1982 has been a national merchandise manager responsible for procuring cooking appliances for Sears' merchandise group.

Both men will work primarily out of Chicago. The company didn't name successors to either officer.

Sears's board is expected to confirm the appointments Oct. 2, the company said. The changes will occur after the confirmations.

Focus 'Reaffirmed'

A spokesman said yesterday that the focus of the unit has been "reaffirmed" as trading in consumer products, with plans to expand into light industrial and processed food products. Instead of using an in-house trade finance capability, as had been planned by Mr. Hills, Sears World Trade will "be using outside sources," the spokeswoman said.

Sears wouldn't allow any of the executives to comment. In a written statement, Edward R. Telling, chairman and chief executive officer of the world's largest retailer, said the appointments give Sears World Trade operating, merchandising and administrative strengths "essential for long term success in the rapidly expanding arena" of world-wide product trade.

"It is our intention that Sears World Trade initially focus its efforts on development of a strong general trading company," Mr. Telling's statement said.

World-wide Trading Concern

The unit was originally envisioned by Mr. Telling as a world-wide consumer products trading concern using Sears and other sources of merchandise while taking advantage of contacts developed by the company's buying offices. But Mr. Hills, with senior management's consent, tried to build a

broad-based trading and service organization in which consumer products would have played only a part.

Both the organization, top-heavy with Washington and government insiders but short on traders, and the strategy eventually were questioned by Mr. Telling. Relatively little trading has been accomplished, and the unit hasn't made money. In the first half, it had losses of \$10.1 million on revenue of \$73.8 million.

The company laid off about 150 people last month, many of them executives hired by Mr. Hills. It wouldn't discuss its new strategic plan.

The unit had been rumored last month to be investigating three London-based commodity concerns as potential acquisitions, but there are indications those efforts have stalled.

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ON PAGE D-1

WASHINGTON POST
20 September 1984

Carlucci to Take Over at Sears World Trade

Carlucci Named Chairman of Sears Trade Unit

By Caroline E. Mayer
Washington Post Staff Writer

Sears, Roebuck & Co., reaffirming a directional shift for its international trading subsidiary, yesterday named Frank C. Carlucci to be chairman and chief executive of the Washington-based Sears World Trade Inc.

Carlucci, who has been the trading company's president and chief operating officer since 1982, will take over the post held until recently by Roderick M. Hills.

Sears Roebuck Chairman Edward R. Telling told Washington Post reporters and editors earlier this week that a practice of "posturizing . . . and building expectations beyond all reason" at Sears World Trade led the parent company to shake up management at the subsidiary.

Carlucci is expected to bring the subsidiary back in line with the company's original expectations, Sears officials said yesterday.

Telling said it was never his intention to make the Sears unit America's answer to the Japanese trading companies known for their mastery of the intricacies of international world trade. Hills, on the other hand, had said he wanted the subsidiary not only to export and import goods but also to arrange for the development and manufacturing of goods, particularly in the Far East. In an interview with The Washington Post last spring, Hills said his goal was to have Sears World Trade contribute between 10 and 20 percent to the parent company's \$50 billion annual sales.

However, Telling made it clear

that he envisions a more limited role for the 2-year-old subsidiary.

"We never intended to be a Japanese trading company," Telling said in a lunch with Post reporters and editors earlier this week. Rather, Telling said, with Carlucci's appointment, the company will return to "where we started. It's a general trading company" that will be a distributor of consumer goods, including light industrial products such as electric drills and processed food.

"Forget Asia, the Pacific Basin, all these exotic parts of the world," Telling said. "There's a tremendous amount of food imports into this country. . . . We don't know anyone who has a better distribution system than we do."

Telling said he hoped Sears would find foreign sources for its suppliers. "We have a source structure at Sears . . . that no one has."

Noting that the largest general trader in the world does only \$2 billion of business, Telling said Sears is a long way from that level of business. "If it takes 10 to 15 years to be a meaningful player, then we will be patient."

Without ever mentioning Hills' name, Telling discussed why he believed it was necessary to replace the former chairman of the Securities and Exchange Commission. "For a period of time, for whatever reason, someone was stating goals or possibilities that would make one blink. The phone would ring [at Sears headquarters in Chicago] the next day, but it had already been made in The Washington Post."

Trade officials who have dealt with both Hills and Carlucci said Carlucci will make a better team player. "Hills was a flamboyant idea man trying to create a new world in trade," one official said. "Carlucci's history and career, on the other hand, makes it clear he is an excellent team player."

Carlucci was deputy secretary of Defense in 1981 and 1982; deputy director of the Central Intelligence Agency between 1978 and 1981, and U.S. ambassador to Portugal from 1974 to 1978.

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ON PAGE A-2

WASHINGTON POST
8 July 1983

Jody Powell

Then There Was the Disinformation

Three years ago, an active campaign of disinformation—using forged intelligence documents and operatives inside the government—was conducted to deceive journalists and to embarrass President Carter.

There is no evidence that such activities were instigated or condoned by anyone in the Reagan campaign. But the fact that they are known to have occurred is all the more reason for the Justice Department and the Congress to get on with the job of investigating the many curious occurrences of the 1980 campaign.

Although careful reporters were able to spot and largely to foil two of the disinformation efforts, a third was a spectacular success, resulting in a series of columns by Jack Anderson that appeared in hundreds of newspapers around the country.

In August 1980, Anderson says, he was presented with documents showing that President Carter had ordered an invasion of Iran to take place in mid-October. This "tentative invasion date" also was confirmed, according to Anderson, by someone working with the National Security Council in the Carter White House. According to the columnist, his NSC source also said that the reason for the president's order was "to save himself from almost certain defeat in November." From Aug. 18 through Aug. 22, Anderson wrote and distributed five columns based on this information.

In fact, no such orders ever were issued and the idea of launching a second rescue mission never was seriously considered or discussed. Although a contingency plan was prepared as a matter of course, conditions never arose that were even remotely consistent with its use.

If, as Anderson claims, he has documents showing that such orders were issued, those documents were forgeries. If someone on the NSC staff confirmed the authenticity of these documents, much less described the president's motives for the nonexistent orders, he was lying.

As the first Anderson columns about the politically inspired invasion orders were appearing, Washington Post defense correspondent George Wilson became the target for the second disinformation effort. Wilson

was contacted by an anonymous source who claimed to work for the CIA. For several weeks, this source tried to sell Wilson a variety of stories, all damaging to the Carter administration. One described a CIA study, supposedly done in connection with the April attempt to rescue the hostages, that had predicted the effort would result in 60 percent casualties among the hostages.

Wilson was interested but insisted that he needed something more substantial before he could write such a story. In mid-September, he received through the mail what appeared to be the "something more" he had requested: a copy of a CIA study, dated March 16, 1980, entitled "OPLAN EAGLE CLAW Loss Estimate." The document stated that 20 percent of the hostages would be killed or seriously wounded during the assault on the embassy compound, another 25 percent during the effort to locate and identify the hostages and another 15 percent during their evacuation to the waiting helicopters.

That document was a forgery. In the words of former Deputy CIA Director Frank Carlucci, the man who supposedly ordered the study, "I have been unable to find anything in this alleged CIA document that is either accurate or which approximates any memorandum we prepared."

Wilson was convinced by Carlucci's analysis, which listed a series of specific flaws and errors in the document, and wrote no story.

The third and by far the most vicious portion of the disinformation campaign was launched on Capitol Hill in early September. Allegations were spread by Republican Senate staffers that David Aaron, deputy to National Security Adviser Zbigniew Brzezinski, had been responsible for the arrest and execution of a valuable American spy in the Soviet Union. The charges were proven to be false, but not until after the election. In the meantime, the staffers succeeded in provoking a full-scale investigation by the Senate Intelligence Committee and in leaking word of the supposedly secret investigation, along with Aaron's name, to several news organizations, including The New York Times.

On Sept. 23, the Times, convinced that journalists were being used, blew the whistle on the smear campaign. A week later, Cable News Network senior correspondent Daniel Schorr, writing in The New Republic, concluded an in-depth analysis of the affair by describing the attack on Aaron as "a classic piece of covert action [that] left the desired taint of suspicion."

Spreading the Aaron smear were members of the Madison group, established, according to columnist William Safire, to "embarrass, bedevil, and defeat" the Carter administration. The group of ultraconservative Senate staff members maintained a liaison with the Reagan campaign.

Whether the mole (or moles) in the Carter administration who allegedly provided national security documents to the Reagan campaign also were guilty of providing malicious and false information to the press will not be known, of course, until all those involved are identified and questioned under oath.

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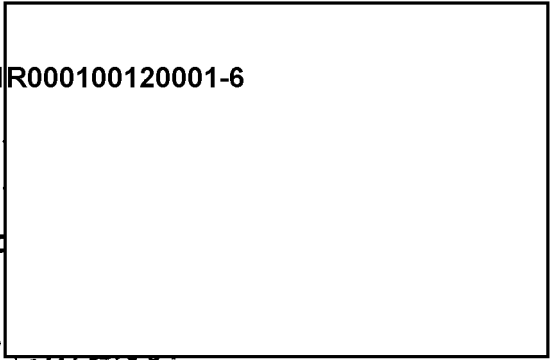
1983, Dallas Times Herald



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Approved For Release 2006/01/30 : CIA-RDP91-00901R000100120001-6
WASHINGTON QUARTERS
SUMMER 1983



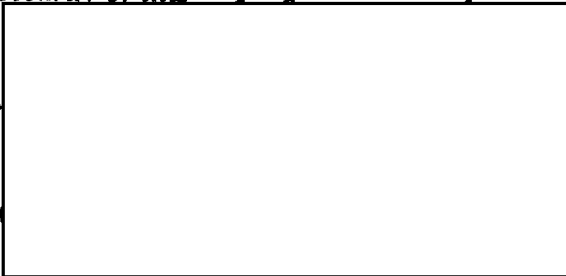
Senator Barry Goldwater (R-Ariz.) is chairman of the Senate Select Committee on Intelligence.

Barry Gold

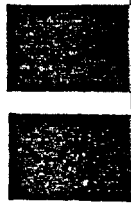
While upholding the principles of democracy, congressional oversight on U.S. intelligence activities must be careful not to endanger the work and well-being of those whose very responsibility is to ensure the freedom and security of this nation.

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Congress and Intelligence Oversight



During the early 1970s, it appeared Congress was going to hamstring the U.S. intelligence services with its public investigations of the alleged abuses within the intelligence community. Today, six and a half years after formation of the Senate Select Committee on Intelligence and its counterpart on the House side, I believe it is possible to say that the intelligence community is recovering very well.

The reason for this promising outlook is that congressional oversight of our intelligence agencies is working.

The committee that held the public investigation was given one cumbersome title, the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities. Chaired by former Senator Frank Church of Idaho, the committees per-

formance was a sorry demonstration of the way Congress deals with its problems. We spent nearly \$3 million and over 15 months investigating the intelligence community, with a peak staff of over 130 professionals, consultants, and clerical personnel. I wish we could try to do to the Soviet KGB what we tried to do to ourselves.

Clark Clifford, that wise adviser to many presidents over the years, lamented the committee's efforts at the time and I agreed.

That committee was formed to determine the extent of abuses mentioned in the Rockefeller Commission Report, made upon the request of President Ford. I endorsed the Senate's decision because I felt it was necessary to investigate any possible abuses of the privacy of American citizens. After endorsing it, however, I refused to sign the two

Interview With Frank C. Carlucci, Former Federal Official

What's Really Wrong With Government, And Who's to Blame

Inflexibility, distrust, too many over-the-shoulder watchers—all prevent bureaucrats from doing their jobs efficiently, says a long-time public servant.

Q Mr. Carlucci, is it getting more difficult for the federal government to get things done?

A Unquestionably—for reasons that spring from a growing distrust of government, the tendency of the legislative branch to proliferate large staffs and get into administrative issues, the inflexibility of the civil-service personnel system and the proliferation of over-the-shoulder watchers. There are far too many people telling government what it shouldn't be doing and not enough people encouraging government to accomplish its mission and helping it get on with the job.

Q Are government managers just not up to dealing with things these days?

A It takes a lot longer and a lot more effort to accomplish a given mission now than it did when I first entered the higher levels of government, which was about 1969. The civil-service system just doesn't always allow you to advance the most talented people or get rid of the least talented. The turnover at the higher levels of government is an enormous problem. The average tenure of an assistant secretary in one of our departments is somewhere in the neighborhood of 21 months. That's just crazy.

There is a lack of emphasis on such things as executive development and training as well as proper compensation systems to reward and encourage employees. These programs tend to get caught up in the politics of running the government. Also, government is very busy dealing with daily crises and neglects long-range planning in these areas.

Q Do you think there are too many government workers?

A No, not necessarily. In proportion to the programs that have been created, you have fewer government workers today than you had 10 or 15 years ago. The problem is not so much the number of workers but the inflexibility in moving workers from one given task to another.

Many of the constraints imposed on government are personnel-ceiling constraints—which make no sense. You have the money and the mission, but you can't hire the right people.

Q Are there too many incompetents in government—more than in private industry?

A From my own experience, the talent level of senior

people in government is very high. What concerns me is that those lead people—the ones who have the experience, come up with the ideas and make the decisions—are now beginning to leave in greater numbers as they reach retirement age. I think we are starting to see a real crisis of talent in the federal government.

Q Why are they leaving? Money?

A That's a principal concern, yes. Nobody comes into government expecting to become wealthy, but they do expect to make a decent living, yet are finding it difficult to buy a home or even educate their children. I know that government salaries in Washington sound large to many, but the cost of living in this area is very high. Another problem is prospects for the future.

Q What do you mean by that?

A I mean promotions and prospects for getting public support. Public servants are becoming very tired of the drumbeat of criticism from both political parties. The bureaucrat is always the scapegoat.

When you trace back some of the impediments to getting things done by "the bureaucracy," you find it often springs from legislation or legislative history.

Q Why do college graduates want to work for the federal government?

A Basically, for idealistic reasons. They want to serve, they want to contribute and, at the entry level, salaries are reasonably competitive. At the higher clerical level they are also competitive. It's when that person reaches midlevel that he or she

encounters all the problems that I've just discussed. People in business are telling me that they're picking up a lot of talented people out of government.

Q How can the government keep talented workers?

A With a mixture of compensation, incentives, flexibility, political support and an examination of the managerial problems in government.

Q Can Congress be sold on doing something about the problems in the bureaucracy?

A Congress basically responds to public sentiment; it mirrors the public view. Unfortunately, the federal personnel problem is not a very exciting issue, because somehow government keeps going on, and it's too big and massive to change. You'd really have to arouse public concern, but I'm not optimistic that will be done.

Q What can be done about firing incompetents?

A That is a problem. There have been instances where I have tried to either fire people or move them out, and I have learned that the amount of effort you have to put forth to do it just isn't worth it. It can easily be a year-long process—very expensive in man-hours.

In theory, you can fire a government worker, but you have to document the record so carefully and there are so many routes of appeal that it is terribly time-consuming. And then there are grievance mechanisms that can be used to frustrate this process.

Q So what does an executive do in that case?

A You tend to look for ways to bypass the employee, maybe a promotion to get him or her out of the way. This often happens. I think we have to redress the imbalance between the rights of the individual and the responsibilities



Frank C. Carlucci, president of Sears World Trade, Inc., was deputy secretary of defense, 1981-82. He previously was deputy director of the CIA and U.S. ambassador to Portugal.

WARREN K. LEFFLER—USMWR

of the manager. In my judgment, we've gone overboard in protecting the individual employe and frustrating the manager in accomplishing his mission. You should also be able to provide greater incentives and rewards for the more talented and more industrious employe.

Q You've mentioned over-the-shoulder watchers. Do you think that the government should be permitted to keep certain information secret?

A Yes, certainly. National-security information and intelligence information, in particular, have to be kept secret. I think people in government ought to be entitled to get confidential advice from their staffs. I don't know how many times in government I've heard the comment, "Well, you better not put this in writing, because it's subject to the Freedom of Information Act."

Q What about information that goes out over the transom—that is, leaks?

A I think it is a serious problem. Leaks can be extremely damaging, principally because the leaker frequently doesn't know the whole picture, doesn't know the damage that can be done by the leak of national-security information.

Q Would you give lie-detector tests to find out where high-level leaks are coming from?

A I do think the polygraph has a legitimate role in protecting national-security information. It has been used successfully for a number of years by the CIA.

Q Wouldn't this discourage people from blowing the whistle?

A I don't think so. We have gone to great lengths in government now to set up channels where people can air their grievances. People can go to their inspector general. There are confidential hot lines. There's the General Accounting Office. There are congressional committees. There are all kinds of ways that people can let their superiors know about wrongdoing in government. One does not automatically have to go to the press to insure that a wasteful practice is stopped.

Q Do you think control of government salaries should be taken out of the hands of Congress?

A It ought to be divorced from the issue of congressional salaries. We all thought that linking them together was a good move back in the '60s, when congressional salaries seemed to be going up.

In retrospect, it has quite clearly been a bad move, because if Congress is reluctant to raise salaries of its members—particularly just prior to election years—other government workers suffer unfairly.

Q Are regulation and red tape an impediment to good management and efficient government?

A Oh, certainly. But I don't favor the kind of solution that says, "Create a commission to stop paper work." That seems to me to be proliferating the problem. Right now there's very little incentive for people to reduce paper work. I think there's no question that we have overregulated government and our society, and we need to simplify it. □

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UNITED PRESS INTERNATIONAL

14 March 1983

CORAL GABLES, FL

FORMER DEFENSE OFFICIAL NOMINATED FOR WACHENHUT BOARD

The former deputy secretary of defense in the Reagan administration has been nominated as a member of the board of directors of the Wachenhut Corp., the firm said Monday.

Frank C. Carlucci, who left the Pentagon at the end of 1982 to become the president of the Sears World Trade Co., a subsidiary of Sears and Roebuck, will stand for election to Wachenhut's board at the annual stockbroker's meeting.

Carlucci, who worked in government service for 26 years, also has served as deputy director of the CIA and director of the Office for Economic Opportunity.

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ON PAGE A-14

NEW YORK TIMES
4 JANUARY 1983

Carlucci: Thoughts on Government and Leaving It

By PHILIP M. BOFFEY

Special to The New York Times

WASHINGTON, Jan. 3 — Frank C. Carlucci ended a kaleidoscopic career as a Government manager last week with an uneasy feeling.

The quality of people and programs in Government is headed for decline, he cautions, if top officials continue to find their incomes limited and their missions circumscribed by critics.

"Pretty soon we're going to get the kind of Government that the politicians like to speak of when they kick around the career bureaucrat," Mr. Carlucci said in an interview as he left his final Government job, Deputy Secretary of Defense, for a higher-paying position as president of a new export trading company being set up by Sears, Roebuck & Company. He also expects to direct a study for the Heritage Foundation of structural problems in the Federal budget.

"There's an automatic assumption that the senior manager in Government is almost always wrong," he added. "There may be some grounds for that. Maybe it's a Watergate legacy. But let's not overreact. Let's recognize that the principal purpose of Government is to accomplish a mission and let's have some kind of incentives to get people to accomplish that mission."

Right now, Mr. Carlucci believes, the incentives are "fading, and I think we're going to have a serious question of quality in Government in the next couple of years."

Cut Staff in Brazil

The 52-year-old Mr. Carlucci, habitually terse in interviews, was speaking neither in anger nor in self-justification, but rather in response to a question about some of the most critical problems facing Government. His opinions grow out of an unusually broad range of experience dealing with such diverse issues as diplomacy, the military, intelligence, health and welfare, poverty and budgets.

After bailing out of a brief and unsatisfying business career in 1956, Mr. Carlucci became a Foreign Service officer and served, among other posts, in the Congo, where he rescued a group of Americans from an angry mob; in Zanzibar, where he was expelled for reputedly plotting to overthrow the Government, and in Brazil, where he earned the enmity of colleagues by managing a cut in the size of the staff.

In these tasks, and in a subsequent tour as Ambassador to Portugal in the mid-1970's, Mr. Carlucci earned praise as a courageous and strong-minded diplomat. In Portugal, for example, he persuaded the White House to support a leftist military government despite strong opposition from Secretary of State Henry A. Kissinger.

In 1969, Mr. Carlucci was catapulted from relative obscurity in the Foreign Service to the first in a succession of top jobs in the Federal bureaucracy. Donald Rumsfeld, a former wrestling mate at Princeton, brought him to Washington to serve as assistant director of the Office of Economic Opportunity.

'An Ultimate Survivor'

Mr. Carlucci soon succeeded Mr. Rumsfeld as head of that agency, and later went on to serve as the second-ranking official in some of the biggest and most influential agencies in Washington — the Office of Management and Budget, the Department of Health, Education and Welfare (now Health and Human Services), the Central Intelligence Agency, and, most recently, the Defense Department. In three of those jobs he served as the sidekick to Caspar W. Weinberger, now Secretary of Defense.

This experience has brought Mr. Carlucci the label of "an ultimate survivor" whose career moved upward under Republican and Democratic Presidents. He is considered a skilled bureaucratic infighter with a penchant for secrecy, more of a manager and tamer of the bureaucracy than an originator of programs. Critics on the left have sometimes chastised him for helping to trim social programs and boost the military budget, while critics on the right blame him for restraining the C.I.A. Often he seems simply to be carrying out the wishes of the administration in power.

"To Washington insiders he is the consummate No. 2 bureaucrat," said a recent profile prepared under Ralph Nader's auspices, "honest, loyal and strikingly efficient at managing the day-to-day operations of sprawling Federal agencies."

Salary Scales Criticized

But Mr. Carlucci laments that it is difficult to manage effectively in the Federal Government. For one thing, salary scales are not high enough, he says, to

in Government service are beginning to get discouraged," he said. "Their salaries have not gone up anywhere near the rate of inflation." Government, he said, was "still competitive at the professional entry levels but at the senior levels it is not competitive at all."

Mr. Carlucci, who was earning \$60,000 a year as Deputy Defense Secretary, will receive a six-figure salary at Sears as president of Sears World Trade Inc., a Washington-based corporation that will provide export services for a range of companies. His Government pension, he said, would amount to about \$30,000 a year under the Foreign Service retirement plan.

Mr. Carlucci also said that it was "becoming much more difficult to accomplish a mission in Government." The chief reason, he said, is that "we put a premium on over-the-shoulder watchers, whether they're Congressional staffers, investigative reporters, the Freedom of Information Act, White House supervisors, or more auditors, more inspectors — all of which are good things — but we have to keep them in balance. We have to put an equal premium on the guy who accomplishes his mission, takes a risk, and we have to reward him commensurate with his achievement. We do not do that in Government."

"You also find it impossible to discipline people in Government or remove nonproducers," he said. Every time you try to do that, he said, the nonproducer is championed as a whistleblower who is being harassed for speaking against Government misdeeds. "Whistle-blowers have their place and we need to protect them," Mr. Carlucci said. "But at the same time people who are nonproducers should not be allowed to adopt the protective color of a whistle-blower."

National Security Concern

However, Mr. Carlucci is blamed by some Pentagon officials for sowing distrust himself — chiefly by pushing for greater use of lie detectors to ferret out those who disclose sensitive information to the press without high-level approval.

CONTINUED

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ON PAGE D-2

NEW YORK TIMES
29 DECEMBER 1982

BUSINESS PEOPLE

Top Pentagon Aide Joining Sears Unit

Frank C. Carlucci, Deputy Defense Secretary, has joined Sears, Roebuck & Company as president and chief operating officer of its new trading unit, Sears World Trade Inc.

Mr. Carlucci, 52 years old, will be working with Roderick M. Hills, 51, a former chairman of the Securities and Exchange Commission, who was named chairman of Sears World Trade in October.

Mr. Hills said yesterday that Mr. Carlucci had been hired because of his international experience. The word for the new trading company, Mr. Hills said, is "ambitious."

"I suppose the Japanese model of the trading company comes most easily to mind," Mr. Hills said in describing what Sears plans to do.

Mr. Carlucci will replace John F. Waddle as president of the venture. Mr. Waddle becomes managing director of consumer products and services. The company was formed early this year, with plans to concentrate on consumer products. In October, Mr. Hills said, the decision was made to expand the company to include financial services, food, industrial and high-technology products.

Mr. Waddle will be based in Chicago. Mr. Hills will divide his time between Washington and Chicago, and Mr. Carlucci will work in Washington.

Mr. Carlucci graduated from Princeton in 1952 and later attended Harvard Business School. He joined the State Department in 1956 and has been in Government service since.

In the early days, he was posted to the Congo, now Zaire, where he was once stabbed by an angry mob. He also served in South Africa, Zanzibar and Brazil.

Sears World Trade Inc.



Associated Press

Frank C. Carlucci

On returning home, he became director of the Office of Economic Opportunity. He has also been deputy director of the Office of Management and Budget and Under Secretary of the Department of Health, Education and Welfare.

From 1974 to 1978, he was Ambassador to Portugal. He then became Deputy Director of Central Intelligence until 1981, when he became the No. 2 man in the Defense Department. Paul Thayer, chairman of the LTV Corporation, has been nominated to replace him at the Pentagon.

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ARTICLE APPEARED
ON PAGE A-3WASHINGTON TIMES
8 DECEMBER 1982**Carlucci to join Hudson Institute**

Deputy Defense Secretary Frank Carlucci, who has resigned, will join former Secretary of State Alexander Haig as a senior fellow of the Hudson Institute, a conservative, future-oriented think tank. Pentagon spokesman Henry Catto told a questioner yesterday. The administration has nominated W. Paul Thayer, chairman of Ling-Temco-Vought, a Fort Worth, Texas, defense contracting firm to replace Carlucci, who will leave office when Thayer's appointment is confirmed by the Senate. Thayer joined LTV as a test pilot after flying Vought Corsair fighters in World War II.

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DEFENSE & FOREIGN AFFAIRS DAILY
6 JULY 1982

US: Carlucci To Move Soon?

A PERSISTENT RUMOR is running in the Pentagon to the effect that Deputy Secretary of Defense Frank Carlucci is about to leave the Defense Department.

According to speculation he is headed for higher things across the Potomac in the White House, maybe to take over as one of the "special counsellors" in the current triumvirate of White House Chief of Staff James Baker, Counsellor Edwin Meese and Special Assistant Michael Deaver — probably the latter — when a vacancy arises.

Nobody in either the Pentagon or the White House is commenting on the story. However, it is understood Carlucci's style at the Pentagon has found special favor in the White House. "He would be just the guy to help the election effort in 1984," commented one observer. "There's an organizational mess over there in terms of running the grass roots stuff for the Republicans. I can see where he'd fit right in."

Navy Secretary John Lehman is slated to take over from Carlucci, sources say, leaving a vital gap in the management of the USN at a critical time in its fortunes. But it is understood Robert J. Murray, formerly Undersecretary of the Navy during the Carter Administration, is to be invited down from the Naval War College in Newport, Rhode Island (where he is the senior civilian on the faculty) to take over Lehman's job.

Although a Democrat, Murray's professionalism was admired during his tenure at the Pentagon. ■

FOREIGN REPORT
JULY 1982

DIA under fire

The American Defence Intelligence Agency (DIA) has come under fire from a senior Reagan administration official, **Frank Carlucci**, for providing inadequate information to decision-makers. Carlucci, deputy defence secretary, has quietly taken steps to reform the DIA: he is increasing its budget and has told it to give priority to improving the quality of intelligence analysis and the speed of its delivery.

The DIA is regarded as being highly efficient in its technical work, through spy-in-the-sky satellites, monitoring of Soviet submarines and assessments of Soviet armaments. But administration officials like Carlucci have been grumbling about poor intelligence over the Falklands crisis (the United States had no advance indications that Argentina was going to invade) and the Israeli invasion of Lebanon. They are also worried that slow DIA information about Soviet military alerts might weaken any American responses.

The officials say they want to know more about the way in which the newest lethal weapons systems are being put to use (like the Exocet in the Falklands conflict and Israeli electronic counter-measures protecting their aircraft in Lebanon). Defence department planners are also worried about the possible spread of terrorism in western countries where the United States has military installations—especially in Turkey. They also want more information on potential conflicts in third-world nations which might involve the United States.

Carlucci is an intelligence expert: he was previously deputy director of the Central Intelligence Agency (CIA).

APPEARED
ON PAGE B-6

7 JUNE 1982



WASHINGTON TALK

25X1A

Briefing

Potential Shift at Defense

Persistent reports from the Pentagon have Frank C. Carlucci, the Deputy Secretary of Defense, resigning to enter the investment banking business in New York City. The leading candidate to succeed him is said to be Thomas C. Reed, former Secretary of the Air Force, who recently re-entered government as a consultant to William P. Clark, the White House national security adviser.

Administration sources say Mr. Reed has been particularly influential in shaping recent Administration decisions on deployment of the MX missile and integration of military, economic and foreign policy. Mr. Reed goes back a long way with President Reagan, having served as his appointments secretary when he was Governor of California and helping to manage his successful 1970 re-election campaign there.

Phil Gailey

Warren Weaver Jr.

ARTICLE APPEARED
ON PAGE B-8

NEW YORK TIMES
26 APRIL 1982

WASHINGTON TALK

Briefing

Thinking of Leaving

Deputy Secretary of Defense Frank C. Carlucci, the key day-to-day, line-by-line manager of the military budget, has been discussing the possibility of leaving Government for a lucrative, ranking post with a New York bank. A knowledgeable source indicated that Mr. Carlucci had made the approach to the private sector, although no decision to move has yet been reported. If it does come, the Reagan Administration would suffer the loss of another expert deputy from the trenches, on the heels of the resignation of Adm. Bobby R. Inman as Deputy Director of Central Intelligence.

Francis X. Clines
Lynn Rosellini

ARTICLE APPEARED
ON PAGE 15

AVIATION WEEK & SPACE TECHNOLOGY
15 February 1982

Washington Roundup

Black Magic

One of Washington's great tribal rites is the annual stag dinner of the military order of the Carabao, whose members served in the Philippines up to 1946. The high point is a series of skits written and acted by the members. Among the great and near-great attending the shindig was Frank Carlucci, deputy secretary of Defense, who watched a phony admiral and general puzzling over how Cuba's Fidel Castro and Libya's Muammar Qadhafi find out things. Said the general: "Everybody knows that. It's those leaks." Enter a leaker, wired for sound, and when the admiral asks what he has been through, the leaker sings, to the tune of "That Old Black Magic":

"That lie detector has me on its wires
That lie detector that Carlucci hires
Those cold electrodes they attach to me
The same old questions that they ask of me
Those nervous needles and that squiggly line
That tell the whole world if those leaks are mine
Oh, up and down it goes, scribbling all it knows
'Bout those leaks to the New York Times.

"I could tell the truth: what good would that do?
I could confess! Well—more or less.
Each day I read the Washington Post
I wonder if I must give up the ghost.

"For every time I see a polygraph
I break into a little nervous laugh
And shake and squirm and drip with sweat
Then I try to hold my breath, die a little death
In a jam—wishing that I could scam
Until that lie detector clears me."

—Washington Staff

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ON PAGE 25

WALL STREET JOURNAL
3 February 1982

Censorship's Deadly Blow to Science

Your editorial "High Tech Burglary" (Jan. 21) on my exchange of letters with Deputy Defense Secretary Carlucci concerning Soviet access to U.S. scientific and technical knowledge makes it appear that American scientists are calm and comfortable with leaks of high technology. That is totally unfair. Few U.S. scientists disagree with the need for effective controls on the escape of genuinely weapons-related high technology. Where scientists part company with the military authorities is over how much damage is caused by the open and unclassified basic scientific literature, scientific symposia and scientific exchanges.

These processes are crucial to the advancement of science and, hence, by definition, to our own national defense and security. Even Mr. Carlucci, in his reply to me, conceded "the importance of unimpaired scientific communications to the mutual benefit of all parties concerned" although he did not retreat from the intemperate language of the Pentagon. With the CIA echoing the Pentagon's line and demanding that scientists clear their unclassified research plans with the intelligence agencies, the issue is clear-cut. Censorship would indeed strike a deadly blow at American science and our national interests.

Mr. Carlucci's response passed lightly over this issue, preferring to dwell on examples of Soviet infiltration of the agreements for scientific exchanges. He neglected to say that the U.S. government strictly enforced the test of "equivalency" in those agreements and struck quickly to terminate those where the Soviets appeared to be getting more than they gave. American access to Soviet institutes provided our side with an important line of sight into the quality and the potential of Soviet science and technology, and that is information well worth having.

WILLIAM D. CAREY
Washington, D.C. Publisher, *Science*

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ON PAGE A-1

NEW YORK TIMES
24 JANUARY 1982

25 TAKE LIE TESTS AS PENTAGON SEEKS DISCLOSURE SOURCE

But Inquiry Fails to Determine
Who Gave Information on
Spending to the Press

By RICHARD HALLORAN

Special to The New York Times

WASHINGTON, Jan. 23 — The Defense Department has given lie-detector tests to about 25 senior officials in an unsuccessful effort to find the source of an unauthorized disclosure of confidential information, according to Pentagon officials.

The lie-detector, or polygraph, tests were begun by Deputy Secretary of Defense Frank C. Carlucci, who took the first one himself. They were given to Under Secretaries Fred C. Iklé and Richard D. Delauer; Secretary of the Navy John F. Lehman and other military service secretaries; the Chairman of the Joint Chiefs of Staff, Gen. David C. Jones; other four-star generals and admirals, and several Assistant Secretaries of Defense and their aides.

Figure Based on 'Wish Lists'

The tests and other inquiries, however, have not uncovered the official or officials who gave the press an account of a policy debate in a high-level meeting at the Pentagon earlier this month. Officially, the investigation continues, but Pentagon officials said they had little hope of discovering the source of the information.

At a meeting of the Defense Resources Board on Jan. 7, according to Government officials, Mr. Delauer asserted that the United States would have to spend up to \$750 billion more than the \$1,500 billion planned by the Reagan Administration to reach its objective of fully rearming the United States.

Secretary of Defense Caspar W. Weinberger said later that the \$750 billion figure had been compiled from "wish lists" submitted by the military services. He said the Administration would

stay on the military spending course set over the past year.

He also said that the investigation of the disclosure had caused a "very distasteful, very unhappy situation" but defended it as necessary in the effort to stop disclosures. Other officials have been reluctant to discuss the issue except anonymously.

After the news reports appeared two weeks ago, Mr. Carlucci volunteered to take a lie-detector test and asked others who had attended the meeting to do the same. One official said Mr. Carlucci "is steeped in the ways" of the Central Intelligence Agency, of which he was deputy director in the Carter Administration. "Taking polygraphs over there is like having breakfast," he said.

The lie-detector tests, officials said, have raised these questions within the Pentagon:

How effective are lie detectors and other investigative methods in finding the source of a disclosure? If the person who made the disclosure cannot be found, how good are other security measures within the Pentagon?

Will the use of lie detectors to question the principal civilian advisers of the Secretary of Defense and the nation's senior military officers cause an erosion of trust among them, or do unauthorized disclosures of information from supposedly free-flowing and confidential discussions do more to erode that sense of trust?

How serious is the leakage of information from the Pentagon and have any of the disclosures done real damage to national security? The various grades of classified information are based on the amount of potential damage to national security.

On the first question, officials acknowledged that the lie detectors had limited value. Others shrugged off the Reagan Administration's campaign to stop such disclosures. "Leaks are the name of the game around here," said one official, asserting that there were no more than in previous administrations.

On the second issue, Pentagon officials said no one had declined Mr. Carlucci's request to take the lie-detector test. They argued further that disclosures stemming from confidential discussions would do more to erode trust than the lie-detector tests, despite the implication that the word of the officials could not be taken at face value.

As for the third issue, top officials in the Pentagon have declined to specify damage done to national security. Asked whether there really had been a

"hemorrhage" of information, as President Reagan has asserted, one official said: "Well, maybe hemorrhage is too strong a word. Let's call it a steady drip."

In the President's directive setting out his intention to stop disclosures, the key phrase was the "unauthorized disclosure of classified information." Pentagon officials acknowledged, at least privately, that authorized disclosures were still permitted.

An example of that was the Pentagon publication of the booklet "Soviet Military Power," a 99-page assessment, complete with pictures and charts, of the growth of the Soviet armed forces. It was published after a struggle between Mr. Weinberger and the intelligence community. Mr. Weinberger wanted to use secret information about the Soviet Union to help build a consensus for increased military spending. Intelligence officers balked at releasing classified information.

The result was a compromise in which previously classified information was made public, some of it in exact form, some in slightly altered form, in an effort to deceive the Soviet Union as to precisely what American intelligence knows.

The booklet contained, for instance, previously secret pictures of the new Alfa submarine, the world's fastest, and of a Backfire bomber that officials suggested had been taken from a satellite. An artist's rendering of the Typhoon submarine, the world's largest, was doctored slightly, as was an artist's rendering of an SS-20 missile being fired.

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NEW YORK TIMES
20 JANUARY 1982

Reagan Defends Policies to Curb News Disclosures

By HOWELL RAINES

Special to The New York Times

WASHINGTON, Jan. 19 — President Reagan today defended the use of polygraph tests and restrictions on interviews to cut off the flow of news on sensitive subjects, saying he was only continuing the policies of previous administrations.

Mr. Reagan said he approved these measures to combat what he called "a new high here of the leaks" of sensitive information on foreign policy and national security.

"What we are doing here is simply abiding by the existing law," he said at his news conference. "It is against the law to — for those who are not authorized to declassify — to release classified information."

But even as the President defended the practices, protests were being mounted both inside and outside his Administration over both the ethics and the legal foundations of the policies.

'A Command Performance'

Although Mr. Reagan said polygraph, or lie-detector, tests were being administered to some Pentagon employees on a voluntary basis, an Administration official who took one said: "It was a command performance. There was nothing voluntary about it. If you didn't do it, they presumed you were guilty."

White House spokesmen could provide no detailed information on what law Mr. Reagan was referring to.

An executive order inherited from the Carter Administration does prohibit disclosure of national security information, but it lacks the force of law insofar as it

does not make such conduct a criminal offense. As for the espionage laws, there is dispute about whether they apply to giving information to reporters, as the Justice Department contends. Civil libertarians argue that such an application of the espionage laws would be unconstitutional.

Mr. Reagan insisted that new guidelines on the disclosure of national security information, which are being drawn up by his national security adviser, William P. Clark, "will all be within the law."

An Open Administration

"It will not interfere with our determination to have an open administration present information that properly belongs to the press," the President said.

Mr. Reagan's insistence that his Administration is open followed the line of argument advanced in the last few days by David R. Gergen, the White House communications director, in response to public protests from news organizations and private complaints from Government employees who feel their rights have been violated.

The dispute has broken out since the Administration authorized the use of the lie-detector tests on Defense Department officials suspected of telling reporters about a Defense Resources Board meeting Jan. 7.

Also, the White House chief of staff, James A. Baker, circulated a memorandum Jan. 6 instructing the Cabinet departments to clear major television and newspaper interviews with the White House. Mr. Gergen met last night with Government public affairs officials in what he described as an effort to soften the impact of the Baker directive.

"A lot of people in Government were either shutting down interviews or spreading the word that every single print or spot television interview had to be cleared over here," Mr. Gergen said today.

He added that the White House wanted to know only about major officials' appearances on network television interview shows or on-the-record sessions with groups of newspaper reporters.

"We specifically are not interested in getting advance notice of individual newspaper interviews or spot interviews on television," Mr. Gergen said, adding that policing of all contacts between Government employees and reporters would "clog the system."

Asked if the use of polygraphs and warning memos would have a "chilling effect" on news gathering, Mr. Reagan replied: "No, I don't think so. All we're doing is what every administration before us has done and we hadn't been doing. It's simply a case so that we all know what is going on."

However, the public record indicates that the White House effort to monitor contacts with reporters is the most vigorous since the Nixon years, even though the Carter Administration's efforts in this regard also stirred debate.

Under President Nixon, agents of the Central Intelligence Agency were allowed to give polygraph tests to those suspected of disclosing news in the State Department. This is an "extraordinarily rare occurrence" at the department, a spokesman said.

According to a Defense Department official, the Reagan Administration's impulse to use the polygraph originated with Deputy Secretary of Defense Frank C. Carlucci after military budget figures were disclosed from the Jan. 7 meeting.

Officials familiar with the matter say that Mr. Carlucci, former Deputy Director of Central Intelligence, said that he initiated a Pentagon review of the 1965 regulations that require that all polygraph tests be voluntary and that individuals who declined to take them not be punished.

Reagan Administration officials other than Mr. Carlucci, who was said to have volunteered to take a polygraph test as an example to others, described the experience as grueling.

Questions in the three-hour C.I.A. polygraph sessions can cover such areas as sexual tendencies, drug and alcohol use, cheating on taxes, consorting with foreigners and contacts with the press.

So far, the Reagan Administration's tests are thought to cover only the disclosures under investigation. The President, who cited the prevalence of unauthorized disclosures as the biggest surprise of his first year in office, has been known to be increasingly irritated about them.

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AVIATION WEEK & SPACE TECHNOLOGY
18 January 1982

Washington Roundup

Leak Detection

"The electricians" is the collective nom de guerre being applied to the Reagan Administration by career Defense Dept. and other Executive Branch officials. That title evolved last week in the wake of coerced polygraph tests for members of the Defense Resources Board in an Administration effort to stem leaks of politically sensitive information on grounds of national security. Deputy Defense Secretary Frank C. Carlucci, a former CIA official, sent a memorandum to board members stating that he and his staff had volunteered to take lie detector tests and asking that members also volunteer for the 90-min. polygraph to prove they are not guilty of leaks. "It is tantamount to an order and like asking someone to volunteer for roof canal work," one board member complained. Another said unless he "volunteered" he and the others not taking the test would be cut off from access to material and automatically become suspect.

Carlucci's memorandum came after a board meeting where it was revealed that the Reagan defense budget through Fiscal 1988 contains a \$750-billion shortage in providing adequate funding to improve U. S. military capability to enable implementation of national policy. This shortage is in spite of a \$1.3-trillion five-year defense plan by the Administration.

A board member explained that there is some very sensitive information that may have leaked from the board meeting—charts on U. S. vulnerability to certain Soviet actions and weapons systems. But he added that forcing polygraph tests does not get at the problem because hundreds of people had access to the data—aides, secretaries and staff members of those on the board. "It only stirs up resentment and rebellion; it's like Nixon all over again," only polygraphs instead of phone taps, he said. The President last week also ordered a crackdown on leaks, saying that all legal means would be used to investigate them, and a new Defense Dept. directive requires prior approval for all contacts with the media.

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ON PAGE A9

THE WASHINGTON POST
13 January 1982

Aides Take Lie Detector Test

Pentagon Probing Leak of Secret Report

Deputy Defense Secretary Frank C. Carlucci has voluntarily taken a lie detector test as part of a Pentagon investigation to determine who told The Washington Post about a secret report last week. The report said that, as the Joint Chiefs of Staff have translated the Reagan plan to rearm America, it could cost \$750 billion more than now projected.

Henry E. Catto Jr., assistant secretary of defense for public affairs, confirmed to The Post yesterday that Carlucci and several other members of the Defense Resources Board, which includes the top Pentagon civilians, have taken the lie detector test so far in the probe.

The Defense Resources Board met last Thursday to hear a briefing from Pentagon research director Richard D. DeLauer about the mismatch between military strategy and the money earmarked to carry it out.

DeLauer used as one of his yardsticks the Joint Strategic Planning Document in which the Joint Chiefs of Staff give their estimate of the forces needed to carry out the policies of their civilian superiors and prepare for contingencies around the world. DeLauer's report estimated it could take up to \$750 billion more in fiscal 1983 dollars than the \$1.5 trillion already projected for fiscal 1984 through 1988 to buy all those forces.

The Post reported these figures on Friday after confirming with the Pentagon that the part of the

DeLauer report it published was accurate. The Post story also reported that Navy Secretary John F. Lehman Jr. took heated exception during the Defense Resources Board discussion to the assertion that there was not enough money in sight to build the 600-ship Navy that President Reagan has set as a goal.

Defense Secretary Caspar W. Weinberger on the Cable News Network "Newsmaker" program broadcast Saturday said "that story was based on classified information presented to the Defense Review [sic] Board in closed session," adding that the \$750 billion represented "a large number of wants unconstrained by any financial restrictions or restraints of what all of the services combined, consolidated, feel they might want to have if there were no fiscal constraints."

Catto, when asked what was so sensitive from a security standpoint about the behind-closed-doors budget discussion, replied that "what is so upsetting to us" was not security breaches but the fact "someone on the team" would talk about what went on.

Catto said that Weinberger has not taken the lie detector test because he was not at the Thursday meeting chaired by Carlucci. Carlucci, former deputy director of the Central Intelligence Agency, ordered the investigation to try to find how The Post learned about what went on during the closed meeting, Catto said.

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NEW YORK TIMES
10 JANUARY 1982

CURBS BEING URGED ON DATA TO SOVIET

U.S. Officials Fear Unclassified Scientific Information May Help Russian Military

By PHILIP M. BOFFEY

High Pentagon and intelligence officials are urging that action be taken to stem the flow of unclassified scientific communication that might be of military value to the Soviet Union.

Their increasingly strong exhortations are causing concern among leading scientists who consider an unfettered exchange of ideas and information essential to the further progress of science and to American technological and military power.

Frank C. Carlucci, Deputy Secretary of Defense, recently warned the American Association for the Advancement of Science that "the Soviets exploit scientific exchanges as well as a variety of other means in a highly orchestrated, centrally directed effort aimed at gathering the technical information required to enhance their military posture."

In a letter published in last week's issue of the association's journal, Science, he voiced concern over the disclosure of sensitive information through exchanges of scholars and students, joint conferences, publication of articles in the open scientific journals and the Government's own depositories of technical data.

Failure to Provide Data

Mr. Carlucci said the exchange of information under bilateral agreement was often "one-sided," with the Soviet Union acquiring information from the United States but failing to provide data requested in return.

He also said the Russians were "misusing" an exchange program for young scholars. He said the United States was sending young students, mostly in the humanities, while the Soviet Union was sending senior technical people, some from military institutions.

Mr. Carlucci said Soviet exchange scientists were often involved in applied military research. As an example, he cited the case of a Soviet scientist who studied "the technology of fuel-air explosives" at a leading American university in 1976-77, under the tutelage of a professor who consulted on such devices for the Navy.

He said the Russian also ordered numerous documents pertaining to fuel-air explosives from the National Technical Information Service, an unclassified technical depository operated by the Commerce Department. Then, Mr. Carlucci said, "he returned to his work in the U.S.S.R. developing fuel air explosive weapons."

Pentagon Is 'Alarmed'

Mr. Carlucci offered no suggestions on what should be done, and his office said he did not wish to amplify his letter. In the letter, he said that the Defense Department "views with alarm" such "blatant and persistent attempts" to siphon away militarily useful information and believes it is "possible to inhibit this flow without infringing upon legitimate scientific discourse."

Adm. Bobby R. Inman, Deputy Director of Central Intelligence, went a step further in a speech to the science association's annual meeting in Washington last week.

He suggested that a voluntary system might be needed in which national security agencies could have some voice in reviewing research proposals before funds were provided and in examining research results before they were published. He expressed particular concern over "computer hardware and software, other electronic gear and techniques, lasers, crop projections, and manufacturing procedures."

Admiral Inman later said in a telephone interview he was expressing a personal opinion, and not the agency's views. He said he was not concerned about any areas of basic research, the kind of research that academic scientists are most involved in, but he was concerned about some fields of applied research and technology.

Pressure for Curbs

Government officials have long sought to curb the export of devices and technical plans that can quickly be applied to military or industrial purposes.

In recent years, the Government has also sought to stem the flow of sensitive scientific information and ideas. Under

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intentions and I don't take it lightly, we will not let the matter rest."

He said that Mr. Carlucci's "letter focused mainly on half a dozen bad cases, including some exchanges that were discontinued because they were so one-sided" and that "he barely touched on the problems of the open literature and international conferences."

Frank Press, president of the National Academy of Sciences and former science adviser to President Carter, said that official exchange programs were of mutual benefit, not one-sided, and that individual scholarly exchanges served few scientists. "The big leakage is in the trade journals and the open literature, and we're not going to stop that," he said. "It's the price we pay for a free society."

Marvin L. Goldberger, president of the California Institute of Technology, said he would "go slowly" on restricting the exchange of knowledge or ideas. He said such restrictions simply drive the best scientists away from doing important research.

GOVERNMENT PUBLICATIONS REVIEW
January-February 1982

**THE FREEDOM OF INFORMATION ACT AND THE
INTELLIGENCE AGENCIES**

Athan G. Theoharis

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Abstract—The author challenges the claims of intelligence agency officials for exempting their agencies' files from the FOIA. Noting that the FOIA's mandatory search and disclosure provision alone permits access to the range of intelligence agency files, the author cites the separate filing and "compartmentalized" record policies of the CIA and the FBI. He concludes by challenging the adequacy of congressional oversight without independent historical research.

Since 1979, one of the principal legislative objectives of the Federal Bureau of Investigation (FBI) and of the Central Intelligence Agency (CIA) has been to exempt their files from the mandatory search and disclosure provisions of the Freedom of Information Act (FOIA) of 1966, as amended [1]. These agencies' claims to the contrary, there is no record to date that legitimate national secrets have been compromised because of the FOIA. This is not surprising since the Act already contains a "national security" exception which exempts properly classified FBI and CIA files from public disclosure. The FBI's and the CIA's proposed FOIA exemptive measures, however, would effectively preempt scholarly research into the past history of the FBI and the CIA at a time when such research can only now be initiated.

Until the mid-1970s, because CIA and FBI files were absolutely classified, scholarly research into the history of these agencies was virtually impossible. Unlike journalists, historians and political scientists need to have access to primary source materials—interviews, press conferences, public testimony, and selectively leaked documents clearly do not meet the exacting standards of scholarly research. Yet, for example, all FBI files dating from the World War I period were classified, including those documenting the FBI's August 1923 investigation of the fraudulent Zinoviev Instructions. In addition, in the early 1960s, FBI officials successfully pressured the National Archives to withdraw from Department of Justice and American Protective League files deposited at the Archives all documents and copies of documents pertaining to FBI investigations of the World War I period [2].

The problem is not simply over- and indiscriminate-classification. Were that the case, then these proposed amendments to the FOIA would not cripple historical research. Under Executive Order 12065 (and formerly E.O. 11652), historians can submit mandatory review requests to obtain declassification of improperly and no longer justifiably classified documents. Yet, to employ the mandatory review procedure, the researcher must be able to identify specific classified documents and be generally aware of particular programs and activities. As a result of the Senate Select Committee on Intelligence Activities' hearings and reports, however, we now know how limited, even irrelevant, had been our knowledge of past FBI and CIA activities. Experts of the Cold War years might have been aware generally of the preventive detention program instituted under the McCarran (Internal Security) Act of 1950 and lasting until congressional repeal in September 1971. We now know that, without

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NEWSWEEK
23 NOVEMBER 1981

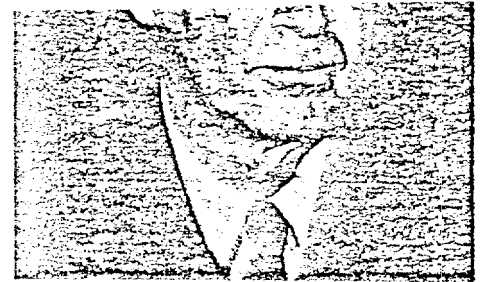
The Soviets' Dirty-Tricks Squad

The Russian word is *dezinformatsiya*, and a KGB manual defines it as "misleading the adversary." In fact, as currently practiced by the KGB, disinformation is far more—encompassing any forged document, planted news article or whispered rumor designed to discredit its enemies, especially the United States. Directed by "Service A" of the KGB's First Chief Directorate, disinformation is a key weapon in Moscow's running war of words with Washington. According to CIA estimates, the KGB's dirty-tricks squad commands 50 full-time agents and a budget of \$50 million a year. But that is only a small part of a \$3 billion propaganda apparatus that employs every conceivable Soviet "asset"—from Leonid Brezhnev and Tass to shadowy front organizations around the world.

Much of Moscow's anti-American propaganda is overt. Statements by Brezhnev decrying U.S. weapons policies, for example, can be judged by their source and swiftly denied. But disinformation is more subtle and difficult to combat. In 1979 Soviet diplomats spread rumors that the United States had orchestrated the seizure of the Grand Mosque in Mecca and that the Pakistani Army had engineered the burning of the U.S.

Embassy in Islamabad. The goals: to stir anti-Americanism in Islam, and to sow tension between the Carter Administration and Pakistani President Mohammad Zia ul-Haq. Other disinformation is spread by Soviet-controlled radio stations in Third World countries. During the Iranian revolution, the "National Voice of Iran" (actually broadcasting from the U.S.S.R.) blanketed Iran with charges that the CIA had assassinated Iranian religious leaders and was plotting to kill Ayatollah Ruhollah Khomeini.

Smear: A favorite disinformation ploy is to plant "news" items in foreign publications, then repeat the charges in the Soviet press. A classic case involved veteran U.S. foreign-service officer George Griffin. Assigned to the U.S. Embassy in Ceylon (now Sri Lanka) in the 1960s, Griffin was first identified—falsely—as a CIA agent by *Blitz*, a leftist Bombay weekly. In 1968 his name appeared in "Who's Who in the CIA," a bogus directory of American agents. More recently, an Indian news service accused him of organizing Afghan freedom fighters and even attempting to sabotage Indian Prime Minister Indira Gandhi's plane—charges Tass and Pravda trumpeted worldwide. Last June a Soviet newspaper printed a



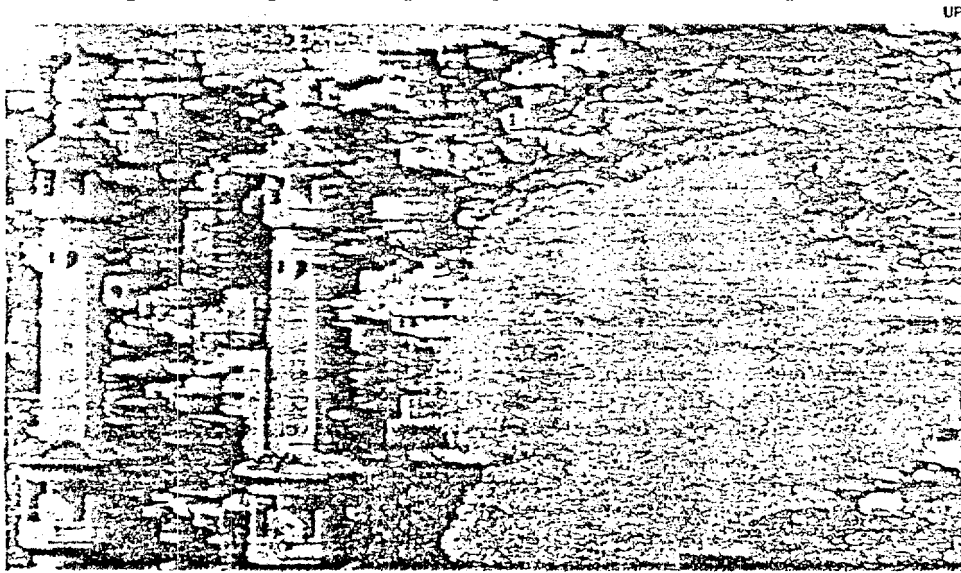
Ortiz: In Peru, the KGB said he was CIA

letter allegedly from Griffin threatening an Indian journalist. Despite repeated U.S. denials, the smear campaign succeeded. In July, Gandhi let it be known that Griffin's scheduled posting to the U.S. Embassy in New Delhi would be "too contentious," and his assignment was quietly withdrawn.

Why the long campaign to get Griffin? U.S. intelligence officials cannot answer the question with certainty, but the attacks may have been triggered during Griffin's days in Ceylon when he tried—in vain—to persuade a Soviet couple to defect. Soviet propagandists have started a similar campaign to discredit two new U.S. ambassadors—Harry Barnes in India and Frank Ortiz in Peru. Charges that Ortiz is a CIA agent first appeared in a leftist Peruvian newspaper and almost immediately were repeated in *Izvestia*.

Forgeries, such as the letter purportedly written by Griffin, play a key role in disinformation, often providing the "evidence" for spurious charges. Skilled at duplicating typefaces and watermarks, the KGB produces four or five major forgeries of official U.S. documents a year, according to the CIA. One of the most famous is a "top secret" 1970 U.S. Army field manual, bearing the forged signature of Gen. William Westmoreland, that orders U.S. troops abroad to provoke leftist groups into terror-

Mecca mosque under siege in 1979: Spreading tales that America was responsible



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VILLAGE VOICE
11-17 NOVEMBER 1981

New Cloaks

By Walter Karp

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On September 23 the House of Representatives voted 354 to 56 to enact a piece of legislation that perilously abridges freedom of speech and of the press. On October 6 the Senate Judiciary Committee voted 17-0 in favor of a similar bill making final passage a certainty. What follows is the history of this extraordinary piece of legislation, purportedly designed to protect the identities of intelligence agents but perhaps marking a fatal turning point in the history of liberty in America.

The story begins with former Central Intelligence Agency officer Philip Agee. But although Agee's personal odyssey is by now all too familiar, the complex series of actions he initiated had repercussions far different from anything he intended—and repercussions that even today are little-known.

In London, on October 3, 1974, Agee, Notre Dame '56, made a public announcement more quixotic than most. He intended, he said, to wage unremitting private war against the Agency which had employed him for 11-1/2 years. According to Agee, who entered the CIA a rabid anti-Communist and who left it in 1968 a rabid pro-Communist, the CIA's unforgivable sin was its success in forestalling the worldwide triumph of revolutionary Marxism. Since that is just what the CIA claims, Agee's opinions disturbed nobody at the Langley, Virginia, headquarters of the largest, busiest, and most inept "intelligence service" in the world. What did infuriate the CIA was the strictly practical aspect of Agee's little war. In order to cripple the Agency, announced Agee, he intended to identify, and to train disciples to identify, "CIA officers and agents," and by doing so to "drive them out of the countries where they are operating."

A self-important sort of person (resembling in this respect the Agency he abhors), Agee did not divulge the CIA trade secret on which his prospective war depended—the almost comical truth that the identities of undercover CIA officers are not a secret, have never been a secret, and are not even meant to be a secret. These officers work at U.S. embassies under the thin guise of State Department employees and their "cover" is as trans-

parent as a plastic raincoat, beneath which they wear, metaphorically speaking, CIA T-shirts in order to make it easier for natives to find them.

In a foreign capital you can identify a CIA crew at the embassy by asking anyone at the bar favored by newsmen and politicians. The habitués can always give you the name of the CIA chief of station because he probably gives conferences—or even cocktail parties for that matter. Or you can ask an embassy janitor to point out the Americans who all work in the same room and only talk to each other. If you travel in diplomatic circles, you don't even have to ask who the CIA people at the embassy are, for, as one ex-CIA officer put it, "a favorite pastime of Foreign Service Officers and their wives was to point them out whenever the opportunity arose."

Even stay-at-homes can identify the CIA lads working under embassy cover with the help of various unclassified government publications. If you want to know how it's done, read "How to Spot a Spook" in the November 1974 issue of the eminently respectable *Washington Monthly*. One "indicator," as the CIA calls it, is the fact that no CIA official at an embassy is allowed to be listed as a foreign service office. This is because foreign service people, who have to take a stiff test to win that coveted title, refuse to let it be worn, unearned, by some ill-educated CIA clodhopper. So much for America's famed clandestine service.

This great CIA trade secret would be something of a joke if the American people shared it. Most Americans do not, and because they do not, Congress, at this very moment, is exploiting that ignorance to carry out one of the deadliest assaults on First Amendment liberties ever attempted on Capitol Hill. The assault has been more than a year and a half in the making and the slow pace is readily understandable.

Given a Constitution which proclaims literally that "Congress shall make no law . . . abridging freedom of speech or of the press," passing such a law is not the work

embassies around the world. Congressional lethargy stemmed from many sources, but chiefly from the fact that we were still in the era of detente; that popular support for the Cold War had broken down, and that the CIA itself was in ill-repute. Thanks to Watergate's endlessly ramified revelations, the Agency, by 1975, had almost lost the only "cover" it has ever really cared about—the 30-year-long pretence that the Central Intelligence Agency is in fact an "intelligence-gathering" service. Blaring headlines about a CIA-backed coup in Chile and shocking stories about CIA attempts to assassinate foreign rulers gave the American people a tantalizing glimpse of the long-hidden truth. The chief activity of the CIA is to intervene politically in the internal affairs of half the countries in the world. The CIA is little more, in fact, than an enormous bureau of incessant meddling, working constantly to prop up pro-American governments, however inept or vile, and to subvert independent-minded rulers, however popular or worthy. It is chiefly because the CIA's embassy operatives are political manipulators, not spies, that their "cover" is of so little consequence.

All such "covert action," as it is called at Langley, is no secret to the Kremlin, which, interestingly enough, makes no effort to impede it. Indeed, it is no secret to anyone in the world except the American people, whose knowledge of what their government does overseas constitutes the only danger to "national security" America's rulers really fear.

The real CIA is a secret of state, and by 1975, the time was ripe for shoving this secret back in the box. The political atmosphere was changing. Detente and

View

Cleanup time for the CIA

BY JOSEPH VOLZ

ONCE AGAIN, it may be time for a broom at the top of the Central Intelligence Agency.

The often-embattled spy corps has had its worst week since a Senate panel revealed six years ago that the agency planned to kill Cuban President Fidel Castro and other world leaders.

But the problem now is not what CIA Director William Casey has done since becoming top spy last January, but what he and his recently dispatched covert operations chief, Max Hugel, were doing in the business world before they joined the agency.

Once again, the ethics of the nation's top spies is under scrutiny.

Hugel was forced to quit when *The Washington Post*—not the CIA's Office of Security—uncovered a tangled tale of alleged stock manipulation in the mid-1970s designed to boost the worth of his company, Brother International Corp.

But hardly had Hugel, a brash amateur and the most unpopular head of covert operations since the agency was formed in 1947, been pushed out the door before Casey's own business dealings came into question. A now-defunct farming venture, Multiponics Inc., in which he invested, has been the subject of a civil suit for years.

So far, President Reagan says he has "full confidence" in the brusque Casey who was his campaign chief last year.

But Casey does not have the "full confidence" of his clandestine operatives. The undercover crowd, expected to be more and more active in such

flashpoints as Afghanistan, El Salvador and Guatemala, is appalled that Casey picked an amateur, Hugel, to run the sensitive covert division.

Casey, in his first months as director, has tried to shut down the CIA public affairs office and make the agency exempt from the Freedom of Information Act, to the anger of civil libertarians who argue that such secrecy got the CIA in trouble before and could prevent future Hugels from being rooted out.

Sen. Daniel P. Moynihan (D-N.Y.), committee vice chairman, wants a full report on how the papers could find out things about Hugel that eluded the CIA's probers.

The betting here is that, regardless of President Reagan's "full confidence," Casey will be out by year's end, to be replaced by a professional who



The CIA's Casey: Too high a profile keeps a low profile and does not panic in crisis—someone like Admiral Bobby R. Inman, deputy CIA director, or Frank Carlucci, the former deputy who is now deputy defense secretary.

Joseph Volz covers national affairs from The News' Washington bureau.

ARTICLE APPEARED
ON PAGE 6

HUMAN EVENTS
6 June 1981

Compromising Security

Attorney General Seeks Changes in FOI Act

Efforts are being mounted by the Reagan Administration and on Capitol Hill to tighten up the provisions of the Freedom of Information Act (FOIA), a law designed to provide "open government" by making government information and files available to anyone.

Since early May Atty. Gen. William French Smith has been soliciting proposals from federal agencies for reform of the law, which was passed in 1966 and broadened in 1974. As a first step, Smith revoked 1977 guidelines implemented by the Carter Administration that agencies release requested information unless the disclosure would be "demonstrably harmful" to the government.

Liberals like the FOIA because it has produced revelations about the FBI's Cointelpro operation, alleged FBI harassment of the Socialist Workers party and Martin Luther King, and CIA attempts to assassinate foreign leaders.

Some conservative groups have also used the FOIA to advantage. Reed Irvine's Accuracy in Media received government documents under the law that cleared the FBI of charges that it had tried to smear actress Jean Seberg, a supporter of the Black Panthers, in a Cointelpro operation. M. Stanton Evans, director of the National Journalism Center, has used the FOIA in an attempt to get out of the Commerce Department the names of those firms doing business with the Soviet Union. And HUMAN EVENTS used the FOIA law to acquire a list of federal ACTION grants that went to left-wing political groups.

Nevertheless, there is evidence that the FOIA has been abused and exploited, and that the current exemptions from release of certain information are not enough to prevent damage to our ability to collect intelligence on criminals and subversives.

The CIA, for example, has been especially hard hit. The former deputy director of the agency, Frank Carlucci, who is now deputy secretary of defense, testified before the House Select Intelligence Committee in 1979 that the agency had lost valuable intelligence because of the FOIA.

"A foreign intelligence source from a Communist country broke off a productive association with us specifically because of fear of the consequences of disclosure under the Freedom of Information Act," he said. Carlucci added that the law

with foreign intelligence sources and flatly stated as long as the CIA is bound by the Freedom of Information Act."

Carlucci revealed approximately four CIA defectors

objective is to dismantle the intelligence-gathering agency. Moreover, Carlucci noted that "under the terms of the law, if the head of the KGB were to write us directly, we would have to respond in 10 days."

(Fulfilling these requests costs money, of course, and most of it is at public expense. CIA Director William Casey revealed that the agency recently spent \$300,000 to comply with just one FOIA request from Agee.)

Two other agencies hard hit by the FOIA are the FBI and the Drug Enforcement Agency (DEA). A 1978 study by the internal security panel of the Senate Subcommittee on Criminals Laws and Procedures found that "a heavy volume" of requests made to those agencies "come from the criminal community and members of extremist organizations."

The study noted that "Mr. Bensinger of DEA told the subcommittee that 40 per cent of the total number of requests received by his agency came from convicted felons, many of them serving time in prison. The DEA, he said, had been inundated with form letter FOIA/Privacy Act requests from prisoners and organized dissident groups in prison—in each case seeking to discover what DEA may know about their activities."

Herbert Romerstein, a professional staff member of the House Select Intelligence Committee, noted at a 1979 hearing that a convict by the name of Gary Bowdach had testified that he filed FOIA requests with almost 10 agencies, including the FBI and DEA, for the purpose of identifying informants so that they could be killed.

Romerstein also noted that Bowdach further testified that on behalf of another criminal, "he made an FOIA request to the DEA which supplied five pounds of documents, and he claimed that careful examination identified a DEA informant. . . . And Bowdach then said that he believed the informant was later murdered."

As a result, officials of the DEA and the FBI contend that the FOIA has had a chilling effect on sources of information. Thomas S. Bresson, former acting chief of the FBI's FOIA Branch, testified that the bureau has found numerous examples of sources who were telling us in counterintelligence investigations [of subversives and foreign spies] that they no longer

PHILADELPHIA BULLETIN
4 May 1981

THE NEW MISSIONARIES / Part 2

Another cross to b CIA involvement s

For more than 150 years, U.S. missionaries — Bible in hand — have traveled the world to spread God's word. But today's missionary ventures forth with a different mandate in mind, and often in the face of extreme danger. This is the second in a series.

BY PAULA HERBUT
Of The Bulletin Staff

The Summer Institute of Linguistics might seem to be an unlikely target of suspicions of Central Intelligence Agency (CIA) involvement.

A branch of the Wycliffe Bible Translators, the institute works in remote areas of the world, its missionary-linguists living for 15 to 20 years with remote villages of people who have no written language.

The linguists transcribe the unwritten languages into written form and then translate the New Testament into the language, converting the people to Christianity along the way.

But the fact that linguists spend years in remote areas arouses suspicion in some. So does their dedication to seemingly insignificant people — some of the villages the institute works with have as few as 100 people.

The institute also has contracts with the governments of the 36 countries it works in; it accepts some government grants from the U.S. and other countries for special projects, and in countries where suspicion of the U.S. government is strong, the institute has not escaped suspicion itself.

In Colombia, Chester A. Bitterman 3d, a 28-year-old native of Lancaster, Lancaster County, was preparing to dedicate more than 15 years of his life as a missionary-linguist to a village of only 110 people.

He was one of 200 missionary-linguists and support workers in the country. There are 1,500 missionary-linguists with the institute around the world — another 200 staff members do support work such as maintaining supply bases or radio services or staffing the small jungle

But on Jan. 19, Bitterman was taken hostage by a group of left-wing guerrillas, and six weeks later was murdered. The group charged that the institute was a CIA front. The institute denied involvement with any government intelligence agency — in fact, it forbids it, it said. Bitterman's father said that his son, a fundamentalist Christian, felt he was "led by God" into missionary work.

The institute has been a target for more than a decade of rumors that it has spied, set up missile bases and even mined precious minerals or run drug operations in Latin American countries. The rumors have never been confirmed.

Bitterman's murder comes in the midst of widespread controversy in missionary circles over the role of U.S. missionaries in Third World countries and U.S. government funding of some missionary development projects and relief work.

It also has led to more specific actions by Protestant denominations. Among them is the United Methodist Church, whose Board of Global Ministries' World Division approved a policy this month that "no ransom will be authorized on the basis that such response places in jeopardy all personnel and programs of the church."

Espionage allegations against missionaries in Third World countries are not uncommon and do not center on U.S. missionaries alone. In Iran, three British Anglican missionaries accused of spying were imprisoned for more than six months until the charges were dropped in February.

Past CIA use of missionaries was uncovered in 1975 during a 15-month investigation by the U.S. Senate Select Committee on Intelligence Activities. The final committee report said it had information that 21 missionaries were used by the agency in the 1950s and 1960s.

It was a different era. Among missionaries who helped the CIA was famed Catholic missionary doctor Tom Dooley.

lic sainthood. Dooley, who died of cancer in 1961 at 34, served as an unpaid informer to the the CIA in the 1950s when he was a doctor in Laos and Vietnam. He reportedly passed information about villagers' sentiments and troop movements near the Laos hospital where he treated the starving and wounded.

"He (Dooley) was a doctor and humanitarian. He thought this would help those people and help prevent communism taking over those countries," said the Rev. Maynard Kegler, a priest working for Dooley's sainthood.

Church groups now solidly oppose use of missionaries by the CIA, citing separation of church and state, fear that the practice would taint and endanger all missionaries and concern that government policy is not always identical to church stands.

"They go in as missionaries of the church, not as missionaries of the government," said Dr. Lois Miller, associate general secretary for the United Board of Global Ministries of the United Methodist Church, which — like many other denominations in recent years — specifically prohibits any CIA involvement among its missionaries.

In 1976 a public policy statement was issued by then-CIA Director George Bush that the agency had terminated its "paid or contractual" relationships with American clergymen and missionaries and would not renew them.

CIA internal guidelines in effect since 1977 state that "American church groups will not be funded or used as funding cut-outs (fronts) for CIA purposes." They also state that the CIA shall establish "no secret, paid or unpaid, contractual relationship with any American clergyman or missionary . . . who is sent out by a mission or church organization to preach, teach, heal or (proselytize)."

Cap Weinberger's Pentagon Revolution

The new Defense Secretary will focus on the big issues and leave the rest to the brass.

by DONALD D. HOLT

Secretary of Defense Caspar Weinberger has set out to run the Pentagon as if it were a huge, wildly diverse conglomerate. He means to concentrate on such headquarters functions as finance and overall strategy while his subordinates, the generals and admirals and service Secretaries, run their own shows like managers of so many strategic business units. Will it work? Nobody knows; centralized control has been ingrained in the Pentagon woodwork since the days of Robert S. McNamara. But Weinberger's goal is admirable. With more time to think, and a little luck, he might be able to come up with one additional defense program the nation urgently needs: a cohesive rationale for spending \$222 billion a year.

Weinberger's plan was laid out recently in an eight-page memo signed by Deputy Secretary Frank Carlucci. Instead of a few bold strokes, the plan consists of a series of smaller steps:

■ Army, Navy, and Air Force Secretaries are now members of the Defense Resources Board, the top management body formerly made up only of the Chairman of the Joint Chiefs of Staff and officials from the Office of the Secretary of Defense (OSD). The board, chaired by Carlucci, now controls the entire planning and budget process, not just the last stages as in the past.

■ OSD staffers have been forcefully reminded that they are staff, not line officials. The amount of documentation they may request from the services has been cut by 50%, and they are to use such data

only for purposes of oversight and coordination, not to produce alternative programs.

■ Though it wasn't in the memo, Weinberger told FORTUNE that he also intends to cut the size of the Defense Department's giant central staff.

Weinberger's goal is to get out from under the day-to-day work load that has forced predecessors to focus on current budget years at the expense of long-range planning. By looking ahead, he hopes to solve some defense-contractor problems, particularly those growing out of the start-stop nature of many procurement programs. "The Defense Department hasn't been a very good customer," he says. Also, Weinberger thinks policy has been determined by how much money was in the budget, rather than the other way around.

In decentralizing the Pentagon, Weinberger is attempting to overturn two decades of hardened tradition. With the exception of Melvin Laird's tenure from 1969 to 1973, which was atypical because he had to wind down the Vietnam war, the modern Defense Department has been run from the top down. For example, OSD has sent increasingly detailed directives to the services—specifying the type of avionics in a fighter or the monthly production rate of the M-1 tank—to the point that the services sometimes were little more than contract managers.

The Weinberger reforms in effect tell OSD officials to knock off that kind of "micro-management." In turn, service Secretaries, often confined to watching parades in recent years, are being expected to assume responsibility for programs. Says Weinberger, "Once the basic policy questions are settled at my level—What do we need a Navy for? What kind of Navy?—we will give them considerably more freedom in saying how those objectives should be obtained."

Like his boss over in the White House, Weinberger wants to keep the details off his desk so he can concentrate on the big

picture. On most issues he wants consensus and decision reached at lower levels, with only the most important questions—and the ones nobody can agree on—finally landing in his in-box.

To understand the significance of Weinberger's action, it helps to remember that when McNamara took over, the Department of Defense was just 12 years old and had been dominated by strong military leaders. Interservice rivalry had escalated out of control. There were, for example, 12 different long-range missile programs spread among the three services. It was to end this chaos that McNamara instituted his reforms. He established the Planning, Programming, Budgeting System (PPBS) and created a huge staff of systems analysts in OSD. In a typical year, he made more than 700 budget decisions himself, even down to the color of belt buckles. The Joint Chiefs were quick to voice their displeasure; within two years, all had been replaced.

McNamara served seven years, firmly establishing his system. When the Republicans took over in 1969, the huge military developed to fight the Vietnam war was being dismantled, and Laird, the canniest politician ever to serve as Secretary of Defense, was shrewd enough to realize he had better not try to run things by himself. He instituted "participatory management," under which the services developed their own programs in accord with generalized policy and spending ceilings set by Laird. While leaving much of McNamara's centralized system intact, he managed to share the onus of big budget cuts with the military chiefs.

Laird's successors, James Schlesinger and Donald Rumsfeld, retained the concept of giving broad guidance, but they were by nature centralizers; and the pendulum nudged back toward the McNamara style. Harold Brown pushed it hard the rest of the way with directives that prescribed, for instance, the mix of mech-

anized and infantry divisions in the Army. (Brown also installed zero-base budgeting—the Georgia Highway Department's contribution to national defense, as one Carter-era Pentagon Ironist put it. Carlucci has killed ZBB, to nobody's apparent dismay.)

Belief in a bristling armory

Weinberger, 63, had been penciled in for all the top Cabinet jobs, yet the one he got seemed the least appropriate. His budget-cutting reputation as Director of the Office of Management and Budget and Secretary of HEW under Richard Nixon made an odd fit with a department Reagan had promised to fatten up. On top of that, Weinberger was an agnostic amid Reaganite believers for whom a bristling armory was true religion.

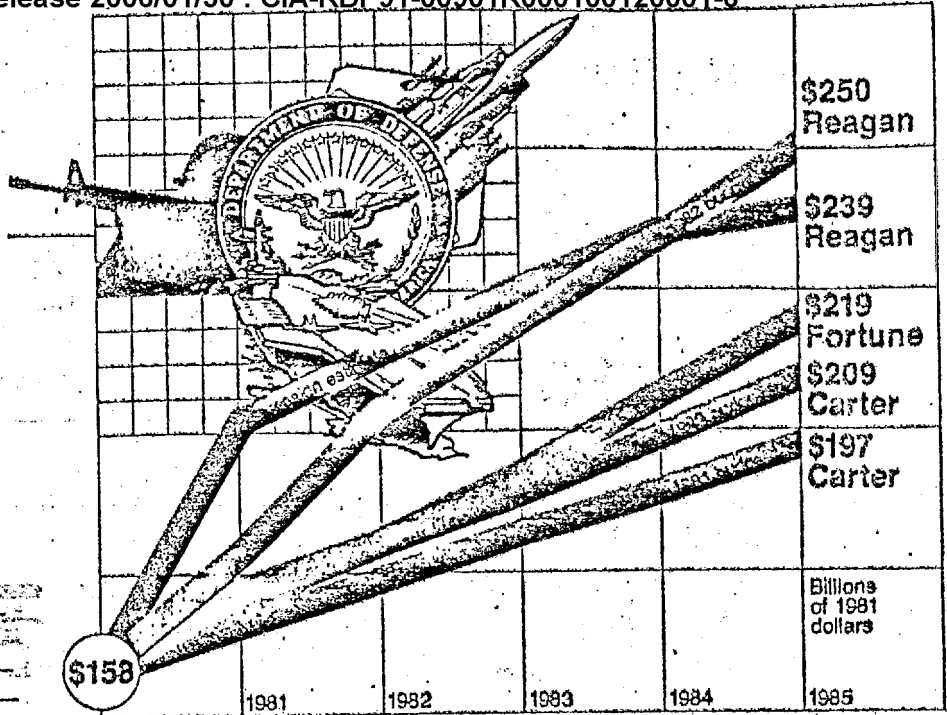
Carlucci's appointment as Deputy Secretary was opposed by conservative purists led by Senator Jesse Helms, who felt that Carlucci had weakened the CIA while serving the Carter Administration as the agency's No. 2. Though Carlucci had no previous direct association with the Defense Department, Weinberger fought to bring him along. By one account, he even threatened not to serve if he couldn't have Carlucci at his elbow.

No matter what Cabinet post Weinberger got, the slim, unassuming figure of Frank Carlucci, 50, in plaid sport jacket and unshined brown loafers, would likely have joined him. Their association dates back to the early 1970s, when Weinberger was director of OMB and Carlucci, a career civil servant, was his deputy director. Carlucci followed Weinberger to HEW in the same capacity. Over the years they have become so close they practically think alike.

Both argue that their experience running government bureaucracies offsets whatever knowledge of the Pentagon they might lack. Weinberger also has something else going for him: Ronald Reagan's confidence. He was Reagan's California finance director, and has been a confidant ever since.

Keeping an ear cocked

When it comes to big decisions like how to deploy the MX missile, which manned bomber to build, or what to do about military manpower in the face of Reagan's campaign position against the draft, Weinberger is acting like any other Secretary. He draws both on the department's centralized staffs and on outside groups. The ultimate decisions will obviously be made by Weinberger, albeit with one ear cocked toward the White House.



Another problem Weinberger wants to tackle personally is the sharp shrinkage in the industrial portion of the once-feared military-industrial complex. The Pentagon no longer has the long lists of active or potential contractors it could choose from back in the days when more companies were eager for defense contracts.

Years of budget stringency and preoccupation with current budget years at the expense of future planning have led to stop-start contracting. No company wants to win a contract one year, see it cut back the next, and then be asked to tool up again the third year. The Pentagon's erratic purchasing has been especially hard on the smaller companies that make components for prime contractors. In the last ten years, about 6,000 have simply quit doing business with the Pentagon.

Weinberger thinks some of them would come back if they could depend on steadier orders. He has a task force working on a plan to smooth out contracting, and he is backing legislation that would permit multiyear contracts, though Congress has always been leery of them because of the potential for cost overruns and because they cut lawmakers out of the annual budget review.

As good as Weinberger makes decentralization sound, it could result in wild spending and conflicting programs. The trend toward central control began in the first place because of the duplication and waste of interservice rivalry. Such rivalry has hardly diminished over the years.

Right now, convinced that Weinberger intends to leave them alone, the services are updating their wish lists, thus putting themselves on collision courses with one another and with the Secretary. Says one longtime defense watcher, "Gradually Weinberger and Carlucci will have to reassert power because the services will blow it. They will not be team players."


A memo in the men's room

In his memo, Carlucci sternly warned against such tactics: "I expect to enforce the necessary discipline during the entire process. Game playing will not be tolerated." That stricture isn't likely to be heeded. Game playing—out-of-channel contacts, low-ball budget estimates, and such tactics as seeming to support project A when the real goal is to sink A in favor of B—exists in all big bureaucracies, including businesses. But it has become high art in the Pentagon, and nobody seems ready to stop. After one meeting, in which Carlucci's deputy, Vincent Puritano, got everybody to promise to play by the rules, a three-star general followed Puritano into the men's room and tried to slip him a private memo.

Embarrassed by a Navy estimate of the cost of bringing the carrier *Oriskany* out of mothballs that was so low even staunch Navy supporters in Congress were skeptical, Carlucci has now quietly instructed OSD staffers to come up with their own

estimate. Much more of that kind of team playing and Weinberger's whole system will sink without a trace.

This is where Weinberger's inexperience could be critical. One congressional staffer thinks Weinberger and Carlucci will learn first of abuses of their trust from congressional committees.

Persistent game playing by the services could lead Weinberger to lash back. "Every once in a while you have to do something your military experts feel is not the proper course," he says. "We're perfectly prepared to do it. We're not at all sure we're right and they're wrong, but that's what civilian control is here for." The pendulum at Defense, having swung toward decentralization, could swing back. 

Washington Roundup

Acquisition Shifts

Deputy Defense Secretary Frank C. Carlucci late last week received 26 specific recommendations for expediting and improving procedures for systems acquisition and was expected to render prompt judgment on most, if not all.

One major issue is the future role for the Defense Systems Acquisition Review Council (DSARC) procedures. One of several options offered for Carlucci's selection is to shift early milestone DSARC functions to the secretary of the military service involved. Another would be to raise the dollar threshold figure for programs that must run the DSARC gauntlet, Carlucci's executive assistant, Vincent Puritano, told an Electronics Industries Assn. conference last week.

Puritano, a firebrand-type red-tape cutter who was a Carlucci aide at the Central Intelligence Agency and has extensive government experience, plans to meet this week with key congressional staff members to discuss acquisition procedure changes that would require legislative action to eliminate congressional constraints accumulated through the years.

Pentagon Issues Warning on Security Leaks

By George C. Wilson
Washington Post Staff Writer

Deputy defense secretary Frank Carlucci, who took a hard line on security leaks while deputy director of the CIA, has issued a severe warning to Pentagon employees about disclosing secret information.

"It will be the policy of this department to deal firmly and promptly with all employees who betray this responsibility" to protect secrets, Carlucci said in a memo dated April 15.

"Unauthorized disclosures of classified information, whether intentional or inadvertent, will not be tolerated," the memo said.

"Past disclosures have damaged our relations with other governments, reduced our lead in weapons technology and resulted in the loss of irreplaceable intelligence sources," the memo said. It did not cite any examples.

One disclosure that is known to have provoked the Pentagon's civilian hierarchy

was a recent wire service article stating that radio communications between Soviet headquarters and field commands in Poland had decreased, indicating an easing of the crisis.

Pentagon officials complained at the time that the report tipped off the Soviets that those communications were being intercepted, impelling them to use a different net and thus costing the U.S. intelligence community a source of information.

Although it is widely known that the United States and other nations eavesdrop on communications, articles about this almost always upset intelligence specialists such as Carlucci.

The article also might have irked Defense Secretary Caspar W. Weinberger because it ran at the same time that he was portraying the Polish situation as an unrelenting crisis.

Besides its references to specific leaks, the contents of the memo were described as normal for a new administration trying to lay down the law early on. But it could

mark the beginning of a crackdown on the release of information about Pentagon activities reminiscent of the administration of secretary Robert S. McNamara in the 1960s.

Carlucci's memo went to the chairman of the Joint Chiefs of Staff, the three service secretaries and other civilian executives of defense agencies.

Henry Catto, the Pentagon's acting spokesman, issued a follow-up memo to Carlucci's. "In addition to posing a threat to national security," Catto said, "unauthorized disclosures tend to make our work more difficult by stimulating inquiries about the subject matters revealed. We cannot afford even one slip-up, inadvertent or otherwise.

"To give added emphasis to security consciousness, I urge you to convene your staffs periodically for a reminder that each staff member who handles classified or sensitive information is personally responsible for its protection."

UPI

24 April 1981

BY RICHARD C. GROSS

WASHINGTON (UPI) -- THE PENTAGON IS CRACKING DOWN HARD ON LEAKS OF CLASSIFIED DATA OFFICIALS SAY HAVE DAMAGED U.S. RELATIONS WITH OTHER COUNTRIES, REDUCED THE U.S. LEAD IN THE ARMS RACE AND CAUSED THE LOSS OF INTELLIGENCE SOURCES.

DEPUTY DEFENSE SECRETARY FRANK CARLUCCI, IN A TOUGH, NO-NONSENSE MEMORANDUM TO THE HIGHEST ECHELONS OF THE PENTAGON DATED APRIL 15, SAID THOSE WHO LEAK CLASSIFIED INFORMATION WITHOUT AUTHORIZATION CAN BE FOUND GUILTY OF VIOLATING ESPIONAGE LAWS.

THE MEMORANDUM WAS OBTAINED BY UNITED PRESS INTERNATIONAL.

"IT WILL BE THE POLICY OF THIS DEPARTMENT TO DEAL FIRMLY AND PROMPTLY WITH ALL EMPLOYEES WHO BETRAY THIS RESPONSIBILITY," THE CARLUCCI MEMO SAID.

"I WANT TO EMPHASIZE TO ALL THE EMPLOYEES OF THIS DEPARTMENT THAT UNAUTHORIZED DISCLOSURES OF CLASSIFIED INFORMATION -- WHETHER INTENTIONAL OR INADVERTENT -- WILL NOT BE TOLERATED," CARLUCCI WROTE.

SIMILAR MEMOS APPEAR AT THE OUTSET OF EVERY NEW ADMINISTRATION. BUT CARLUCCI, BY INVOKING THE ESPIONAGE LAWS, WAS UNCOMMONLY HARSH.

THE FOUR-PARAGRAPH MEMORANDUM RESULTED FROM ANGER OVER DISCLOSURES BY PENTAGON OFFICIALS OF DETAILS SURROUNDING SOVIET AND WARSAW PACT MANEUVERS IN AND AROUND POLAND APRIL 13 AND 14, DEFENSE OFFICIALS SAID.

SOME OF THE DETAILS, THE OFFICIALS SAID, COMPROMISED U.S. INTELLIGENCE SOURCES BECAUSE THE SOVIETS WERE ABLE TO PINPOINT THE ORIGIN OF THE INFORMATION.

DOZENS OF MILITARY PERSONNEL DAILY ARE PRIVY TO PHOTOCOPIED INTELLIGENCE DATA COVERED WITH A RED SHEET STAMPED "TOP SECRET" AND THOSE WITH BLUE COVERS MARKED "CONFIDENTIAL." WHEN NOT IN USE, THEY ARE STORED IN FILE CABINETS SEALED WITH COMBINATION LOCKS.

"PAST DISCLOSURES HAVE DAMAGED OUR RELATIONS WITH OTHER GOVERNMENTS, REDUCED OUR LEAD IN WEAPONS TECHNOLOGY AND RESULTED IN THE LOSS OF IRREPLACEABLE INTELLIGENCE SOURCES," THE MEMORANDUM SAID. IT DID NOT ELABORATE.



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

APR 15 1981

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
GENERAL COUNSEL
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Unauthorized Disclosures of Classified Information

I want to emphasize to all the employees of this Department that unauthorized disclosures of classified information--whether intentional or inadvertent--will not be tolerated.

Past disclosures have damaged our relations with other governments, reduced our lead in weapons technology, and resulted in the loss of irreplaceable intelligence sources.

It is essential, therefore, that in all dealings with persons not authorized access, we take care to avoid comments that refer to, or are based upon, classified information, unless prior clearance has been obtained in accordance with established procedures. Indeed, even unclassified matters should be treated with circumspection when they relate to sensitive internal deliberations.

There should be no need to remind anyone that the disclosure of classified information without authorization may constitute a violation of the espionage statutes. Certainly it constitutes a violation of established security procedures, as well as a breach of the responsibility we all have to protect sensitive information entrusted to us. It will be the policy of this department to deal firmly and promptly with all employees who betray this responsibility.

A handwritten signature in cursive script, reading "Frank C. Carlucci".
Frank C. Carlucci

42338

Destinations, Origins of Administration

Specie

By Boris Weintraub
Washington Star Staff Writer

INCOMING OUTGOING

AGENCIES

CENTRAL INTELLIGENCE AGENCY

WILLIAM CASEY
Director
New York lawyer, Reagan campaign aide.

STANSFIELD TURNER
Director
Writing.

STATE DEPARTMENT

JOHN H. HOLDRIDGE
Asst. Secretary, East Asian and Pacific affairs
CIA officer, ex-ambassador.

DEPARTMENT OF DEFENSE

FRANK CARLUCCI
Deputy Secretary
A deputy director, CIA.

Where have you gone, Mrs. Robinson? Into consulting work, probably, along with Anne Wexler, and F. James Rutherford, and Ruth Clusen, and Sterling Tucker, and Arnold Packer, and Jordan Baruch, and oh, so many others.

And where are these newcomers from? From well-paying business corporations or business trade groups, probably, like Alexander Haig, and Richard DeLauer, and Judith Connor, and Caspar Weinberger, and John Crowell Jr., and Richard Lyng, and R.T. McNamar and the rest.

The Washington Star has surveyed the professional destination points of top-ranking people in the Carter administration - surely you remember the Carter administration? - and the professional points of origin for the Reagan people, those who have been nominated so far, at least. It has been a tedious task because no one keeps any lists.

Those surveyed include the leading White House staffers, those in the Cabinet and sub-Cabinet jobs in each department down to the rank of assistant secretary, the top office-holders in the United Nations delegation and the Office of Management and Budget and a large number of the independent agencies and regulatory commissions and the flotsam and jetsam of Washington bureaucracy.

The results of the survey of more than 300 people lead to some surprising discoveries, along with some that are not so surprising. One discovery was that people can hold top jobs in the federal government - well-paying, responsible positions with the potential for great impact for millions - for four years and barely make a dent in the public consciousness. It is amazing how many of the outgoing Carter people were virtual unknowns, so far as the general public is concerned.

Many of the recently departed have no permanent jobs as yet, though some may have taken employment since they were called recently. Some of these have temporary fellowships, or are planning to write about their experiences, or are temporary consultants, until they decide on a way to go.

REGISTERED

ARTICLE APPEARED
ON PAGE 7

NEW YORK NEWS MAGAZINE
5 April 1981

AT THE TOP

'Leftist' at the Pentagon

The Deputy Secretary of Defense calls it compromise.
But the right wing calls it wrong.

by LARS-ERIK NELSON

Trim in slacks and a yellow pullover, Frank Carlucci sat at his desk in the Pentagon, eating a fish off a plastic cafeteria tray. To his left were a bank of telephones: a secure line that cannot be tapped by foreign spies, a direct line to the White House and another direct line to the National Military Command Center. As Deputy Secretary of Defense, Carlucci is a key figure in preserving the nation's security. In a crisis, all three of those phones would ring, probably at once.

As he ate his solitary lunch, an Army major general sat one floor below, reading a magazine article headlined: "Carlucci's Record Exposes Him As Real Far Leftist." The article, in *Conservative Digest*, made Carlucci the prime example of President Reagan's "betrayal" of his hardcore, right-wing supporters.

To the right wing of the Republican Party, Carlucci's sins are many. First and foremost, he seems apolitical. He is in fact a career civil servant who, at 50, has carried out the policies of Presidents Kennedy, Johnson, Nixon, Ford and Carter. He is now Reagan's highest-ranking career

bureaucrat.

To rise to the top, he acknowledged at his Senate confirmation hearing, he has had to compromise. "Compromise?" thundered Sen. Jesse Helms, the North Carolina Republican. "In this desperate hour in our history?"

The right-wing dossier on Carlucci goes back to the 1960s, when as a young diplomat in the Congo he was associated with the policy of suppressing the right-wing Katanga secession led by Moise Tshombe. As ambassador to Portugal in the mid-1970s, Carlucci advocated the then-daring strategy of resisting a Communist takeover of the Portuguese revolution by backing Socialist Mario Soares.

Henry Kissinger, then Secretary of State, ranted and raved, but in the end followed Carlucci's advice. Portugal remained non-Communist and a member of the North Atlantic Treaty Organization, for which, Carlucci says, "I take some pride."

As deputy director of the Central Intelligence Agency under Jimmy Carter, Carlucci was accused by the right of helping to "emasculate" the agency by eliminating almost all of its capability for covert operations. But he defends the agency as still capable

of producing first-class intelligence.

He is not the leftist fanatic his critics like to picture. As deputy to Caspar Weinberger, Carlucci agrees that American defense capacity has deteriorated and must be beefed up. He favors the development of a new manned bomber to replace the aging B-52s.

And Carlucci claims to enjoy the trust of White House chief of staff Edward Meese. But he acknowledges a sense of suspicion directed toward him from Reagan's California kitchen cabinet of conservative millionaires. Carlucci would not be in the Defense Department earning \$60,000 salary—about one-third of what he could have made in private industry—if Weinberger had not steam-rolled the "Reaganaut" opposition to Carlucci by threatening to turn down the top job unless he could pick his own deputy.

Carlucci got the job, but the opposition did not die. The suspicions—and the public attacks—are likely to continue. Weinberger and Carlucci are both interested in foreign policy and knowledgeable about it. Carlucci, for example, has closely followed the internal political developments of El Salvador and urged continued support of the moderate, center-right coalition as it tried to survive attacks from the extreme left and extreme right.

That sort of advocacy will make him a target for further criticism from the Republican right.

"It doesn't really bother me," Carlucci says. "But it did bother my father."

ARTICLE APPEARED
ON PAGE 109

WASHINGTONIAN
APRIL 1981

Washington's Ultimate Survivor Reminisces About Bureaucrats and Others He's Known



After 18 years under Presidents Kennedy, Johnson, Nixon, Ford, and Carter, Joseph Laitin is out of government. But he remembers, does he ever remember.

Maestros with the Media

Angus Thuermer, former undercover agent and later CIA press-relations chief during the agency's darkest hours. It's not easy to denounce an agency whose press chief identifies himself as "a CIA spooksmen."

Wrongly Abused

James R. Schlesinger, former Secretary of Energy and Defense, CIA director, and chairman of the Atomic Energy Commission. The most unfairly abused official since Harold Ickes, and that's going some. Mislabeled as a right-wing hawk, he's really a Republican moderate with a deep commitment to national security. He has had a superb track record in every job he's handled. The second-most-difficult boss I ever had.

Master Bureaucrats

Frank Carlucci, former deputy Budget director, deputy CIA chief, deputy HEW secretary, and ambassador to Portugal; now deputy secretary of Defense. He knows all the power levers, warm bodies, and skeletons in the bureaucracy.

ARTICLE 295
OF THE

THE NATION
14 March 1981

PROTECTING OUR SPIES

On Naming C.I.A. Agents

We present a Nation first—the first article in this journal that has ever been cleared for publication by an agency of the Federal Government, in this case the Central Intelligence Agency.

Because of the misreporting, loose allegations and general fuzziness surrounding the debate over the naming of C.I.A. agents, and the fact that extremely dubious and dangerous legislation—the Intelligence Identities Protection bill, on which hearings begin April 7 in the House—may be enacted as a result, we asked Philip Agee, himself a former C.I.A. agent who has made something of a specialty of naming his quondam colleagues, to explain why he does it, and what he thinks is wrong with the current bill, which would outlaw the practice.

Agee, who resides in Hamburg, West Germany, agreed to write the article but informed us that he is under a court injunction which compels him to clear anything he writes about the intelligence field with the Agency itself, lest he be judged in contempt. Under these circumstances, we agreed to publish Agee's essay (which, as it happens, the C.I.A. let stand pretty much as he wrote it) and invited a group of experts to discuss the issues he raises. Their observations start on page 299, with the exception of former C.I.A. Director William Colby who, after reading the Agee essay, declined to participate. —The Editors

PHILIP AGEE

The purpose of our cover in many places is not to fool the K.G.B.," former Deputy Director of Central Intelligence Frank Carlucci told the Senate Judiciary Committee last September. Rather, cover is needed to preserve C.I.A. operations from "detection by local authorities" and from "foreign political outcry." Carlucci added that good cover is needed to give the U.S. Government "plausible denial" of C.I.A. operations and insure that the Agency can continue to recruit informants. Carlucci was saying, in other words, that good cover is needed to enable the Agency and American ambassadors to tell more believable lies, and to help C.I.A. officers cozy up to foreigners under false pretenses.

The Deputy Director was testifying in favor of S. 2216,

Philip Agee is a former C.I.A. officer who wrote *Inside the Company: CIA Diary* (Bantam, 1975). He now lives in Hamburg, West Germany. He was expelled from the U.S. and revoked his passport and the case is currently under consideration in the Supreme Court.

the Intelligence Identities Protection Act and many others which would be caused by the disclosure of information about agents—primarily the Intelligence Identities Protection Information Act. The bill is almost identical to the Intelligence Identities Protection Act. Oversight and Judiciary Committee. The reason to fear the bill is that it would disclose information about agents, informants, and the C.I.A. and the

The C.I.A. claim that it is more difficult to recruit people who might be made public because they do not have become reliable because they do not have covers of many C.I.A. agents. Their effectiveness can serve abroad services in many

have become increasingly aware of the C.I.A. presence in American embassies and consulates, thus making operations more difficult to conceal, more cumbersome and, in some cases, more dangerous.

The C.I.A. and its supporters in Congress stress that the proposed law is aimed solely at a malicious little group of troublemakers who specialize in naming names—mainly, myself and Louis Wolf, editor of the *Covert Action Information Bulletin*. The question of whether the bill's narrow intent makes it an unconstitutional bill of attainder aside, it could easily be applied against the mainstream media once the "traitors" are silenced. The long-run result would be an end to practically all extra-official exposures in the media of scandals and abuses based on information from insiders—which is where almost all the important exposures originate. The C.I.A. denies, of course, that this is its purpose, but the potential usefulness of such a law to them in protecting cover and regaining adequate overall secrecy is undeniable. As a result, practically all the mainstream media have come out in opposition to S. 2216.

There can be no doubt that an end to exposure of the C.I.A. in the major media would be a grievous loss. Consider the historical impact of Thomas Ross and David Wise's book *The Invisible Government*, the 1967 revelations of all the financial conduits and institutional penetrations, the 1974 revelations of the Chilean subversion and domestic crimes, the leak of the Pike report in 1976, the 1977 revelations of various chiefs of state on the Agency's payroll and the series the same year on the C.I.A.'s penetrations of the media. That reporting gave unique insights into the C.I.A.'s methods, and without the 1974 revelations there would have been no Church Commission, a Church committee or a Pike committee.

Under the proposed law, however, most of that main-

COLUMBIA JOURNALISM REVIEW
March/April 1981

A Fleet Street look at the Washington Post

A bemused British visitor reflects on journalism in Washington, where every reporter is a celebrity

by DAVID LEIGH

I went to work on *The Washington Post* last summer under the oddest and perhaps most sentimental of circumstances. Thanks to the friends of the late Laurence Stern, a much-loved Anglophile editor of the *Post*, I was invited to leave my niche on the London *Guardian* and take up temporary residence in Washington. No one seemed entirely sure what I was supposed to do to Washington journalism, or what it was supposed to do to me, but as the world's first Laurence Stern Fellow, I plainly owed it to America to experience some media culture shock.

I was indeed culturally shocked. I don't know what *Washington Post* journalism looks like to someone who works on *The Modesto Bee* or even the *San Francisco Chronicle* — probably rather exotic. But from the modest converted warehouse in the financial district of London which houses the self-deprecating and penniless *Guardian*, it looks like another planet. After four months with the *Post*, I flew back to London and strolled back into my own offices. They were normal. What "normal" meant was that the story of the week was about an elderly titled lady famous among readers for her appearances many years ago on a harmless BBC radio quiz show called *What's My Line?* And now she had been caught shoplifting. After a couple of days' front-page treatment from the whole of Fleet Street, she made

On the cultural front, the major news was that the Conservative politician who heads the Greater London Council — one Horace Cutler — had stalked out of a left-wing play which showed ancient Romans sodomizing ancient Britons. Cutler wanted to cut off the state subsidy for London's National Theatre because he was shocked. Peter Osnos, national editor of *The Washington Post*, arrived in London during the furor. "We're so much more earnest than you," he marveled at a journalists' dinner party. "Here you all are, doing nothing but make jokes about bugging druids!"

Perhaps this little series of events makes a trifle clearer the journalists' milieu from which I emigrated to Washington — class-bound, flippant, inept, charming, prurient, broke.

The operation I found at 1150 Fifteenth Street Northwest, by contrast, was wealthy. It was charismatic, stylish, self-absorbed, meticulous, and showy. And all its practitioners were celebrities. When I read a twelve-page article in *The Washington Monthly* about the *Post*, the succession to Ben Bradlee, the prospects of Bob Woodward, and the faintly acid comments of Woodward's estranged wife about his personality, I thought: "How amazing, to devote all that space just to gossip about journalists!" In Britain nobody thinks journalists are persons of any significance. Peter Preston, editor of the *Guardian*, is downbeat, sly, unpretentious; William Rees-Mogg, editor of the *Times* of London, is an eloquent Roman Catholic country squire with an infallible knack for misjudging world events (he backed Nixon); Harold Evans, editor of *The Sunday Times*, is short, gutsy, and has an interesting love life. But no one would write long profiles of them and their newspapers for public consumption and certainly no one would produce, in the manner of a David Halberstam, a portentous tome chronicling their politi-

So that was the first culture shock. But if portentousness was the downside, then the upside was a certain distinct seriousness of purpose that I admired. The *Post* was prepared to write at great length about corruption in government contracts, or the unsavory history of Reagan's advisers, or the recollections of Vietnam veterans. Of course, it is easier to have a righteous code of ethics on *The Washington Post* than in Britain. The *Post* never pays for stories. Well, the *Guardian* doesn't either, but that is because we do not have any money. Down at the bottom end of the market, where the mass-circulation national tabloids compete savagely, you cannot get near trial witnesses and controversial footballers for the forest of waving checkbooks. The *Post* staffers do not accept free trips and free gifts. On the *Guardian*, the motoring correspondent is plied with goodies; the defense correspondent inspects NATO forces courtesy of the ministry of defense; the travel editor is a source of free holidays. Once, when Air France thought I might be worth cultivating, I was flown out to Marseilles for an expenses-paid winter weekend in the sun, hire car and luxury hotel thrown in. As I sat by the waterfront toying with a plate of sea urchins (delicious with chilled white wine), was I being corrupted?

It cheered me slightly, surrounded by high-minded candor, to discover that there were, in fact, stories *The Washington Post* would not print, even though they were the talk of the town. I very soon heard about the congressman who had recently become embroiled with a transvestite. Quite a scandal brewed up, but the congressman went to Bradlee and pleaded with him not to print the story. Bradlee suppressed it, saying, rightly, that a man's private sexual entanglements were his own affair.

ARTICLE APPEARED
ON PAGE A 15

THE WASHINGTON POST
27 February 1981

*Rowland Evans
And Robert Novak*

The MX Stall

The Reagan administration, to everyone's surprise, is stalling a decision on where to base the MX mobile missile in a delay that pits the Pentagon against the State Department and delights the environmentalist lobby.

The delay over whether to base this country's most vital new weapon on land or sea is fraught with potential dangers. It raises the disturbing question of whether President Reagan, who is totally committed to rapid MX deployment, is kept fully abreast on whether and how his desires are carried out by competing bureaucratic power centers.

Ronald Reagan himself is partly to blame for the latest procrastination over where the United States should base the 10-warhead missiles desperately needed to give the U.S. land-based system protection against possible Soviet attack. Reagan pledged while campaigning in Nevada and Utah to take a look at Jimmy Carter's decision to base the mobile system there despite fierce environmentalist opposition.

But what should have been a pro forma Pentagon review with a foregone conclusion may be heating up into a major test. Favoring sea-based deployment, a position he espoused while deputy director of the CIA, is Deputy Defense Secretary Frank Carlucci. Defense Secretary Caspar Weinberger privately warns that environmentalist lawsuits could conceivably tie up the Carter-approved Nevada-Utah plan "for years." But Weinberger says he has an open mind on basing and a public commitment not to let the new study delay deployment of the system, expected to start in 1985.

Why, then, has Weinberger told his panel of experts they have until "June or July" to make their report? The question is particularly relevant for another reason: National security and budget officials in Reagan's White House are committed to Nevada-Utah basing. They worry that another long delay in the ever-receding "final" decision will do exactly what Weinberger privately warns against: give environmentalists that much more time to mobilize for a total assault on the Nevada-Utah plan.

Secretary of State Alexander Haig is quietly advancing a blockbuster rationale of his own against what the Pentagon calls "going to sea." If environmentalist and other political pressures are allowed to overturn the Nevada-Utah decision, Haig predicts an irreversible torrent of political reaction in Europe against modernizing NATO's land-based nuclear systems.

Boiled down, that means environmentally sensitized West Germans would physically block the nuclear modernization program agreed to by North Atlantic treaty states (NATO) in December 1979 if the United States knuckled under to political threats or legal suits by its own environmental lobby.

European statesmen visiting here have made this point hard to Haig. They reason that any U.S. decision to "go to sea" would be interpreted as a valid excuse for Europeans to demand that NATO's new nuclear weapons should also be based on boats (which military specialists say would be impossible). When the visiting Europeans warn Weinberger that moving the MX to sea would create massive political problems for NATO, he not only appears to be unimpressed but at least on one occasion argued that seabasing the MX might be the best deployment in view of environmentalist delays.

Yet President Reagan has a precedent to ask Congress for a special exemption from lawsuits and other legal delaying actions now being planned by the environmentalists (by no means confined to Nevada and Utah). Congress gave the Alaska pipeline project such an exemption nearly five years ago. The project was built to specifications laid down by the Environmental Protection Agency, but it was immune from most special-interest lawsuits.

A Reagan request for similar treatment for the Nevada-Utah-based MX would get quick attention; the national security aspect is far graver in protecting America's land-based missile system than in any oil shortfall.

Moreover, White House advisers say that the courts have been friendly to Uncle Sam in rejecting environmentalist lawsuits involving military work. Federal courts have been loath to grant injunctive relief when government attorneys stake their defense on grounds of national security.

Accordingly, the preference of Carlucci and other officials for a sea-based system has little to do with environmentalists and much to do with arcane debate over weapons strategies that was resolved last year by the Pentagon after years of agonizing indecision. More indecision is not needed at this point, which is why some White House aides hope Ronald Reagan will himself end the delay forthwith.

UPI

3 Feb 81

(BY JUAN WALTE)

WASHINGTON (UPI) -- THE SENATE CONFIRMED FORMER DEPUTY CIA DIRECTOR FRANK CARLUCCI AS DEPUTY DEFENSE SECRETARY TUESDAY AFTER A CONSERVATIVE LEADER CHARGED HIM WITH HELPING LEFT-WING CAUSES IN THE UNITED STATES AND ABROAD.

THE VOTE WAS 91-6.

THE ATTACK CAME FROM SEN. JESSE HELMS, R-N.C., WHO ALSO OPPOSED THE APPOINTMENT OF DEFENSE SECRETARY CASPAR WEINBERGER, CARLUCCI'S FORMER BOSS AT THE BUDGET OFFICE AND HEW (NOW HEALTH AND HUMAN SERVICES) IN THE NIXON ADMINISTRATION.

HELMS DROPPED HIS FORMAL OPPOSITION TO CARLUCCI EARLIER IN THE DAY AFTER BEING ASSURED BY WEINBERGER THAT A FELLOW CONSERVATIVE, FRED IKLE, WOULD BE NAMED TO THE THIRD-HIGHEST PENTAGON POST AND GIVEN ADDITIONAL POWER OVER POLICY DECISIONS.

BUT IN A LENGTHY SENATE SPEECH, THE NORTH CAROLINA REPUBLICAN ACCUSED CARLUCCI OF HAVING BEEN "AN EFFECTIVE PROTAGONIST OF SOCIAL REVOLUTION" WHILE DIRECTOR OF THE OFFICE OF ECONOMIC OPPORTUNITY IN 1971.

HE SAID CARLUCCI APPROVED MERIT GRANTS TO "LEFT-WING GROUPS ... AND WAS USING TAXPAYERS' MONEY TO FINANCE LEFT-OF-CENTER AND EVEN MARXIST ADVOCACY."

IN ONE CASE, INVOLVING A HINES COUNTY, CALIF., RURAL LEGAL ASSISTANCE PROGRAM, HELMS SAID, "MR. CARLUCCI'S ADVERSARY WAS NONE OTHER THAN THE THEN GOVERNOR OF CALIFORNIA, RONALD REAGAN."

"THE SAME TECHNIQUE OF PRE-EMPTING MARXIST-LENINISM BY BACKING MARXIST LEADERS WAS EVIDENT IN HIS ACTIVITIES AS AMBASSADOR TO PORTUGAL," SAID HELMS. HE ALSO HAS ACCUSED CARLUCCI OF ASSOCIATING WITH SOCIALISTS WHILE SERVING AS A U.S. DIPLOMAT IN THE FORMER BELGIAN CONGO IN THE EARLY 1960S.

"I HOPE THAT (AT THE PENTAGON) WE DO NOT HAVE AN ASSURED TECHNOCRAT SUBSTITUTING HIS OWN IDEAS FOR THE POLICY OF THE REAGAN ADMINISTRATION," HELMS CONCLUDED.

BUT SEN. JOHN STENNIS, D-MISS., RANKING DEMOCRAT ON THE SENATE ARMED SERVICES COMMITTEE, SAID CARLUCCI "IS A MAN WHO HAS THE REPUTATION OF A CAN-DO MAN."

AND SEN. BARRY GOLDWATER, R-ARIZ., RECALLED CARLUCCI'S 1975-1978 TENURE AS U.S. AMBASSADOR TO PORTUGAL, AT A TIME THE NATO NATION WAS GOING THROUGH A PERIOD OF POLITICAL INSTABILITY FOLLOWING 40 YEARS OF DICTATORSHIP.

UPI

"IF IT HADN'T BEEN FOR CARLUCCI, WE MIGHT HAVE LOST PORTUGAL TO COMMUNIST INFLUENCE," GOLDWATER SAID.

ALL SIX VOTES AGAINST CARLUCCI WERE REPUBLICANS: SENS. HELMS AND JOHN EAST, BOTH OF NORTH CAROLINA; ORRIN HATCH OF UTAH; BOB KASTEN OF WISCONSIN; AND JAMES MCCLURE AND STEVEN SYMMS, BOTH OF IDAHO.

CARLUCCI, 50, WAS BORN IN SCRANTON, PA., AND JOINED THE STATE DEPARTMENT IN 1956. IN ADDITION TO SERVING IN PORTUGAL, HE WAS STATIONED IN SOUTH AFRICA, ZAIRE, ZANZIBAR AND BRAZIL THROUGHOUT HIS DIPLOMATIC CAREER.

IN FEBRUARY 1978, HE WAS APPOINTED BY JIMMY CARTER TO BE DEPUTY DIRECTOR OF THE CIA.

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THE WASHINGTON STAR (GREEN LINE)
3 February 1981

Nominee to No. 2 at CIA Called Master of Spying

By Phil Galley

Washington Star Staff Writer

Bobby Ray Inman is a whiz of a spy who has never been out in the cold.

Satellites, microwaves and computers have taken much of the chill out of modern-day espionage, and Inman is considered a master of these tools.

As the Reagan administration's choice to be the No. 2 man at the Central Intelligence Agency, Navy Vice Adm. Inman, a 49-year-old workaholic, is getting a fourth star — the price he exacted for taking the job — and the kind of praise that intelligence officials rarely receive.

The Senate Intelligence Committee, which holds hearings on his nomination today, is expected to approve Inman's appointment unanimously.

Inman's selection, in a political sense, is a master stroke. It is reassuring both to those who want to see U.S. intelligence operations strengthened and to those who don't want to see the CIA crashing through the forest in its previous "rogue elephant" role.

Sen. Barry Goldwater, chairman of the Intelligence Committee and a harsh critic of efforts to rein in the CIA in recent years, thinks as highly of Inman as does former Vice President Walter Mondale, who, as a senator, was involved in efforts to curb U.S. intelligence activities.

"There's not a mark on him," says a former admiral who worked with Inman in Naval Intelligence and later in the Defense Intelligence Agency. "He's the kind of professional who can help make our intelligence operations both effective and responsible."

Since 1977 Inman has headed the National Security Agency, the nation's largest and most sophisticated intelligence organization, cracking enemy codes, and analyzing information snatched from the sky by sophisticated instruments as it passes between governments and other sources.

Sometimes the agency's eavesdropping extends to private citizens. Billy Carter is one example. Early last year, while the Justice Department was investigating Carter's dealings with Libya, the agency picked up information from intelligence sources that Libya was about

Inman passed the information to then-CIA director Stansfield Turner, who took it to the White House and to then-Attorney General Benjamin Civiletti.

As deputy to CIA Director William J. Casey, who was an OSS operative during World War II, Inman will bring a background to the agency that will complement Casey's. Some even see Inman becoming the real master of U.S. intelligence because of his talents.

Casey, 67, is said, even by his friends, to be somewhat disorganized when it comes to details, occasionally forgetful and out of touch with modern intelligence techniques.

"Inman is ideal to back up Casey," said a former intelligence official who knows both men. "Casey can keep his focus on the big picture and Inman will make the place a professional operation again. Inman is strong in nearly every area where Casey is weak."

The Casey-Inman team is in keeping with CIA tradition. When a civilian heads the agency, the deputy spot goes to a military man, and vice versa. The former CIA director was Stansfield Turner, a Navy admiral, and his deputy was Frank Carlucci, a civilian who has been tapped by Defense Secretary Caspar Weinberger for the No. 2 post at the Pentagon.

Inman, a native of Rhoadsboro, Texas, entered the Navy after graduation from the University of Texas in 1950. He became an ensign in 1952 and advanced through officer ranks until his promotion to vice admiral in 1976.

His career includes service as assistant naval attache in Stockholm, Sweden, a key listening post for events in the Soviet Union, and assistant chief of staff for intelligence under the commander of the Pacific Fleet in 1973-74. During the following three years he served as director of the Office of Naval Intelligence in Washington and as vice director of the Defense Intelligence Agency. He was named head of the National Security Agency in 1977.

Little is known about Inman beyond his professional life, even by his former associates. Retired Adm. Rex Rectanus, who worked with Inman in the Navy, remembers his former colleague as a "workaholic with few outside activities that I know of."

Inman: "He is a first-class officer, competent and professional in every respect. When he has something to say, he says it. Beyond that, I don't know what to say."

On Capitol Hill, where lawmakers have been impressed with Inman's briefing skills, he is known as a straight-shooter who uses facts to make his points and keeps his personal opinions to himself unless asked for them.

Inman also has demonstrated that he is capable of avoiding a knee-jerk reaction in dealing with such questions as homosexuality in the ranks of intelligence officials. Last year, for example, he reportedly refused to oust a security agency analyst who was found to be a homosexual. Inman even allowed the man to keep his security clearance.

That raised some grumbles inside intelligence organizations, which generally dismiss homosexuals on the grounds that they are vulnerable to blackmail attempts.



VICE ADM. BOBBY R. INMAN
Approval expected

BATTLE BEING WAGED ON MILITARY POLICY

Secretary Weinberger's Slow Start in Taking Control of Pentagon Is Seen Fueling Struggle

By RICHARD HALLORAN

Special to The New York Times

WASHINGTON, Jan. 24 — A many-sided tug-of-war over military policy has broken out within the Reagan Administration, according to officials in the Pentagon, on Capitol Hill and in the White House.

The conflict, the officials said, has sharpened largely because the new Secretary of Defense, Caspar W. Weinberger, and his closest associates have been slow to take control.

Struggles such as this are commonplace among newcomers to power in Washington, but this one appears to be the most complex of the new Administration.

Mr. Weinberger, a former Federal budget director, has been preoccupied with advising the new President on the budget and economic policy, according to Reagan officials. In addition, they said, he has been hampered because he expended much political capital by insisting on naming Frank C. Carlucci, a longtime associate, as Deputy Secretary, despite objections from influential Reagan supporters.

Lag in Selecting Staff

For those reasons, plus his acknowledged lack of familiarity with military issues, Mr. Weinberger has lagged in getting control of the budget process in the Pentagon that will determine much of military policy for the next year. He has also fallen behind in naming his team to take charge of the complicated military and civilian bureaucracy in the Pentagon, based on standards that Mr. Reagan set after his election when he promised that his Administration would "hit the ground running."

In addition, Mr. Carlucci, who was the Deputy Director of Central Intelligence in the Carter Administration, has continued as acting director of the Central Intelligence Agency, which has distracted him from his work in the Pentagon.

The consequent delay, according to the officials, has permitted other centers of power on military issues to emerge. Among those involved in this struggle are Senator John G. Tower, Republican of Texas, the new chairman of the Armed

Services Committee; conservatives led by Senator Jesse Helms, Republican of North Carolina; Secretary of State Alexander M. Haig Jr., and staff officials of the National Security Council such as William R. Van Cleave, as well as other White House officials.

Mr. Haig, the new Secretary of State, put his imprint on the Administration's foreign policy swiftly despite Democrats' attacks on him at Senate confirmation hearings.

Tower's Expanding Influence

Senator Tower was a surrogate for Mr. Reagan on military issues in the campaign and has continued to advise the new President. He moved quickly early this month to give his subcommittees a stronger voice in overseeing the Pentagon. His own staff has prepared proposed changes in the current military budget as well as the next one.

Next week he plans to hold hearings, at which Mr. Weinberger was scheduled to testify, on the nation's military posture. He has set Feb. 5 as the informal deadline for completing those hearings and on nominations for the senior staff in the Pentagon, and Feb. 23 for beginning hearings on the budget.

The Senator has said he wants to add \$1 billion to \$14 billion to the current military budget, while Mr. Weinberger is looking for ways to hold the increase to the \$6.3 billion, as proposed by his predecessor, Harold Brown.

Senator Helms vigorously opposed Mr. Weinberger's confirmation on the Senate floor. His expressed views parallel many of those held by Mr. Reagan's still formidable "kitchen cabinet" of California businessmen, who have accused Mr. Weinberger of being unfaithful to campaign pledges to put heavy muscle into the military. Mr. Helms has vowed to try to block the confirmation of Mr. Carlucci, who has been accused by some conservatives of having helped to weaken the Central Intelligence Agency by cutting back on covert operations and dismissing experienced people.

Move to Oust Chief of Staff

Senator Helms has also asserted that he will seek to have President Reagan dismiss Gen. David C. Jones, as Chairman of the Joint Chiefs of Staff, for having supported former President Carter's military policies. That move seems certain to set off a bitter fight, unless Mr. Weinberger sacrifices General Jones.

Mr. Van Cleave, who will serve under Richard V. Allen on the staff of the National Security Council, had led a transition team on military policy and planned to give the new Secretary recommendations on budget revisions and staffing of the Pentagon on Jan. 20.

Mr. Weinberger's abrupt dismissal of Mr. Van Cleave and his team in December took the steam out of that effort. More important, Mr. Van Cleave had expected to take a senior position in the Pentagon from which he could influence military policy. Administration sources say he seems certain to try that from the White House now.

In addition, Mr. Weinberger has had disputes with other White House officials over his insistence on naming his choices for his senior subordinates in the Pentagon, rather than Reagan loyalists.

Still, officials, friends and others who have known Mr. Weinberger since his earlier incarnations in Washington as Director of the Office of Management and Budget and as Secretary of Health, Education and Welfare asserted that his ability to take control should not be underestimated. Both he and Mr. Carlucci, they said, are "quick studies" who can master complicated issues swiftly.

Those who know Mr. Weinberger said he had demonstrated considerable political skill in bureaucratic infighting. Finally, everyone agreed, Mr. Weinberger's unquestioned source of power is his long and close relationship with President Reagan, a relationship that so far has not been weakened by the struggle here.

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ON PAGE A-16

NEW YORK TIMES
25 JANUARY 1981

Reagan's Shift to Center Brings Attacks From Right

The following article is based on reporting by Bernard Weinraub and Judith Miller and was written by Miss Miller.

Special to The New York Times

WASHINGTON, Jan. 24 — In its first days in office, the Reagan Administration has found itself under attack from conservative legislators and activists who were among Ronald Reagan's earliest and most ardent supporters.

The attacks focus on two separate but overlapping themes: the naming of "moderate" and "nonideological" Republicans, and even Democrats, to Cabinet and other high-level jobs, and the fear that these nominations indicate President Reagan will not carry out his conservative campaign pledges.

"We've all been had," a conservative aide on Capitol Hill concluded in an interview yesterday. "We boys on the right have gotten snookered."

In the last week Senator Jesse Helms, Republican of North Carolina, and the Senate Steering Committee, a loosely knit group of 20 conservatives, attempted to block the nominations of Frank C. Carlucci, designated to be Deputy Secretary of Defense, and four sub-Cabinet officials in the State Department.

'Gerald Ford Republicans'

Beyond this, members of the party's right wing have expressed dismay at the appointments of Donald T. Regan as Secretary of the Treasury, Samuel R. Pierce Jr. as Secretary of Housing and Urban Development and T. H. Bell as Secretary of Education. They view these men as "Gerald Ford Republicans."

Mr. Carlucci, who held the No. 2 post in the Central Intelligence Agency under President Carter, is regarded as "a liberal, a friend of Walter Mondale's," according to John T. Dolan, chairman of the National Conservative Political Action Committee, which helped defeat several liberal senators in the 1980 election.

"I think Reagan has chosen to surround himself with people who simply do not share the same vision of America that he has," Mr. Dolan said. "It's mind-boggling that conservative, pro-Reagan activists are being bumped off job lists, while people who have no commitment to Ronald Reagan are being given jobs."

Other conservative Reagan loyalists are equally shaken. "Something has gone very wrong," said Richard A. Viguerie, a conservative publisher and direct mail expert.

Howard Phillips, national director of the Conservative Caucus, a lobbying group, said, "What I fear is that in the 1984 election judgment will be passed on true conservatism. I think it has, in fact, been tried."

Many Senate Republicans, whose support Mr. Reagan needs to fulfill his major campaign promises, are deeply angered that of conservatives who served on Mr. Reagan's national security and foreign policy transition teams have been virtually excluded from senior Government posts.

Secretary of Defense Caspar W. Weinberger, for example, dismissed the entire transition team on defense the day after his nomination, and no member of the transition team for the C.I.A. has been appointed to a senior post in that agency.

More broadly, Senator Helms and others are known to be concerned that William J. Casey, Director of Central Intelligence, has apparently rejected major reorganization proposals aimed at strengthening the nation's intelligence capabilities. These proposals were made in reports prepared by the transition team and by the Heritage Foundation, a conservative research group.

Rare Senate Tactic Invoked

Mr. Helms has put a "hold" on Mr. Carlucci's Pentagon nomination, a Senate tactic rarely invoked but traditionally respected, to block Senate action on his appointment, and has told Secretary of State Alexander M. Haig Jr. that he was prepared to place similar holds on prospective State Department nominees that the Steering Committee opposes.

They include Lawrence S. Eagleburger, a former aide to Henry A. Kissinger and now the United States Ambassador to Yugoslavia, who is expected to be nominated as Assistant Secretary of State for European affairs; Paul D. Wolfowitz, former Defense Department official in the Carter Administration who is Mr. Haig's choice for director of policy planning; John H. Holdridge, former United States Ambassador to Singapore, who served under Mr. Haig on the National Security Council staff, in line for Assistant Secretary for East Asian and Pacific affairs, and Chester A. Crocker, a Georgetown University professor who is expected to be named Assistant Secretary of State for African affairs.

Compounding conservative anger over specific appointments is the vague but powerful sense that Reagan loyalists, including regional and state directors in last year's campaign, have been bypassed for jobs in favor of traditional and nonideological bureaucrats.

Illinois Campaign Chairman Cited

"Some of these people have absolutely no interest in Ronald Reagan, do not care what he stands for and may have actually voted against him," said a key Senate Republican aide who asked not to be identified. "Why were these people selected? I think the personnel people and Ed Meese don't want to ruffle the waters and are

just more comfortable with establishment kind of folks."

Edwin Meese 3d, the White House chief of staff; E. Pendleton James, a longtime personnel and recruiting executive, and Peter McPherson, acting counsel to Mr. Reagan, are cited as among the key figures who have selected Administration personnel.

Mr. Viguerie cited the example of Dan Pott, chairman of Mr. Reagan's campaign in Illinois last year, who sought the post of Secretary of Education that was given, instead, to Mr. Bell.

Right-wingers are also angered at reports that Donald J. Devine, a conservative professor of political science at the University of Maryland, has not been named director of the Office of Personnel Management because he is "too conservative."

Some senior Republicans, including the Senate majority leader, Howard H. Baker Jr. of Tennessee, do not see these signs of discontent as a threat.

Asked if he believed that the Steering Committee might thwart the Republican Party's ability to carry out the President's program, Senator Baker replied, "I do not believe it constitutes a threat to Ronald Reagan's policies."

Temporary 'Hold' to Be Honored

Mr. Baker, pressed on whether he would honor Mr. Helms's request to put a "hold" on several nominations, replied that he would respect any Senator's request for such action for 24 hours. He indicated, however, that he would not honor such a request indefinitely and that action on nominations was essentially "a leadership decision."

Other Republicans on Capitol Hill and elsewhere say, however, that the Reagan Administration and the President's conservative constituents may be heading for a series of confrontations whose outcome could imperil the new Administration's promises of swift and dramatic action to solve the nation's problems.

Nevertheless, the conservatives seem unwilling to back down. They maintain that the hiring and promotion of nonloyalists, which has been called an effort to broaden Mr. Reagan's political base, will weaken his programs and serve to "betray" his strongest supporters.

"To say that Reagan has to employ country-club, silk-stocking George Bush Republicans is garbage," Mr. Dolan said. "That didn't win him the election. He won by broadening his base to the ethnics, the blue-collar vote, the born-again Southern Democrats."

"Reagan has a commitment to these people and he's got to live up to it," Mr. Dolan added. "He didn't win by being a centrist, he won because he's conservative."

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NEWSWEEK
19 January 1981

Is Reagan Not a Reaganite?

He hasn't even been inaugurated yet, but Ronald Reagan is already disappointing the right-wing groups that have supported him for years. They are angry over Reagan's choice for Education Secretary, Terrel Bell, because Bell supported the creation of the department last year. They are worried that Reagan may decide not to abolish the departments of Energy and Education. They fear budget chief-designate David Stockman may not cut enough Great Society programs and they are upset by reports that individual tax cuts may be postponed. Finally last week, Howard Phillips, director of the Conservative Caucus, got fed up after Treasury Secretary-designate Donald Regan said he could tolerate a Federal budget deficit. Phillips sent Mailgram messages to every U.S. senator urging them to vote against Regan's confirmation. "The Conservative Caucus," he warned, "will make sure that your constituents are aware of your position on this issue."

The mounting pressure from the right did succeed in forcing Secretary of State-designate Alexander Haig to change his plan to name Lawrence

Eagleburger, a former aide to Henry Kissinger, to the No. 3 spot at State, Under Secretary for Political Affairs. Fearing confirmation trouble from Senate conservatives like Jesse Helms of North Carolina over the Kissinger connection, Haig named Eagleburger to a lesser post, Assistant Secretary of State for Europe.

'Guns': Defense Secretary-designate Caspar Weinberger did not give in so easily. Despite strident opposition from the right wing, he named Frank Carlucci, his former deputy at the Department of Health, Education and Welfare, to be Deputy Defense Secretary. Helms and other critics argued that Carlucci, now deputy CIA director, failed to blow the whistle on verifying the SALT II treaty, and they worried that neither he nor Weinberger has any defense experience. Instead, they backed William Van Cleave, who headed Reagan's Pentagon transition team, for the No. 2 spot. But Weinberger and Van Cleave had a falling out last month, and it appeared that Van Cleave would be out of the defense line-up permanently. "It got ideological, people started going for their guns," one transition aide said. The hard-liners will be closely monitoring Reagan's choices for other sub-Cabinet posts—and some are already asking whether Reagan himself is really a Reaganite.

Carlucci vs. Helms: Rancor from the right



John Ficara—NEWSWEEK



Bruce Hoertel

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NEW YORK TIMES
16 JANUARY 1981

U.S. MIGHT CONSIDER REVIVING THE ABM'S

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, Jan. 15 — In its drive to improve the nation's strategic posture, the Reagan administration will consider reviving plans for an antiballistics missile defense system and basing a new mobile offensive missile at sea rather than on land, Caspar W. Weinberger, the Secretary of Defense-designate, said today.

Supports Rapid Deployment Force

On another topic, Mr. Weinberger said he felt it was "enormously important" for the United States to proceed with development of a rapid deployment force for crisis duty in the Persian Gulf and other troubled areas.

Mr. Weinberger also insisted that while he had pushed hard to have Frank Carlucci, deputy director of the Central Intelligence Agency, picked as his deputy over the opposition of influential Republican conservatives, he had never told Mr. Reagan or his aides that he would not serve in the cabinet if Mr. Carlucci was not picked.

"I never gave any ultimatums," Mr. Weinberger said. "It's not my style."

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INSIDE REPORT

RELEASE SUNDAY, JAN. 18, 1981

BY RONALD EVANS AND ROBERT NOVAK

BIRCH BAYH'S REWARD

WASHINGTON -- FORMER SEN. BIRCH BAYH, THE DEFEATED EX-CHAIRMAN OF THE SENATE INTELLIGENCE COMMITTEE AND HAIRSHIRT OF THE CENTRAL INTELLIGENCE AGENCY (CIA), WAS GIVEN THE CIA'S HIGHEST AWARD IN AN UNANNOUNCED, CLOSED-DOOR CEREMONY IN ADM. STANFIELD TURNER'S PRIVATE DINING ROOM DEC. 18.

THIS WAS CIA DIRECTOR TURNER'S REWARD FOR BAYH'S ROLE IN HELPING MAKE DANGEROUS CUTS IN THE AGENCY'S CLANDESTINE OPERATIONS. CONSIDERED AN ENEMY BY PROFESSIONAL INTELLIGENCE OFFICERS, BAYH QUIETLY BACKED TURNER'S FIRST MAJOR MOVE AT THE CIA: PRUNING LITERALLY HUNDREDS OF "SPIES" FROM THE PAYROLL.

BAYH ALSO HELPED TURNER BLOCK ATTACKS BY CONSERVATIVE REPUBLICAN MEMBERS OF THE INTELLIGENCE COMMITTEE. THE REWARD WAS THE NATIONAL INTELLIGENCE DISTINGUISHED SERVICE MEDAL, GIVEN ONLY ONCE BEFORE TO ANY MEMBER OF CONGRESS. WILLIAM KILLER, BAYH'S TOP COMMITTEE AIDE AND ANOTHER CIA HAIRSHIRT, WAS HONORED AT THE SAME LUNCHEON WITH THE CIA'S SEAL MEDALLION, A LESSER AWARD.

NO. 2 IN STATE

PRESIDENT-ELECT RONALD REAGAN'S HOPE FOR DEPUTY SECRETARY OF STATE: HIS OLD FRIEND WILLIAM PATRICK CLARK, HAS RUN INTO SEVERE PROBLEMS ON THE SENATE FOREIGN RELATIONS COMMITTEE BASED ON ONE POINT: CLARK'S POLITICAL CONSERVATISM.

PUBLICLY, LIBERAL DEMOCRATS ON THE COMMITTEE COMPLAIN THAT CLARK, NOW A CALIFORNIA SUPREME COURT JUSTICE, LACKS EXPERIENCE TO BE NO. 2 AT STATE. BUT THAT DID NOT HURT DEPUTY SECRETARY OF STATE WARREN CHRISTOPHER, A LOS ANGELES LAWYER WHO ALSO LACKED ANY DIPLOMATIC

ARTICLE APPEARED
ON PAGE 1THE WALL STREET JOURNAL
16 January 1981

Washington Wire

A Special Weekly Report From
The Wall Street Journal's
Capital Bureau

CONSERVATIVES GAIN in struggles to install their own in key Reagan posts.

They feel reassured by appointment of supply-side economists to top Treasury jobs. Added comfort: The tax-policy post going to Norman Ture is raised in rank. Tax-cut enthusiasts still hope to get an influential berth for a special favorite, businessman Lewis Lehrman. Some applaud the expected choice of Murray Weidenbaum as top economic adviser.

Incoming Defense chief Weinberger appears bent on picking his own men for some high Pentagon posts, despite protests from hard-liners. But his probable choices, including deputy CIA chief Carlucci as No. 2 man, are no softies. Such well-known hard-liners as Paul Nitze are considered for the No. 3 Pentagon slot and other influential jobs.

Building-industry leaders are favorites for top HUD posts, but some Reagan aides want an economizer who would bear down harder on costly construction subsidies.

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CHICAGO TRIBUNE
15 JANUARY 1981

The Carlucci nomination

Some conservative Republicans strongly object to the nomination of Frank Carlucci to be Caspar Weinberger's deputy secretary of defense. They feel he did not fight hard enough in his current job as deputy director of the Central Intelligence Agency to preserve a vigorous U.S. covert action program abroad. He has, in effect, been tainted by his connection with the Carter administration.

Mr. Carlucci is the right man for the Pentagon job. He did serve in the Carter administration, but he is a career government employe, not a partisan. He began his career as a foreign service officer where he proved effective and in one instance downright heroic, saving a group of Americans from an angry mob in Africa and suffering a knife wound in the process.

Later, in the Nixon administration, he took on assignments in other parts of the executive branch, serving as head of the Office of Economic Opportunity and as Mr. Weinberger's top assistant at the

Office of Management and Budget and at the Department of Health, Education, and Welfare.

As ambassador to Portugal in the Ford administration, he was credited with pursuing a deft and enlightened policy that helped that country avoid a Communist takeover. President Carter appointed him second in command of the CIA, then reeling under the attacks of congressional committees and hemorrhaging with leaks. He has undoubtedly made some enemies in his term at the CIA, but he has also solidified his reputation as an honest, effective administrator.

To the Pentagon he will bring several strengths: the confidence of Mr. Weinberger, whom he has already served well in the past; a knowledge of foreign affairs nurtured in his years as a player in some of the world's most difficult arenas; and proven skill as an administrator.

Mr. Weinberger wants Mr. Carlucci confirmed as his deputy. And so do we.

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THE WASHINGTON POST
15 January 1981

TRANSITION
NOTES

Paul H. Nitze, deputy secretary of defense in the first Nixon administration, is under consideration for the No. 3 job at the Pentagon. His candidacy is said to be an effort to appease the conservatives upset by **Frank Carlucci** in the No. 2 job. Friends say Nitze would take the job if it were offered.

— **Cass Peterson**

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BOSTON GLOBE
14 January 1981

Casey vows to reinvigorate CIA

Pierce: I'll cut HUD's costs, not aid to poor

From Wire Services

WASHINGTON — William J. Casey pledged yesterday to try to reinvigorate the CIA, which he said is plagued by self-doubt and low morale after years of demands that it be "tightly restrained, stringently monitored or totally reorganized."

In confirmation hearings on his nomination to be CIA director, the 67-year-old New York lawyer and friend of President-elect Ronald Reagan warned that "in an era of increasing military vulnerability, effective intelligence is of far greater importance than it may have been some years ago when we had clear military superiority."

In another confirmation proceeding yesterday, Samuel Pierce Jr., 58, the only black Cabinet nominee of the incoming Reagan administration, vowed to cut costs at the Department of Housing and Urban Development without depriving the poor and needy of necessary programs.

Pierce, whose confirmation as HUD secretary is virtually assured, also said he disagreed with recent recommendations by a presidential commission urging the federal government to encourage people to seek jobs in the Sun Belt states of the South and Southwest.

"We'd just end up with tremendous problems in the Sun Belt," such as higher crime and increased water shortages, he said.

Casey would be the first CIA director to be a member of the President's Cabinet, reflecting the increased politicization in recent years of the agency and of the job of director of central intelligence, which the CIA chief also holds. The director coordinates the work of all federal intelligence agencies, including the Defense Intelligence Agency and the National Security Agency as well as the CIA.

Casey said that the CIA needs to be improved, particularly in its analysis of information that comes from both secret and open sources. But while efforts to improve the agency go on, the intelligence community should know that it "has our full trust and confidence," he said.

Casey referred only in passing to "alleged misdeeds of the past" by the CIA and said that he hoped that the period was over when "all the focus was on reining in and monitoring" agency operations.

He indicated support for two controversial bills now pending in Congress. One would punish persons who disclose the identities of US intelligence officers abroad and the second would relieve the CIA and the FBI, Release 2006/01/30 : CIA-RDP91-00901R000100120001-6



William J. Casey testifies at Senate Intelligence Committee hearing on his nomination as new director of the CIA. UPI PHOTO



Frank Carlucci, nominated to be Deputy Secretary of Defense, testifies before Senate Armed Services Committee. UPI PHOTO

He also promised to "take care and diligence" in protecting the legal rights of citizens and to work closely with Congress in monitoring the intelligence community and in ensuring that the community operates within legal limits.

Casey was reminded of two controversial incidents when he served as chairman of the Securities and Exchange Commission in the Nixon Administration.

One dealt with his abrupt transfer of records on ITT's activities to the Department of Justice and congressional investigators seeking them. The other involved his relations with financier Robert Vesco, who is a fugitive from fraud charges.

14 JANUARY 1981

Carlucci Takes Hard Line on Draft, Mideast

From Times Wire Services

WASHINGTON—Deputy Defense Secretary-designate Frank C. Carlucci said Tuesday that the United States should continue registering draft-age men, renew its commitment to protect U.S. interests in the Persian Gulf and develop the capacity to fight a nuclear war.

In testimony before the Senate Armed Services Committee, Carlucci, now deputy director of the CIA, said also that President-elect Ronald Reagan's Administration should match Russian efforts in chemical warfare and treat the question of arms sales to China on a case-by-case basis.

"Very high priority has to be given to readiness, including manpower," he said. "There's no question that there will be heavy expenditures involved. We are going to have to increase our defense spending."

Outspent by the Russians

"The Soviets are spending more in every area and we're going to have to work hard to catch up."

Defense Secretary-designate Caspar W. Weinberger, who testified a week ago, chose Carlucci to run the daily operations of the Defense Department, the nation's No. 1 employer.

Sen. John Tower (R-Tex), chairman of the committee, said the panel would meet Monday to vote on the nominations of both men and predicted that they would be approved. That would pave the way for prompt Senate confirmation of both nominees after Reagan is inaugurated Jan. 20.

The selection of Carlucci for the Pentagon post upset some conservatives, who feared it might signal that the Defense Department hierarchy would be dominated by persons who did not share Reagan's commitment to strengthening the armed forces. But Carlucci's hard-line testimony appeared to dissipate any such apprehension on the armed services panel.

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PHILADELPHIA INQUIRER
14 JANUARY 1981

Carlucci tells panel he backs draft sign-up, defense of gulf

By W. Dale Nelson
Associated Press

WASHINGTON — Ronald Reagan's nominee for deputy secretary of defense said yesterday that the United States should continue registering draft-age men, should renew its commitment to protect its interests in the Persian Gulf and should develop a "nuclear war fighting capability."

In testimony before the Senate Armed Services Committee, Frank C. Carlucci also said the Reagan administration should match Soviet efforts in chemical warfare and treat the question of arms sales to China on a case-by-case basis.

Sen. John Tower (R-Texas), chairman of the committee, said that the panel would meet Monday to vote on the nomination and that of Caspar W. Weinberger be secretary of defense. Tower predicted both would be approved, allowing for quick Senate confirmation.

Carlucci, deputy director of central intelligence since 1978, was chosen for the number two defense job by Weinberger, whom he served as undersecretary of health, education and welfare when Weinberger was secretary during the Nixon administration.

His selection for the Pentagon post upset some conservatives, who feared it might signal that the Defense Department hierarchy would be dominated by people of little military background who would not share Reagan's commitment to strengthen the armed forces.

Carlucci's hard-line testimony appeared to dissipate any such apprehension on the Armed Services Committee, winning him pledges of support from several of the committee's more conservative members.

On the issue of draft registration, he echoed Weinberger's testimony last week that rolling the program back now would "at the very least, create severe administrative prob-

lems." Under questioning by Sen. Harry Byrd (Ind.-Va.), however, Carlucci went further and said, "It is probably best to continue with it at this point. It is under way and I see no reason to stop it."

Reagan said during the campaign that he was opposed to the registration of draft-age men, which was initiated by President Carter, but since the election Reagan has neither restated nor changed that position.

Carlucci also went further than Weinberger did on the issue of Carter's declaration last year that the United States could go to war if necessary to preserve U.S. interests in the Persian Gulf. Weinberger testified that Carter's declaration amounted to promising more than the United States had the military might to deliver. While he said his statement did not represent any "watering down" of the commitment, he stopped short of specifically reaffirming it.

Carlucci, on the other hand, said, "I would agree we should communicate to the Soviets our determination

to protect our vital interests in that area and we should develop the capability needed to do that." On Monday, Secretary of State-designate Alexander Haig said much the same: "We must be prepared to act, even unilaterally, to secure our access to these vital resources."

Carlucci said he expected the Soviets to "step up their subversion in the Persian Gulf area" during the decade and added that "we need to improve considerably our ability to deal with that subversive effort."

"The Soviets are developing a nuclear war fighting capability and we are going to have to develop the same," he said. Later, in response to questions by reporters, he said he meant both strategic nuclear war, designed to destroy an enemy, and tactical nuclear war, designed to gain a battlefield advantage.

Under questioning by Sen. William Cohen (R-Maine), Carlucci said, "The Soviets have made big strides in chemical warfare, and we have to be ready to meet it. I think we need to go ahead with that."

The Capital Report

Carlucci Sees Push By Moscow in '80s

Says Mobile Forces Becoming Essential

By John J. Fialka

Washington Star Staff Writer

Frank C. Carlucci, designated for the No. 2 post at the Defense Department, says he expects Communists to step up subversion efforts in the Persian Gulf during the 1980s.

Carlucci, who was deputy director of the CIA in the Carter administration, told the Senate Armed Services Committee during his confirmation hearing yesterday that he "would not find it surprising" to see the Soviets' interest in the oil-rich region increase because their own domestic sources of oil will begin to run short of their needs at some point within the next 10 years.

"We need to improve our capabilities to deal with this subversive effort," said Carlucci, who added that new CIA data shows the Soviet Union is spending 160 percent of what the United States is spending for its general-purpose forces and more than three times what the United States is spending for strategic forces.

Carlucci said that one of the critical needs of the United States is for greater mobility of its forces. "It's extremely important now to put forces where they are needed and when they are needed, and in my judgment we just don't have that capability," said Carlucci, who has been receiving daily briefings on U.S. readiness at the Pentagon.

Carlucci also echoed the sentiments of the new defense secretary-designate, Caspar Weinberger, in indicating that one of his first priorities would be to try to deal with the Pentagon's mounting manpower problems. He said he was particularly concerned about the poor state of readiness of U.S. reserve forces, which are far short of the number of combat-ready soldiers they need.

Carlucci said he will also give priority to increasing operation and maintenance budgets of combat units and to rebuilding the services' inventories of spare parts.

Carlucci's position as deputy secretary is regarded as an extremely important one because the deputy has traditionally managed the day-to-day business of the Defense Department.

There has been concern within the Reagan administration and on Capitol Hill that there could be problems at Defense because neither Carlucci nor Weinberger has had direct experience at the Pentagon.

Sen. John Warner, R-Va., who introduced Carlucci at the hearings, said that Monday in a private meeting he was assured by Carlucci that "people with a solid defense background" are being considered "for key policy positions in the office of the secretary of defense."

Warner seemed to suggest that the No. 3 post at the Pentagon, that of undersecretary for policy, will go to a veteran Pentagon hand.

Carlucci, who appears to have no opposition on the committee, told members that he and Weinberger will work very closely.



Associated Press

CIA deputy director Frank Carlucci (right), President-elect Reagan's choice for deputy secretary of defense, talks with Sen. John Warner, R-Va., shortly before his confirmation hearing got under way yesterday on Capitol Hill.

"We don't divide up the pie, so to speak," said Carlucci, who worked under Weinberger at the Department of Health, Education and Welfare and at the Office of Management and Budget during the Nixon-Ford years.

Carlucci explained that he will serve as a kind of administrative funnel, giving the issues that are sent to Weinberger a final screening. "We hope to confine our role to broad decisions," he said, noting that heavy emphasis will be given to long-range planning.

Although he has no direct experience at the Pentagon, Carlucci has had a broad career dealing with foreign affairs, national security, intelligence and budgetary matters. In addition to serving as the deputy director of the CIA, Carlucci has been ambassador to Portugal.

Carlucci was praised for his "tenacity" by Warner and several other members of the committee for refusing to comply with pressure from unnamed Carter administration officials to endorse the SALT II treaty during his tenure at the CIA.

Carlucci said he would not talk about the details of the episode, explaining that the agency's role should have been limited to a straight intelligence evaluation of the treaty.

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ON PAGE A-16

NEW YORK TIMES
14 JANUARY 1981

Nominee Discusses Arms Policy

By RICHARD HALLORAN

Special to The New York Times

WASHINGTON, Jan. 13 — Frank C. Carlucci, who has been nominated to be Deputy Secretary of Defense, indicated the possibility today that the Reagan administration might sell military weapons to China.

Mr. Carlucci, who will handle the day-to-day operations of the Defense Department, told the Senate Armed Services Committee that the issue of arms sales to China was "an extremely sensitive question," but that the new Administration would look at each possibility on "a case-by-case basis."

In his confirmation hearing, Mr. Carlucci went beyond statements made Saturday by Alexander M. Haig, Jr., the nominee for Secretary of State. Mr. Haig said in Senate testimony that he saw value in normalizing relations with China but that the process should not "result in a situation that my European friends describe as poking sticks in the polar bear's cage," a reference to Chinese-Soviet hostility.

The Carter Administration, which has begun to sell nonlethal military equipment to China, has adamantly opposed the sale of weapons there.

Correcting an Interpretation

Mr. Carlucci also sought to correct what he said was an erroneous interpretation of testimony last week by Caspar W. Weinberger in his confirmation hearing as Secretary of Defense. Several Senators said they thought that Mr. Weinberger approved a policy that would allow Western European nations to back away from their commitment to increase military spending by 3 percent a year.

Mr. Carlucci said that while Mr. Weinberger did not put much stock in specific percentages, the Secretary-designate felt that "we all need to do more." The 3 percent figure, which Mr. Carlucci said has become symbolic, should be considered a starting point.

At the same time, he cautioned that the United States "can't spend every dollar some people want to spend on defense," an allusion to members of Congress who

advocate a rapid increase in military spending.

Mr. Carlucci, who has been the deputy director of the Central Intelligence Agency in the Carter Administration since February 1978, asserted that "the Soviets would be very ill-advised to trifle with us in the Persian Gulf."

Declines to Support Carter Policy

Like Mr. Weinberger, however, he declined to support President Carter's policy that calls for using military force, if necessary, to protect vital American interests in that region. Mr. Carlucci also said the United States lacked the military strength today to fight a full-scale war against the Soviet Union there.

Despite several sharp questions from the committee, Mr. Carlucci appears certain of confirmation. Some conservative Senators have argued that he should not be confirmed because he lacks experience in the Defense Department and contributed to what they consider to have been a weakening of the C.I.A.

In running the Defense Department, Mr. Carlucci said he expected to have "interchangeable responsibilities" with Mr. Weinberger in the same working relationship they had when Mr. Carlucci was Mr. Weinberger's deputy at the Office of Management and Budget and later at the Department of Health, Education, and Welfare.

More Time for the Draft

On the draft, Mr. Carlucci said that the volunteer army should be given more time to see if it would work. He also said that draft registration, begun by President Carter, should continue and that military conscription might be needed if the volunteer army did not work. President-elect Ronald Reagan has opposed a peacetime draft.

On the issue of developing a new United States capacity for chemical warfare, Mr. Carlucci said: "I think we need to go ahead with that." The Carter Administration has been reluctant to support this, and Congress has been split on the issue.

THE WASHINGTON POST
14 January 1981

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ON PAGE A3

'Get Me Carlucci' Is the Summons for the Quintessential Survivor

By George C. Wilson
Washington Post Staff Writer

"Get me Carlucci."

Presidents Kennedy, Nixon, Ford — and now President-elect Ronald Reagan — all have said that over the last 20 years.

That alone qualifies Frank Charles Carlucci III for the title of Washington's ultimate survivor. But his story is more interesting, and more significant, than that.

Carlucci, the outgoing deputy director of the CIA, glided through his confirmation hearing yesterday for the job of deputy secretary of defense. In the process, he showed that a practitioner of the art of the possible can easily bridge the ideological gap between a Carter and a Reagan.

Or, if you listen to the grumblings of the conservatives who tried to derail Carlucci's nomination to the second highest job at the Pentagon, he personifies the argument that the gap between Carter and Reagan turns out to be not as wide as they expected — or hoped.

Either way, Carlucci, 50, has what the Washington mighty perceive as the right stuff for the man behind the boss. How else can you explain such moves as these:

Chosen by Carter to help Stansfield Turner slim and cool down the CIA, Carlucci has now been approved by Reagan to help Caspar W. Weinberger fatten and heat up the Pentagon.

After first fighting Weinberger when he was at the old Department of Health, Education and Welfare in the Nixon years, Carlucci went on to be his deputy there.

As U.S. ambassador to Portugal in 1976, Carlucci followed the program for which his predecessor was fired, and succeeded, even though he bucked then-Secretary of State Henry A. Kissinger.

"And, after being stabbed in the Belgian Congo (now Zaire) at one phase in his government career, Carlucci was hailed as a friend of the Congolese at another.

How does Carlucci do it?

"Frank is an operator," said a government executive who has watched Carlucci from the inside for the last two decades. "He's a first-class manager and doer. You can get oodles of brains to come to this town, who have all kinds of fancy, brilliant concepts, but they can't get the damn thing done. The problem is getting it to happen. Frank makes it happen."

Does this mean Carlucci is just a hired bureaucratic gun? A man with no idealistic principles, one who can work for anybody?

Sen. Jeremiah A. Denton (R-Ala.), decorated for his resistance to his North Vietnamese captors, eased into those questions at Carlucci's confirmation hearing before the Senate Armed Services Committee yesterday.

"My own philosophy," answered Carlucci, a former Navy junior lieutenant, "is that we all have to compromise. That's what it's all about."

After all the pulling and hauling, shouting and stomping within the bureaucracy, the key question becomes, Carlucci continued, "Can I live with that decision? In three instances I had prepared to resign. The decisions did not go against me, so I didn't resign."

Discreetly, Carlucci did not volunteer what those decisions of principle were, and no senator on the committee bothered to ask.

Laminated onto Carlucci's demon-

strated bureaucratic skills, both in the front room and the back room, is the toughness associated with the coal country around his onetime home in Bear Creek, Pa., near Wilkes-Barre.

"He's a tough little monkey," his father once said of him. Carlucci wrestled for Princeton, as did Donald Rumsfeld, another government executive who said, "Get me Carlucci."

After graduating from Princeton in 1952, Carlucci went into the Navy for two years, serving as gunnery officer on the USS Rombach, then took one year of a two-year course at Harvard's graduate school of business administration. The making of the government operator probably started in 1955, when he tried private business as a management trainee with Jantzen Inc., the bathing suit and leisure clothing firm, and found he didn't like it.

Turning to government, Carlucci joined the Foreign Service in July 1956. The next year, he was economic officer at the U.S. Embassy in Johannesburg, South Africa. In 1960, he embarked on an explosive government career in the Belgian Congo, including a James Bond performance when a mob of Congolese attacked him and three other Americans after the government car in which they were riding struck and killed a Congolese cyclist in Leopoldville on Nov. 20, 1960.

He stayed with the Navy driver "at least until the others could get away," he said at the time. It wasn't until he got aboard a bus later and someone told him he was bleeding that he realized he had been stabbed in the back.

In 1962, Carlucci left Africa for a Washington desk job at State as Congolese political affairs officer. Then it was back to Africa in 1964 as consul general at Zanzibar, Tanzania. The Tanzanians expelled him in 1965 on the charge that he "engaged in subversive activities."

ARTICLE APPEARS
ON PAGE **A-6**BALTIMORE SUN
14 JANUARY 1981

Carlucci is hawkish in hearing

By Charles W. Corddry
Washington Bureau of The Sun

Washington—Frank C. Carlucci, ensuring his confirmation for the Defense Department's No. 2 post, took a generally hawkish line before the Senate Armed Services Committee yesterday as he urged advances in chemical, nuclear and other arms to offset Soviet power.

Nominated to be deputy defense secretary at the insistence of Secretary-designate Caspar W. Weinberger, Mr. Carlucci had been under some challenge by conservatives who thought he lacked defense experience and who preferred someone they thought would take a harder line.

One preference would have been William R. Van Cleave, a University of Southern California professor and strategic nuclear arms specialist who headed the defense transition team that Mr. Weinberger dismissed soon after being nominated.

Mr. Carlucci, a deputy director of the Central Intelligence Agency under President Carter, drew no opposition as a nominee yesterday as he staked out such positions as these:

- "The Soviets are developing a nuclear war-fighting capability and we are going to have to develop the same and that is a very tall order."

- In the coming decade, when its own oil sources become more difficult to tap, the Soviet Union may turn to the Persian Gulf and "we need to improve our capability to deal with this subversive effort."

- On the development of weapons for chemical warfare, which means nerve gas or nerve "agents"—"We need to go ahead with that. There is no question the Soviets have made big strides in CW [chemical warfare] and we need to be prepared to meet it."

- On the possible sale of weapons to China, he would "look at each possibility on a case-by-case basis." The United States and China have "an expanding relationship that brings some advantages" to both. The Carter administration has offered China military equipment, such as radar and trucks, but has refused the sale of actual weapons.

- He would regard the commitment of European allies to increase defense outlays by 3 percent a year on top of inflation as a "starting point." Mr. Weinberger had



Frank C. Carlucci, No. 2 Defense nominee, shown before Senate committee.

not meant to back away from that point in testimony given during his confirmation hearings, he said.

Senator William S. Cohen (R, Maine) drew out Mr. Carlucci's views on the European commitment because Mr. Weinberger's testimony had been interpreted as letting the allies off the hook. The secretary-designate had said he did not think it "particularly useful" to demand fixed percentage increases of allies, but he had also said that both the United States and its allies must do more than they have been doing to set the military balance right.

At the opening of the hearing, Senator John W. Warner (R, Va.) noted concerns of "responsible persons" about the nomination—a reference to criticism that the top two Pentagon officials of the Reagan administration will lack defense experience.

Mr. Carlucci nonetheless has had "unique and broad" experience in government as a budget officer, health, education and welfare official, ambassador to Portugal and deputy director of central intelligence. Mr. Warner said in urging confirmation of his Virginia constituent.

Mr. Warner gave the committee the assurance of Mr. Weinberger and Mr. Carlucci that they "are looking at people with a solid defense background for key policy positions" in the Defense Department.

JUDY

By Judy Bachrach

A Right-Wing Hunt for Warts



The Republican right spends these days a vast and unseemly amount of time peering anxiously into the mirror of its adolescent beauty, nervously tracing a rivulet of warts.

"What you must understand," says one proud right-winger, "is that many of us have been on the outside so long we still aren't house-trained. There are two kinds of conservatives in the Reagan camp: mainstreamers and bomb-throwers — by which I mean people who are only out for themselves, manipulators. People like John Carbaugh."

"I don't understand, I just don't understand," John Carbaugh says miserably. At 35, he is already pudgy, a legislative aide to Sen. Jesse Helms of North Carolina, and a big noise around town — although by now Carbaugh, a man of some impetuosity, a degree of self-importance, and deliberate southern charm, wishes the din would subside. Recently, he acquired the reputation of being the major leaker of the State Department transition team.

There were leaks of secret cables describing conversations held in Moscow by Sen. Charles Percy, and the bony finger of the press pointed to Carbaugh as the source of those; Carbaugh offered to take a lie detector test to prove his uninvolved-

There were leaks concerning a list of U.S. ambassadors recommended for firing; Carbaugh maintains his innocence. There were reports of mutual loathing within the State Department transition team until last month when Alexander Haig, with an abruptness that left its members whimpering, dismissed them all.

There are Reaganites only slightly less right-wing than Carbaugh who perceive him as a disgrace to the race, a blight on the bloom of their early promise. The object of their wrath is sorely wounded: "I can understand why someone would dislike me because I fight hard — but I am not a bomb-thrower in the halls. Yes, I know that right now there's an unsigned memo on Frank Carlucci making the rounds of the transition team. But I did not write that memo."

Still, it is no secret that Carbaugh fought like crazy to thwart the selection of the more liberal Carlucci as deputy secretary of defense, a post for which he has nonetheless just been nominated by Ronald Reagan, just as it is well known that Helms and other conservatives have expressed grave concern about the future president's choice of Caspar Weinberger as secretary of defense, feeling as they do that he knows little about the subject.

Carbaugh, himself, mentions his valiant efforts to prevent Henry Kissinger from recapturing his old glory under new auspices. Who else doesn't Carbaugh want around? "Larry Eagleburger," he replies ominously, "who they want to be assistant secretary in State in charge of Europe."

"What makes me mad," complains a conservative, "is that everyone knows Weinberger and Carlucci are going to get their jobs, and yet Carbaugh fights it anyway. I mean Carbaugh is the head of this right-wing group of Hill staffers which has been dubbed the Madison group, because they often meet at the Madison Hotel."

"And these guys all sit around like in the bar scene in 'Star Wars,' and one of them says, 'Carlucci is a liberal.' And then the rest of them take up the chant: 'Yeah, yeah, let's get Carlucci, he's too liberal.'"

"If you're going to have something, it might as well be the best there is, right?" Carbaugh says with an engaging smile. It is champagne at Le Pavillon. It is the natty red TR 6, among other cars in his possession. If John Carbaugh could have the best there is it would be a job at State, and he would be in charge of Latin American affairs, the area of his expertise. He is not, however, expected to get it, so he says: "I am very happy with Jesse Helms." But it is clear the craving is there.

"In Nicaragua would you say there is more or less human rights than there was under Somoza?" he asks, not desiring the question to remain rhetorical in perpetuity. "Some would argue that they are even worse off, and I am sympathetic to that argument. Now I was extremely disappointed in Somoza. I saw him two or three times, and in '77 I told him, 'You ain't got any new clothes, Mister King.' Yes, that's what I said."

"I will tell you that Helms in 1977 came out for human rights. But you've got to make choices based on an enlightened look at your own self-interest."

Just last year, Carbaugh is told, Britain complained that you meddled in Rhodesian affairs, encouraging former prime minister Ian Smith to take an unyielding line in negotiations on a new constitution.

Carbaugh smiles bravely. None of it is true, he says. All he did was mosey on over to London to check out what was happening. "We stayed at the Ritz — well, maybe you shouldn't write that, because you know the Ritz has gone downhill in recent times. Anyway, Thatcher never complained at all. Maybe they just got their cables mixed up."

"You know if you can't laugh at yourself, you might as well get out. I plead guilty to speaking to the media, but I didn't leak any reports. I put the one on the Percy cables in my safe, but never read it. No fingerprints on it. They kept trying to get me to read it." A long pause. "I guess I should have been suspicious."

Is he suggesting then that someone on the transition team tried to frame him?

Another long pause. Carbaugh offers for perusal a sardonic smile. No, he says finally. "That is not what I am suggesting."

ARTICLE APPEARED
ON PAGE 32

THE WALL STREET JOURNAL
13 January 1981

Some Needed Management

The destruction of nine Air National Guard planes on the ground at Muniz Air Base in Puerto Rico Monday morning was exactly the kind of embarrassment the U.S. military forces didn't need at this sensitive juncture in the affairs of the Caribbean Basin.

It is by now a well-worn dictum that the appearance of power is as important as power itself, the element necessary to discourage potential enemies from pressing their luck too far and touching off a hot war. In a part of the world where the macho image is particularly important, we can be assured that respect for the U.S. might fall a notch or two with the revelation of how easy it was for saboteurs to knock off nine warplanes at a military base. The fact that the Air National Guard is not a front-line force and that the planes were elderly training craft will make little difference in that regard. This latest episode, combined with the ill-fated rescue attempt in Iran last spring, can only spread the impression that the U.S. military specializes in losing equipment in untoward ways.

All of which suggests that the military needs more than a larger budget when the Reagan team takes over. It obviously could use some close examination of command structure and fitness reports. The Air National Guard in Puerto Rico was not unaware that

U.S. forces on that island are a potential target for Puerto Rican "nationalist" groups, which most likely have ties to the broader Marxist assault on the Caribbean region. In March last year, three U.S. Army men riding in a car were fired on by terrorists, who wounded one of the soldiers slightly.

That should have indicated to someone that there were people on the island who did not wish the military well. Yet the aircraft were lightly guarded, inviting the kind of bomb attack that has become a favorite technique of leftwing terrorists all over the world.

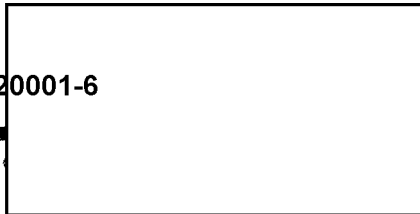
Caspar Weinberger, the Defense Secretary-designate in the Reagan Cabinet, has chosen his old colleague, Frank Carlucci, to be his second in command at the Department of Defense. Mr. Carlucci was not a popular choice with a lot of people who felt he was too willing to carry out Jimmy Carter's policies at the CIA. If it is true, however, that the Weinberger-Carlucci team is a combination that can be expected to take a strong managerial line at Defense, it may be something the department badly needs.

The purpose of a defense establishment is to defend U.S. interests at home and abroad. If it is so badly managed that it can't even protect its own aircraft on the ground, it obviously needs some critical attention.

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FOR PUBLIC AFFAIRS STAFF

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PROGRAM ABC World News Tonight STATION WJLA TV
ABC Network

DATE January 13, 1981 7:00 PM CITY Washington, DC

SUBJECT Report on Director-Designate William Casey

FRANK REYNOLDS: There were three other confirmation hearings today for leading officials of the new Administration.

We have a report from Charles Gibson.

CHARLES GIBSON: Three nominees, all headed for easy confirmation: William Casey to be Director of Central Intelligence, Samuel Pierce to be Housing Secretary, Frank Carlucci to be Deputy Defense Secretary.

Casey said it's his intent to reinvigorate the CIA. "Our defense is only as good as our intelligence," he said. To do that, the senators said, the CIA must stem the tide of recent leaks. Casey agreed.

WILLIAM CASEY: You cannot maintain an effective and successful intelligence service if the people who are providing information feel that they're not secure.

GIBSON: Samuel Pierce, nominated for Housing and Urban Development, said inflation was public enemy number one, and so his agency should expect sizable cuts in its budget and in housing programs.

SAMUEL PIERCE: I intend to quickly, but carefully, review the programs at HUD, with a view toward cutting unnecessary costs.

GIBSON: Pierce was asked if a 10 percent cut seemed realistic. He said it was.

Frank Carlucci, number two at Defense, however, said

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7PM-CARLUCCI; 1ST LD; A058;240

7EDS: NEW INFORMATION FIRST 6 GRAFS; REWORDING 3D GRAF PVS FOR
 TRANSITION

7BY W. DALE NELSON

7ASSOCIATED PRESS WRITER

WASHINGTON (AP) - FRANK CARLUCCI, PRESIDENT-ELECT RONALD REAGAN'S
 NOMINEE AS DEPUTY SECRETARY OF DEFENSE, SAID TODAY THE UNITED STATES
 IS BEING OUTSPENT BY THE RUSSIANS ON ARMS AND NEEDS TO DEVELOP THE
 ABILITY TO FIGHT A NUCLEAR WAR.

CARLUCCI, NOW DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, APPEARED TO
 BE TAKING PAINS IN TESTIMONY AT HIS SENATE CONFIRMATION HEARING TO
 DEFUSE SUGGESTIONS BY SOME CONSERVATIVES THAT HE MIGHT HAVE BEEN
 PARTLY TO BLAME FOR A WEAKENING OF U.S. INTELLIGENCE.

SEVERAL MEMBERS OF THE ARMED SERVICES COMMITTEE SAID THEY WILL
 SUPPORT CARLUCCI AND HIS NOMINATION APPEARED HEADED FOR APPROVAL BY
 THE PANEL AND THE FULL SENATE.

CARLUCCI SAID THE SOVIET UNION IS OUTSPENDING THE UNITED STATES IN
 ALL MILITARY CATEGORIES AND "WE'RE GOING TO HAVE TO WORK HARD AND
 MAKE SACRIFICES TO CATCH UP."

HE SAID HE EXPECTED THE RUSSIANS TO "STEP UP THEIR SUBVERSION IN
 THE PERSIAN GULF AREA" DURING THE COMING DECADE AND ADDED THAT "WE
 NEED TO IMPROVE CONSIDERABLY OUR ABILITY TO DEAL WITH THAT SUBVERSIVE
 EFFORT."

"THE SOVIETS ARE DEVELOPING A NUCLEAR WAR FIGHTING CAPABILITY AND
 WE ARE GOING TO HAVE TO DEVELOP THE SAME AND THAT IS A VERY TALL
 ORDER," CARLUCCI SAID. "THE TRENDS ARE RUNNING AGAINST US."

REAGAN ANNOUNCED HIS SELECTION OF CARLUCCI ON SATURDAY,
 DISAPPOINTING SOME REPUBLICANS WHO HAD FAVORED THE NOMINATION OF
 WILLIAM VAN CLEAVE, CONSERVATIVE HEAD OF THE REAGAN TRANSITION TEAM
 DEALING WITH DEFENSE.

7CARLUCCI WAS: 4TH GRAF

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ARTICLE APPEARED
ON PAGE 7THE WALL STREET JOURNAL
12 January 1981

Carlucci, CIA Aide, Named to No. 2 Post For Defense Agency

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — President-elect Ronald Reagan nominated Frank C. Carlucci as Deputy Secretary of Defense in a personal victory for Defense Secretary-designate Caspar Weinberger.

The President-elect also named Darrell Trent, a campaign aide, to the No. 2 spot at the Transportation Department.

Mr. Carlucci, 50-year-old deputy director of the Central Intelligence Agency, is a long-time Weinberger associate. However, Mr. Carlucci lacks significant defense experience, as does Mr. Weinberger, and his nomination was opposed bitterly by conservative Republicans who take a hard line on defense matters. These Republicans had pressed for a conservative nominee such as William Van Cleave, a strategic arms expert who headed the Reagan defense transition team.

The campaign against Mr. Carlucci was bitter and personal, and included an anonymous memo accusing him of undermining U.S. intelligence activities while at the CIA.

But in an interview last week, Mr. Weinberger said he is "completely satisfied" that Mr. Carlucci's "conservative credentials and conservative philosophy are all there." Mr. Weinberger has said he was seeking "a complete alter ego" as his deputy.

Mr. Carlucci has served as Mr. Weinberger's alter ego twice before—once as deputy chief of the Office of Management and Budget and again as Under Secretary of the Department of Health, Education and Welfare. Mr. Weinberger headed those agencies during the Nixon and Ford administrations.

At the Transportation agency, Mr. Trent becomes the second campaign aide to fill a top post. Secretary-designate Drew Lewis was also a campaign official.

Mr. Trent, 42, has been on leave from the Hoover Institution at Stanford University, where he was associate director and senior research fellow. Since Mr. Reagan's election, Mr. Trent has directed the President-elect's Office of Policy Coordination.


TRANSITION
NOTES

Carlucci Position At the Pentagon Becomes Official

A few weeks after most of Washington knew who Caspar W. Weinberger wanted as his deputy at the Department of Defense, President-elect Ronald Reagan made it official yesterday, nominating Frank C. Carlucci, now deputy director of the Central Intelligence Agency, for the job.

Carlucci has broad government experience, starting with Foreign Service positions in South Africa, Zaire, Zanzibar and Brazil. He was an official in the old Office of Economic Opportunity and served as OEO's director in 1971. Then he went to the Office of Management and Budget and later was an undersecretary of health, education and welfare. He also served as ambassador to Portugal until moving to the CIA in 1978.

What Carlucci doesn't have, in more than two decades of government service, is any substantial experience in defense. His activities in behalf of SALT II also made him decidedly unpopular with the more conservative members of the GOP. But Weinberger made it known he wanted Carlucci, and yesterday the president-elect officially agreed.

ARTICLE APPROVED
ON PAGE A-26

NEW YORK TIMES
11 JANUARY 1981

Carlucci Gets No. 2 Pentagon Job As Weinberger Wins a Struggle

Special to The New York Times

WASHINGTON, Jan. 10 — Caspar W. Weinberger, the Defense Secretary designate, apparently prevailed today in a struggle over control of the Defense Department as President-elect Ronald Reagan's transition office announced that Mr. Weinberger's choice, Frank M. Carlucci, would be Deputy Secretary of Defense.

Conservative opposition to Mr. Carlucci, deputy director of the Central Intelligence Agency, had prompted Mr. Weinberger earlier to tell Mr. Reagan that he would not serve in the Cabinet unless he could name his own deputy.

The 51-year-old Mr. Carlucci, a career civil servant, served as assistant to Mr. Weinberger when Mr. Weinberger was head of the Office of Management and Budget and Secretary of Health, Education and Welfare under President Nixon. Mr. Carlucci was also named Ambassador to Portugal by President Ford and was appointed to the No. 2 post at the C.I.A. by President Carter in 1978.

The rift over Mr. Carlucci's latest appointment was the focal point of a broader struggle in the Reagan camp over control of the Pentagon's budget and

staffing policy. Some close advisers to Mr. Reagan insisted that second-level appointments should come from lists of Reagan loyalists. Also, conservatives argued that Mr. Carlucci had little experience in military matters and had helped weaken the intelligence agency under Mr. Carter by ending some covert operations.

Opposition to the appointment came not only from long-time Reagan advisers like William E. Van Cleave, who headed the Pentagon transition team until Mr. Weinberger dismantled it, but also from such conservative politicians as Senator Jesse Helms, Republican of North Carolina.

Reagan insiders say that Mr. Weinberger is also likely to have his way on most other appointments at the Defense Department.

Mr. Carlucci's government service began in 1956, when he served as a Foreign Service officer in Zaire. He was also Consul General in Zanzibar and counselor for political affairs in Rio de Janeiro.

ARTICLE APPEARED
ON PAGE A9BALTIMORE SUN
11 January 1981

Carlucci receives post at Defense despite opposition of right

Washington (AP)—A controversial Central Intelligence Agency official, Frank C. Carlucci, has been appointed to the No. 2 post at the Defense Department in President-elect Reagan's incoming administration, the Reagan transition office said yesterday.

The announcement confirmed widespread reports that Defense Secretary-designate Caspar W. Weinberger had triumphed in a battle with conservative Republicans over his choice of the deputy director of the CIA to be deputy defense secretary.

Mr. Carlucci, 50, served as Mr. Weinberger's assistant when the secretary-designate directed the Office of Management and Budget and, later, the Department of Health, Education and Welfare for President Richard M. Nixon.

GOP conservatives raised strong objections to Mr. Carlucci, claiming that he lacks military experience, failed to resist President Carter's reduction of emphasis on covert CIA activities, and aided Mr. Carter's campaign for the still-unratified SALT II treaty with the Soviet Union.

ARTICLE APPEARED
ON PAGE A-3

WASHINGTON STAR
11 JANUARY 1981

Carlucci Named to No. 2 Pentagon Post

By Jeremiah O'Leary
Washington Star Staff Writer

President-elect Ronald Reagan yesterday nominated Deputy CIA Director Frank C. Carlucci to be deputy secretary of defense under Caspar W. Weinberger.

The nomination, announced at transition headquarters here by press spokesman James Brady, is a victory for Weinberger, who insisted that he be allowed to select his own deputy despite strong opposition to Carlucci from some of Reagan's advisers.

The opposition to the 51-year-old Carlucci has centered on allegations that he is too liberal and lacks experience in defense matters.

The principal Reagan member of the Defense Department transition team, William A. Van Cleave, reportedly does not get along with Weinberger, and Weinberger rejected him for the deputy position.

Weinberger knows Carlucci well



FRANK CARLUCCI
To be deputy secretary of defense

from their prior service together in Washington, especially in the Department of Health, Education and Welfare and the Office of Management and Budget in the Nixon administration. Weinberger's primary reason for insisting on Carlucci as his deputy is his high regard for Carlucci's administrative ability.

Carlucci built a distinguished record as a Foreign Service officer from 1956 until 1965. Later he was ambassador to Portugal when that country was giving up its African colonies and going through a turbulent transition from right-wing dictatorship to parliamentary democracy.

Carlucci, a native of Scranton, Pa., graduated from Princeton and Harvard Business Administration School before service in the Navy as a lieutenant during the Korean War.

In another transition develop-

ment, Victor A. Schroeder, a native of Kansas and developer of shopping malls, reportedly is in line to replace John Sawhill as the \$175,000-a-year, chairman of the Synthetic Fuels Corporation. The Capital Energy Letter quoted Schroeder, 59, as saying that he had been asked to take the energy post by the Reagan transition headquarters. Schroeder has been a deputy team leader in the transition process.

Sawhill had hoped to keep the synthetic fuels job.

ARTICLE 23
ON PAGE 23

NEW YORK DAILY NEWS
11 January 1981

Ron frustrates Right, picks Carlucci for Defense deputy

By JAMES WIEGHART

Washington (News Bureau)—Overriding objections of Republican conservatives, President-elect Reagan yesterday nominated Deputy CIA Director Frank C. Carlucci to be deputy defense secretary.

Carlucci, 50, had been deputy to Caspar Weinberger, Reagan's choice for defense secretary, when Weinberger headed the Department of Health, Education and Welfare during the Nixon administration.

Carlucci had been Weinberger's top choice for the No. 2 post at the Defense Department, despite conservative objections.

The conservative opponents of Carlucci's appointment contended that

Carlucci, like Weinberger, was not sufficiently experienced on defense issues, particularly complex weapons systems. They also argued that Carlucci did not share their hard-line stand against the Soviet Union.

THE OPPOSITION to Carlucci was centered among conservatives on Capitol Hill, but was shared by key members of Reagan's defense transition team, including the director, William Van Cleave.

Carlucci, a former career foreign service officer, held a number of diplomatic posts in Africa during the 1950s and 1960s. In 1969, President Nixon appointed him assistant director for operations of the Office of Economic Opportunity, and in 1971 he was named head of the OEO.

After serving as Weinberger's deputy

at the Welfare Department from 1972 to 1974, Carlucci was named ambassador to Portugal, a post he held for three years before his appointment to the CIA.

The Reagan transition office also announced yesterday the appointment of Sheila Burke Patton to be press secretary for Mrs. Reagan.

PATTON, 38, vice president and account executive for Hill and Knowlton, Inc., a leading public relations firm, will replace Robin Orr, an Oakland (Calif.) Tribune society columnist who held the post as the next First Lady's press secretary for only 28 days before resigning.

Unlike her predecessor, Mrs. Patton is an experienced Washington hand. She was born in Washington and lives in suburban Falls Church, Va.

ARTICLE APPEARED
ON PAGE 41

THE WASHINGTON POST
11 January 1981

Cabinet: Pragmatic, Efficient, Conventional

By Lou Cannon
Washington Post Staff Writer

If Ronald Reagan's Cabinet provides a clue to the way his administration will perform, it is likely to be pragmatic, hard-working and largely lacking in unconventional ideas.

The Cabinet, finally completed last week with the selection of Terrel H. Bell as secretary of education, is overwhelmingly white, male, middle-aged, professional and balanced among conflicting claims within the Reagan constituencies. For the most part, the same description could have been made of the California state cabinet during Reagan's eight years as governor.

Like President Carter before him, Reagan turned for his key Cabinet appointments to his loyal cadre in state government and to survivors of his party's last national administration.

Carter pledged to be a different kind of Democrat and then relied on the second string of the Kennedy and Johnson administrations for several major appointments. Reagan, after promising that he would unleash the genius of the free enterprise system and bring to Washington the best brains it could provide, chose major figures of the Nixon administration for two of his top four Cabinet positions: Alexander M. Haig Jr. as secretary of state and Caspar W. Weinberger as secretary of defense. The number would have been three of four if Reagan's first choice as secretary

of the treasury, John B. Connally, had been willing to take the job a second time.

Reagan's other top Cabinet selection — William French Smith as attorney general — is the latest entry in the old-crony sweepstakes at the Department of Justice. This, too, followed the predictable pattern of Reagan's governorship; he named his executive secretary to the state supreme court.

"Traditional" is the way one veteran Republican describes most of Reagan's choices. For the most part, this assistant to the transition thinks that the Reagan choices will perform professionally and efficiently but are not likely to make waves.

"Ron Reagan doesn't like surprises," says

one of the incoming president's financial supporters. "He likes people around him whom he knows and trusts."

Of the 16 Cabinet-level selections, Smith is a personal friend and Weinberger a loyal former aide whom Reagan used to refer to as "my Disraeli." Central Intelligence Agency Director-designate William J. Casey was Reagan's 1980 campaign director. Energy Secretary-designate James B. Edwards, in addition to representing a traditional political payoff to southern supporters, backed Reagan in 1976 when his challenge to President Ford found help scarce among GOP officeholders.

Two others on the list are also loyal Reaganites — Transportation Secretary-designate Drew Lewis, who was an effective Reagan operative at the Republican National Committee, and Health and Human Services Secretary-designate Richard S. Schweiker, who has rarely differed with Reagan since the former California governor picked him for vice president in 1976.

But Lewis and Schweiker also demonstrate the ability of Reagan to reach out beyond his natural conservative base in the Republican Party, as does the selection of James Baker III as White House chief of staff. Baker was Ford's chairman in 1976 and Lewis was the Ford campaign director in the key state of Pennsylvania. Schweiker used to be considered a GOP liberal, and he is still likely to differ with conservatives on such potentially touchy issues as health maintenance organizations.

Reagan's Cabinet selection process, and to some degree the Cabinet itself, demonstrates three Reagan characteristics that are likely to be important in the presidency: his seeming detachment from the daily business of governing; his proclivity for balancing conflicting constituencies, and a somewhat contradictory tendency to cling stubbornly to a pet notion or appointment.

Reagan's detachment, so extreme in comparison to his immediate predecessors that it seems almost like indifference, was evident throughout the selection process. He considered this

style a virtue as governor, when he frequently decided an issue from a narrowed list of options brought to him by aides.

But Reagan can be a hard man to dissuade when he has made up his mind about something. He hardly knew Haig personally but was convinced that the former NATO commander had the quality of professional toughness Reagan much admires coupled with a "realistic" view of Soviet military capacity and intentions. Suggestions that Haig could face a difficult Senate confirmation fight never made headway with Reagan, who was willing to fight for his first choice.

Three other Reagan selections demonstrate an executive capacity for overriding the suggestions of his staff. One is Smith, whom Reagan wanted at his side in Washington regardless of qualifications or stories about "cronyism." Another is Casey, whose energy and intellectual capacity were questioned by some of his former colleagues on the campaign staff.

The third and in a way most interesting Reagan personal choice is his only woman Cabinet nominee, Georgetown Prof. Jeane J. Kirkpatrick as ambassador to the United Nations. Reagan became interested after reading a Kirkpatrick article in "Commentary" given him by foreign policy adviser Richard V. Allen. Candidate Reagan asked to have a meeting, interviewed her on his campaign plane and became personally convinced she should have a role in his administration.

What may have fascinated Reagan with self-styled "old liberal" Kirkpatrick — the only Democrat in his Cabinet — is that she seems to be embarked on the same long voyage from liberalism to conservatism which Reagan traveled long ago. As such, she ratifies for the incoming president one of his favorite notions, that the Democratic Party deserted him rather than the other way around.

Reagan's pragmatic tendency to be a balancer allows him to be all things

ARTICLE APPEARS
ON PAGE F-2

NEW YORK TIMES
11 JANUARY 1981

The Nation

In Summary

Transition Into Reality Encounters Some Complexities

With 9 days to go before their party takes out a four-year lease on the White House, Republicans last week were beginning to bump some unpleasant realities of governing. "It's a little more complex than they thought," said a Reagan associate.

In a three-day stopover in Washington, President-elect Reagan got bad news economic briefings — including a prediction that Federal budgets might have to roll along unbalanced until 1984, at the earliest — and a barrage of advice. Some aides urged him to give a high priority to the long-promised quicky tax cut. Others said the cut might have to wait.

Filling out the Administration roster wasn't easy, either.

Republican National Chairman William Brock is due to be named Special Trade Representative this week, with his own chair at the Cabinet table, after the idea of subordinating the job to the Commerce Department was at least deferred. That notion has been argued about in Washington for years.

Caspar W. Weinberger, the prospective Secretary of Defense, reportedly threatened to quit if he couldn't name his own deputy and other key assistants. The deputy he wants is Frank C. Carlucci. Mr. Carlucci, now deputy director of Central Intelligence, has been associated with Mr. Weinberger in several previous governmental tours, but true blue Reaganauts regard the career foreign servant as insufficiently hard-nosed.

One selection, albeit a bit tardy, didn't generate any smoke. Mr. Reagan chose T. H. Bell, Commissioner of Higher Education in Utah, to head the Department of Education, which the President-elect once vowed to scrap. James S. Brady, chosen to be White House press secretary, subsequently confirmed that what his boss had in mind for Education and the Department of Energy, another agency whose days were supposedly numbered, was a "scaling down" rather than an early death.

At one point, Mr. Reagan told a gathering of his Cabinet-to-be that it would be a "no-no" for them to let politics influence their judgments. Stoking is apparently another matter. As his team's confirmation hearings got underway, Mr. Reagan told Senate Democrats that he had asked their former Leader, Mike Mansfield, to stay on as Ambassador to Japan. Early in the week, Mr. Reagan paid a fence-mending call on Mexican President José Lopez Portillo, who never quite hit it off with President Carter.

Caroline Rand Herron
and Michael Wright

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WASHINGTON POST
 9 JANUARY 1981

Lineup Shaping Up at State Department

Former senator Richard Stone of Florida, a Democrat who is on Reagan's foreign policy transition team, is listed in some reports as a leading candidate for assistant secretary for Inter-American affairs. Others reported to be leading candidates in their respective areas include John Holdridge, currently the chief CIA specialist on Asia, to be assistant secretary for Asian and Pacific affairs, and George Carver, former CIA official on Vietnam and Germany, to be chief of State's bureau of intelligence and research.

Sherwood (Woody) Goldberg, a Philadelphia lawyer who has been assisting Haig during the transition, is expected to stay with the new secretary of state as chief of staff and internal trouble-shooter, with a special assistant's title, and former New York senator James Buckley will be undersecretary for security assistance and technology affairs.

TRANSITION NOTES

The list of candidates for head of the Arms Control and Disarmament Agency may be down to two names: William R. Van Cleave, a Reagan defense policy adviser who headed the transition team at the Pentagon, and Gen. Edward Rowley, who was a member of the CIA transition team.

Van Cleave was, at one point, thought to be out of the running for any administration job, supposedly because of a serious tiff with Caspar W. Weinberger, the secretary of defense-designate.

In Defense, the third-highest job — undersecretary of defense for policy — appears likely to go to William Howard Taft IV, former general counsel at the Health, Education and Welfare Department. Taft, a great-grandson of President Taft, has no substantial defense experience, a sticking point with critics who have noted the same thing about Weinberger and his choice for deputy, Frank Carlucci.

— Cass Peterson

EXCERPTED

ARTICLE APPEARED
ON PAGE A-15WASHINGTON POST
9 JANUARY 1981*Rowland Evans and Robert Novak*

Antidotes to Weinberger

Unease within the defense community over Caspar Weinberger has blossomed into panic now that the defense secretary-designate has booted out "Reaganaut" military advisers, trashed their recommendations and at least opened the door for soft-liners.

The certain appointment of Frank Carlucci, the Carter administration's deputy CIA director, as deputy secretary of defense is the visible tip of concealed events. In a Dec. 20 shouting match, Cap the Knife fired defense expert William Van Cleave as transition chief, blackballed him and his team from Pentagon posts and consigned their reports to ash cans. Since then, a collection of personalities never connected with strong defense has been edging into the Reagan transition.

The most charitable explanation is that this is no conspiracy but the product of Weinberger's nearly total ignorance on defense questions, which was fully revealed in his Senate confirmation hearing. But assuming Weinberger finally learns the names and issues involved, he has lost valuable time in revising defense spending and lost invaluable experts he badly needs.

In this as in other transition wars these past two months, Ronald Reagan's presence is barely felt. There has been no gesture from either the president-elect or his chief aide, Ed Meese, that they regard a radical reconstruction of

the nation's depleted defenses as top priority.

Consider the Reagan-Meese view toward Weinberger's insistence on Carlucci, a civil servant with no Defense Department background, as deputy secretary. Reagan's "kitchen cabinet" unanimously recommended against it, as did his defense transition team. The president-elect might then have suggested saving the deputy secretary's spot for an expert. Instead, Reagan acquiesced.

That was the situation when Van Cleave, Reagan's defense adviser throughout the campaign, went to California Dec. 20 to brief Weinberger. The secretary-designate was in an ugly mood. He unjustly believed Van Cleave was responsible for a press campaign against Carlucci.

An icy Weinberger informed Van Cleave that he and his team's services were terminated forthwith. The hot-tempered Van Cleave shouted that his responsibility was to advise Reagan himself and Weinberger could not fire him. Weinberger shouted back that Van Cleave was deceiving himself; he was gone.

Weinberger was correct. Early in the transition period when Van Cleave crossed swords with transition overseer William Timmons, a Timmons aide asked Meese whether Van Cleave was under the president-elect's protection. No, replied Meese, fire him if you want. The trouble blew over temporarily, but Reagan has not come to his defense adviser's aid.

Van Cleave was not the only victim. His team's members, including some of the nation's leading military experts, are blackballed. That includes the highly esteemed Ben Plymale of Boeing, who made the disastrous Dec. 20 trip west with Van Cleave. Plymale had been expected to be an adornment of the Reagan Pentagon as undersecretary for research.

The defense plans fastidiously prepared by Van Cleave, Plymale and associates will never be read by Weinberger. That may well prevent any Reagan hurry-up plans for accelerated spending in the current fiscal year.

Pentagon offices formerly occupied by the Van Cleave team are now mostly empty. In charge of the skeleton crew there is an old Weinberger-Carlucci comrade from HEW days in the Nixon administration: William Howard Taft III, a Washington lawyer who knows even less about defense than Weinberger and Carlucci. Yet, incredibly, Taft has wound up on the list for the department's No. 3 post: undersecretary for policy.

Taft has been conferring on defense matters with Richard Stubbins, a Carter administration anti-defense expert at the Office of Management and Budget whose views generally coincide with Sen. George McGovern's. With Reaganauts exiled to oblivion, among those briefing Weinberger for his confirmation hearing were two Carter officials: Jack Stempler, assistant defense secretary for legislative affairs, and Brig. Gen. Carl Smith, military assistant to Defense Secretary Harold Brown.

Carlucci has been consulting with his close friend (another HEW old hand), John Rhinelander—who was a passionate arms-controller as a State Department lawyer. Carlucci told us Rhinelander will not go into the Reagan administration and denied he even knows Barry Blechman, a former Carter administration arms-controller now at the Carnegie Endowment. But a memo circulating on Capitol Hill lists Blechman as a possible assistant secretary of defense.

There are antidotes. Secretary-designate Alexander Haig has moved quickly to install a Reaganaut staff at the State Department. The National Security Council staff will be filled with Reaganauts, possibly including Van Cleave. Despite his less-than-reassuring confirmation testimony, Weinberger may soon learn enough to reflect Reagan's philosophy in personnel and policy. But for now, one Senate conservative is calling Weinberger "another Harold Brown with one difference—Brown knows something about defense."

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Weinberger Battle for Carlucci Slows Filling of Pentagon Jobs

By John J. Fialka

Washington Star Staff Writer

A sharp bureaucratic battle within the evolving Reagan administration reportedly has slowed nominations to subordinate positions in the Pentagon under Defense Secretary-designee Caspar Weinberger.

The battle, according to several sources, is being waged over Weinberger's desire to have Frank Carlucci III, the outgoing deputy director of the CIA, as his deputy secretary.

Weinberger has stubbornly backed Carlucci against a strong attack by some members of Reagan's defense transition team and by some of the California-based kitchen Cabinet.

The opposition to Carlucci is based on his lack of Pentagon experience and on the belief by some of the more conservative Reaganites that he is not conservative enough to satisfy the more hawkish Reagan backers.

"A lot of blood has been spilt over this. Caspar has had to use a lot of chips to press for Carlucci," one Pentagon source said. "That may weaken him in trying to get more of his people into the important slots over here."

Carlucci worked for Weinberger as undersecretary of Health, Education and Welfare in the Nixon and Ford administrations.

Although Carlucci has not been nominated officially for the No. 2 Pentagon position, the sources said that his name has been sent to the Senate Armed Services Committee, which is scheduling confirmation hearings. One of the key players for Weinberger during the Carlucci

fight is a Washington lawyer who will probably emerge in another high level Pentagon slot, the sources indicated. He is William Howard Taft IV, a general counsel at HEW during the Ford administration.

Taft served as a key personal aide to Weinberger in the three government agencies Weinberger headed during the Nixon-Ford years: HEW, the Office of Management and Budget, and the Federal Trade Commission. Some sources said that Weinberger has mentioned Taft as a possibility for the No. 3 Pentagon slot, undersecretary of defense for policy, although others said he is more likely to be named the department's general counsel.

The naming of Taft to the policy post could exacerbate Weinberger's difficulties within the Reagan administration, the sources said, because Taft is not considered conservative enough or experienced enough to satisfy more conservative Reaganites who are determined to have a man of their ilk installed in a place of power in the Pentagon.

It also would leave the Defense Department in the unusual position of having no one in the top three positions who has had direct experience with the sometimes Byzantine art of managing the military. Taft could not be reached for comment.

Because some members of the defense transition team, headed by William Van Cleave, a University of Southern California professor, lobbied strenuously against Carlucci, Weinberger reportedly has let it be known that he is not enthusiastic about installing them in high Pentagon posts.

The chief target of Weinberger's anger is said to be Van Cleave, who has also been mentioned as a contender for the No. 3 Pentagon slot. However, sources said that Van Cleave has told his associates that he would prefer a national security job outside the Pentagon, probably in the National Security Council or the Arms Control and Disarmament Agency. Assisting Taft in forming Weinberger's organizational strategy at the Pentagon is Stef Halper, who worked as the chief issues man for vice president-elect George Bush during the primary campaigns. As yet, according to the sources, Halper has not been formally offered a Pentagon job.

The first names to follow Carlucci's will probably be the secretaries of the services, whose confirmation hearings are scheduled during the week of Jan. 19. Robert D. Nesen, the owner of an Oldsmobile-Cadillac dealership in Thousand

Oaks, Calif., has emerged as a late contender for secretary of the Navy.

Nesen, who served as an assistant secretary of the Navy under President Nixon, is believed to have close ties to Reagan. Previously, John F. Lehman Jr., president of the Abington Corp. and a former deputy director of the arms control agency, was thought to be the front runner.

The successor to the current secretary of the Air Force, Dr. Hans Mark, may not be installed until mid-March, the sources said. Former New York Sen. James Buckley, once thought to be the candidate for this job, reportedly has turned it down in favor of a State Department job.

The contest for secretary of the Army is believed to have been won by John O. Marsh, a former Virginia congressman and a White House counsel to President Ford.

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NEW YORK TIMES
9 JANUARY 1981

Weinberger Is Said to Insist on Picking His Deputy

By RICHARD HALLORAN
Special to The New York Times

WASHINGTON, Jan. 8 — Caspar W. Weinberger, the prospective Secretary of Defense, has informed Ronald Reagan that he will not serve in the Cabinet unless he is permitted to name his own deputy, according to insiders on the transition team.

The sources said that Mr. Weinberger had passed that message to Mr. Reagan through the President-elect's so-called kitchen cabinet in California and that Mr. Weinberger had insisted on naming Frank C. Carlucci, a longtime associate, as Deputy Secretary of Defense, despite objections that he lacked experience in military matters.

So far, Mr. Weinberger appears to have prevailed. Mr. Carlucci, who has been Deputy Director of Central Intelligence in the Carter Administration, has been working at the Pentagon alongside Mr. Weinberger in recent days. But no formal announcement of his appointment has been made.

The conflict over Mr. Carlucci appears to be a focal point in a wider struggle for control of the Defense Department that has split the ranks of the Reagan camp. On one side is Mr. Weinberger; on the other are such longtime Reagan advisers on defense as William E. Van Cleave, who headed the Pentagon transition team until Mr. Weinberger dismantled it.

Struggle Over Military Budget

A major issue is who will get control of the military budget and programs, which is critical to establishing the new administration's military policy.

After Mr. Reagan's election victory in November, his advisers on national security asserted that the State and Defense Departments and other elements of the national security apparatus would be staffed by "Reaganauts," their term for loyalists. That meant that the agency heads would be required to select their principal subordinates from lists prepared by the transition headquarters or to have their own proposals approved by Mr. Reagan's senior advisers.

When Mr. Weinberger said that he wanted to name Mr. Carlucci, there were protests from such conservatives on Capitol Hill as Senator Jesse Helms, Republican of North Carolina, and from the conservative group of informal Reagan advisers known as the kitchen cabinet.

They contended that Mr. Carlucci, who had served under Mr. Weinberger at the Department of Health, Education and Welfare in the Nixon Administration, was primarily a manager, not a defense specialist, and that he had helped weaken the Central Intelligence Agency in the Carter Administration by closing down some covert operations. But Mr. Weinberger, the insiders said, insisted on having his way and was likely to do so on other appointments within the Department of Defense.

The rift began shortly after Mr. Weinberger was nominated in mid-December, when he told the Pentagon transition team, headed by Mr. Van Cleave, to complete its work by the end of the year.

AF Finds Way to Trim \$1 Billion From MX Missile Cost

By ROBERT C. TOTH, Times Staff Writer

WASHINGTON—The Air Force has devised ways to trim \$1 billion from the \$34 billion cost of the MX missile in an effort to make the controversial weapons system more palatable to the incoming Reagan Administration, according to Air Force officials.

"We've come up with some very reasonable modifications that we think will make the system more efficient, cheaper and less complex," Lt. Gen. Kelly H. Burke, deputy chief of the Air Force for research and development, said in an interview.

One change would eliminate the manhole-like "SALT ports" in the missile's 4,600 horizontal shelters, through which Soviet satellites could verify compliance with arms treaties. Another would link several of the 23 shelter clusters together rather than keep them separated.

Reagan Team's Proposals

After analyzing various alternate schemes proposed by the Reagan transition team at the Pentagon, the Air Force concluded that its plan still is the best one, said Brig. Gen. James P. McCarthy, Burke's assistant for the MX program.

"But I don't know if we've convinced the transition people about that," he said, "or whether the cost-savings which approach \$1 billion, will satisfy them."

Considerable doubt has been raised about the effect the transition team will have, according to sources, because of a dispute between the team's leader, William R. Van Cleave, and incoming Defense Secretary Caspar W. Weinberger.

Van Cleave, the sources said, strongly opposed Weinberger's choice of Frank C. Carlucci, now deputy director of the Central Intelligence Agency, to be deputy defense secretary. Van Cleave reportedly wanted the job himself. He also was said to have objected to what he regarded as Carlucci's role in downgrading the U.S. intelligence capability. As a result, Van Cleave is unlikely to get any Pentagon job now, sources said.

Several military officers expressed concern that the dispute could spill over to compromise analysis work done for the Reagan transition team. "We're afraid that all the studies have gone down the tube now," one Army officer said.

Weinberger, at his confirmation hearing Tuesday, expressed support for building the 10-warhead MX missile to counter Soviet missile gains, but said he intends to examine a "wide number of options" on where and how the missiles should be based.

The Air Force looked at 35 basing schemes before it arrived at its current recommendation for deploying 200 MX missiles in a mobile configuration, one missile to be moved among 23 shelters, in the Great Desert of Utah and Nevada.

One rejected proposal called for basing the MX under water just off U.S. shores. Another would have put it in huge aircraft that would launch it from the air.

There was no sign that Weinberger would seriously reconsider these extreme options.

The alternative schemes, analyzed at Van Cleave's request, and the Air Force's findings, were:

—Vertical silos for the MX, rather than horizontal shelters. This would be marginally more expensive, Gen. McCarthy said. More significantly, it would greatly increase the time required to move the missile from one shelter to another, from perhaps 20 minutes to about two hours.

—Put MX missiles in the existing 1,000 Minuteman silos. Among other things, this proposal would not eliminate the vulnerability of the U.S. ICBM force to surprise attack since the Soviets could destroy the silos whether they contained the MX or the Minuteman.

—Dig another 9,000 Minuteman silos around existing silos and hide 1,000 Minuteman missiles among the 10,000 silos. The Air Force found that this system could not be operational until 1987, one year after the projected date for its MX. Each modified, mobile Minuteman III missile would cost \$16 million to build as opposed to \$14.6 million for each all-new MX missile, McCarthy said.

Half of the \$1 billion the Air Force would save by MX modifications, would come from eliminating the two "SALT ports" now designed into each of the 4,600 shelters. Each port is a huge concrete plug weighing many tons. It fits tightly into the cylindrical missile shelter, which itself is buried under tons of earth. The saving per shelter would run to \$100,000, or some \$460 million for the system, McCarthy said.

A similar amount would be saved by interconnecting two, three or four of the 23-shelter clusters, he said. This would reduce the number of maintenance and repair facilities and the number of missile transporters in the system, among other things.

Eliminating the "SALT ports" could raise verification problems under arms treaties. But the Air Force believes these can be solved by counting the MX missiles at their assembly plant rather than in their deployed positions, much as missile-carrying submarines are now counted as they slide down construction ways rather than on station in mid-ocean.

The Soviet view of these schemes is not known. But the Air Force has designed that MX system so that "if the Soviets built the same thing for themselves, we could live with it from a verification viewpoint," McCarthy said.

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WEINBERGER APPARENTLY WINS BATTLE TO PICK OWN DEPUTY
BY ROBERT PARRY

ASSOCIATED PRESS WRITER

WASHINGTON (AP) - CONSERVATIVE REPUBLICANS APPARENTLY HAVE FAILED TO BLOCK DEFENSE SECRETARY-DESIGNATE CASPAR W. WEINBERGER'S CHOICE OF CIA DEPUTY DIRECTOR FRANK C. CARLUCCI TO BE THE NO. 2 MAN AT THE PENTAGON.

REPUBLICAN SOURCES SAID TUESDAY THAT CARLUCCI WAS "ABOUT 90 PERCENT" CERTAIN TO GET THE INFLUENTIAL POST OF DEPUTY DEFENSE SECRETARY. ONE SOURCE SAID A FINAL DECISION WAS LIKELY TODAY OR THURSDAY.

A BEHIND-THE-SCENES CAMPAIGN BY CONSERVATIVES TO UNDERMINE SUPPORT FOR CARLUCCI LAST MONTH LED TO A DIRECT CLASH WITH WEINBERGER, ONE OF RONALD REAGAN'S CLOSEST AND MOST TRUSTED ADVISERS, THE SOURCES SAID.

THE SOURCES SAID WEINBERGER CAME OUT ON TOP IN THE POWER PLAY WITH WILLIAM VAN CLEEVE, THE CONSERVATIVE HEAD OF THE DEFENSE DEPARTMENT TRANSITION TEAM.

"WE LOST A MAJOR PART OF DEFENSE" WITH WEINBERGER'S SELECTION OF CARLUCCI AND THE PASSING OVER OF VAN CLEEVE FOR THE DEPUTY POST, SAID ONE CONSERVATIVE REPUBLICAN, WHO SPOKE WITH THE UNDERSTANDING HIS NAME WOULD NOT BE USED.

DESPITE THE LIKELY SELECTION OF CARLUCCI, SOURCES SAID BITTER CONSERVATIVE OPPOSITION CONTINUED AGAINST THE DEPUTY CIA DIRECTOR, WHO SOME RIGHT-WING REPUBLICANS HOLD PARTLY TO BLAME FOR WHAT THEY SEE AS A WEAKENED U.S. INTELLIGENCE APPARATUS.

THE SOURCES SAID EFFORTS WERE ALSO STILL UNDER WAY TO SECURE VAN CLEEVE EITHER A HIGH-RANKING POST IN THE DEFENSE DEPARTMENT OR A TOP JOB AT THE NATIONAL SECURITY COUNCIL OR STATE DEPARTMENT.

SOURCES SAID WEINBERGER DISCUSSED HIS DETERMINATION TO HAVE CARLUCCI AS HIS DEPUTY DURING A RECENT TWO-HOUR MEETING WITH PRESIDENT-ELECT REAGAN. ONE SOURCE SAID WEINBERGER AT ONE POINT LAST WEEK EVEN SUGGESTED THAT HE MIGHT NOT TAKE THE DEFENSE POST IF HE COULD NOT NAME HIS OWN DEPUTY.

(over)

CARLUCCI, 50, WAS WEINBERGER'S ASSISTANT WHEN THE DEFENSE SECRETARY-DESIGNATE DIRECTED FORMER PRESIDENT RICHARD M. NIXON'S OFFICE OF MANAGEMENT AND BUDGET AND THE DEPARTMENT OF HEALTH, EDUCATION AND WELFARE.

CONSERVATIVE REPUBLICANS OBJECTED TO CARLUCCI BECAUSE, THEY CLAIM, HE LACKS MILITARY EXPERIENCE; FAILED TO STAND UP TO PRESIDENT CARTER'S PLAYING DOWN OF COVERT CIA ACTIVITIES; AND AIDED CARTER'S CAMPAIGN FOR THE SALT II TREATY.

"MANY PEOPLE FEEL HE PARTICIPATED IN A GRAND DECEPTION; THAT HE UNDERESTIMATED SOVIET CAPABILITIES AND INTENTIONALLY ALLOWED MISASSESSMENTS TO MISLEAD THE CONGRESS IN THE NATIONAL INTELLIGENCE ESTIMATE," SAID ONE SOURCE.

ALTHOUGH CARLUCCI HAS DECLINED COMMENT, CIA SPOKESMAN DALE PETERSON DENIED THOSE CHARGES.

THE CONSERVATIVES ALSO COMPLAINED THAT WEINBERGER, WHO HIMSELF HAS LIMITED EXPERIENCE WITH THE PENTAGON, ESPECIALLY NEEDED A DEPUTY WITH A "NUTS AND BOLTS" DEFENSE BACKGROUND.

SOURCES SAID MAJ. GEN. JERRY CURRY, 48, A BLACK, CAREER ARMY OFFICER, WAS BEING PROMOTED BY SOME ADVISERS WITHIN THE REAGAN CAMP AS AN ALTERNATIVE TO CARLUCCI.

CURRY CONFIRMED THAT HE WAS UNDER CONSIDERATION FOR THE POST, BUT ONE CONSERVATIVE REPUBLICAN WITH TIES TO CAPITOL HILL AND THE REAGAN TRANSITION SAID THERE WAS NO CHANCE THAT CURRY WOULD GET THE JOB.

ONE SOURCE CLOSE TO VAN CLEAVE DENIED THAT THE HEAD OF THE NOW-DEFUNCT DEFENSE TRANSITION TEAM EVER TRIED TO UNDERCUT CARLUCCI, ALTHOUGH THE SOURCE ACKNOWLEDGED THAT VAN CLEAVE WAS INTERESTED IN BEING NAMED TO THE DEPUTY SECRETARY POST.

"I THINK IT WAS UNFORTUNATE THAT VAN CLEAVE WAS BLAMED FOR THE OPPOSITION TO CARLUCCI," SAID THE SOURCE.

VAN CLEAVE AND WEINBERGER WERE UNAVAILABLE FOR COMMENT.

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CHARLES BARTLETT

The Shape of the Reagan Cabinet

In rushing to field a team by Inauguration Day, the Reagan transition people are stumbling occasionally on candidate Reagan's promise to let his Cabinet officers run their own shops.

There are many temptations to intrude on this license, but in show-down situations Reagan is coming up true to his proclaimed philosophy. His prospective secretary of state, Alexander Haig, has been accorded a free hand to pick his subordinates. In a more revealing decision, the president-elect has backed the right of his prospective secretary of defense, Caspar Weinberger, to name a career official, Frank Carlucci, as his deputy.

There was lots of heat on this one, particularly from Republican senators who contended that the balance to Weinberger's lack of familiarity with the Pentagon and its weapons systems should be someone who understood the problems of production.

Weinberger, closer to Reagan than any of the others designated as Cabinet heads, insisted that Carlucci was his choice. The two worked well together in the Nixon-Ford years. Carlucci also headed the poverty program, served as ambassador to Portugal while that nation flirted with communism and is now deputy to Director Stansfield Turner at CIA. He has accumulated some critics in these labors, but his performance as a career federal executive is generally praised.

By backing Weinberger against rumblings that originated in what is known as the military-industrial complex, Reagan more than reaffirmed his commitment to Cabinet government. He gave an inkling of what he means by governing as if he had no concern with re-election. Presidents nursing this concern usually accommodate to pressures like those exerted against Carlucci.

The transition is giving Reagan's right-wing backers some causes to grumble. The process of picking the top officials has gone so slowly that it is too early to be sure — some are apprehensive that in a last-minute scramble Reagan will lay aside the big broom and rename an excessive number of holdovers, largely because they are in place. But the selections to date indicate that the president-elect is more anxious to bring in a balanced team than he is to propitiate his right-wing friends.

Kissinger and the Right

As a politician who has given loud voice to the demonology of the right, Reagan has deferred to it in some major instances. Henry Kissinger does not, for example, as far as can be learned, have any prospect of close involvement with the administration. In fact the former secretary of state is stirring fresh resentments by allowing it to be widely assumed that his travels through the Middle East and Africa are somehow linked to the advent

of the Reagan administration. The Reagan people insist no one asked Kissinger to go anywhere or say anything on their behalf.

New administrations are particularly eager to react against the mistakes of their immediate predecessors and there is unlikely to be any repetition of Jimmy Carter's great error in tolerating Zbigniew Brzezinski's open challenges to the State Department. Outgoing officials are jumping on Brzezinski for giving "mixed signals" to the world, but the real culprit, as Hodding Carter notes, was the president himself. And the real motivation was the political one of attempting to keep Democrats from dividing on foreign policy.

But Carter diminished himself and his relations with his Cabinet members by keeping them uncertain as to what was really on his mind, particularly on matters involving a linkage between policy and politics. Their uncertainties cost him their deep loyalty and their ability to build momentum for the administration.

Reagan's decision on Carlucci may be no more reliable as an omen of how he will eventually deal with his Cabinet than the folksy devices by which men predict the coldness of winter. But it could also mean that Reagan genuinely intends to be a different kind of president, not just another of those who have devoted their first terms mainly to pursuit of second terms.

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ON PAGE A15

THE WASHINGTON STAR
7 January 1981

LAWRENCE J. KORB

A New Team at Defense

The concern expressed among some of President-elect Reagan's supporters about the prospective civilian leadership of the Department of Defense betrays a lack of understanding of Pentagon operations.

These concerns, it is reported, focus on the lack of qualifications of Caspar Weinberger for secretary of defense; the inappropriateness of Weinberger's selection of Frank Carlucci as his deputy, and the rejection of certain well-qualified individuals for service-secretary posts in favor of people with less background in defense matters.

The secretary of defense has four primary tasks. He must advise the president on national security affairs; manage the nation's largest and most complex bureaucracy; act as deputy commander-in-chief, and represent the Defense Department before Congress and the public. Based on the demands of the job, Weinberger is more qualified than most of his 13 predecessors.

He is not a neophyte on defense matters. In his post as director of the Office of Management and Budget, he dealt with many of the major defense issues still before the nation — for example, the B-1 and Trident.

While he is not the military strategist that Harold Brown or James Schlesinger is, Weinberger has more background in defense matters than Robert McNamara, Charles Wilson, Louis Johnson, or Neil McElroy had when they were selected. Moreover, Weinberger will have available to him the strategic advice of the uniformed military.

Weinberger is the only man to bring to the Pentagon prior high-level management experience in both the private and public sectors. Some previous appointees, (Melvin Laird, Clark Clifford, and Donald Rumsfeld) had no real management background. None of the corporation presidents (McNamara, Wilson, McElroy) had ever managed in the non-profit government environment, while those like Schlesinger and Brown, who had managed government organizations, never had had to meet a large

Except for George Marshall, no previous secretary of defense has had the kind of experience necessary to function as commander of large-scale military operations. However, unlike Brown and Schlesinger, Weinberger has seen active-duty military service.

Weinberger should have little trouble in dealing with the Congress and the public on defense issues. As head of OMB and HEW, he has gained a great deal of experience in this area. Moreover, other than Melvin Laird, he is the only secretary of defense to have run for public office.

Finally, Weinberger possesses something that most other secretaries have not — that is, the confidence of, and thus complete access to, the president. As one observer has so accurately noted, he is Reagan's Disraeli. This could not be said of any of Weinberger's 13 predecessors. Moreover, several secretaries, such as James Forrestal and Schlesinger, did not even have a relationship of mutual respect with their chief executives.

While experience is often not an indicator of how successful an individual will be as a secretary, a certain way to guarantee that the person will not be a success is to prevent him from naming his own assistants. The burdens of the secretary of defense are too great for any single individual to shoulder successfully. He needs a deputy with whom he can work and in whom he has complete confidence.

More so than in most agencies,

the secretary and the deputy secretary of defense must function as a team. If Weinberger feels that Carlucci is the man for him, he must be allowed to have him. Even if someone with more of a background in defense could be found, he could not be an effective deputy without the complete trust and confidence of the secretary. Carlucci, by the way, has more qualifications than most previous deputies, for example,

Similarly, the secretary needs to have the loyalty of the service secretaries if he is to exert effective control over the four armed services within the Department of Defense. It will be hard for him to get that loyalty if these individuals are not selected by him. Moreover, the post of service secretary is not a policy-making job; in fact, it is mostly honorific. Therefore, one does not need as much expertise in these posts as, for example, in the position of assistant secretary of defense for program analysis and evaluation.

President-elect Reagan has chosen well in selecting Weinberger. To guarantee his success, he must now let him have his own team. The administration and the nation will be better for it.

Lawrence J. Korb is resident director of defense policy studies at the American Enterprise Institute and co-editor of the AEI Foreign Policy and Defense Review.

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7 JANUARY 1981

WASHINGTON

Who's
In
Charge?

By James Reston

WASHINGTON, Jan. 6 — On the whole, the transition between the Carter and Reagan administrations has gone fairly well, but on the question of how to deal with the American hostages in Iran, there have been some problems.

Within a few days before the Inauguration of Ronald Reagan, the Carter Administration sent what it regarded as its "final" compromise proposal for the release of the hostages, attaching to it a deadline for reply of Jan. 18, four days before the Inauguration.

The Carter Administration, recognizing that the consequences of this proposal could probably not be dealt with before Reagan became President, asked Reagan's people to consider the message to Iran before it was delivered. According to the White House officials who drafted the compromise, Reagan's cabinet appointees refused to have anything to do with it, or even read it without an order from Reagan, which never came.

Alexander Haig got the point, but was obviously preoccupied with his own confirmation problem. Caspar Weinberger was sympathetic, but passed it on to higher authority. Edwin Meese listened but felt Iran was Carter's responsibility and kept his distance from what he saw as problems of the past.

This is nothing new. Even in the depths of the 1930's Depression, during the transition from Hoover to Roosevelt, when Hoover appealed to FDR for help in the face of bank closings, Roosevelt refused to cooperate and left the crisis to Hoover. Reagan has done the same thing, and now must deal with the consequences of Carter's "final offer," which he has refused to read.

There are other transition problems, still unresolved. Reagan's appointment schedule is running late. He has chosen his cabinet, but within a few days of his Inauguration the critical decisions about his sub-cabinet positions have still not been made, and apparently there is a bit of a tussle within the Reagan camp about their choices.

For example, should Reagan's secretary of Defense — General Haig and Weinberger — be free to select their own deputies, or should they be chosen

served the Democrats in various high official and diplomatic posts, as his deputy against the opposition of many conservative Reagan supporters.

General Haig has brought back to Washington Larry Eagleburger, who was Henry Kissinger's principal administrative aide at State, and has most recently been U.S. Ambassador to Yugoslavia. Haig's intention is apparently to have him as his political secretary in the third ranking office of the State Department. And Haig is also consulting with Walter Stoessel, former Ambassador to the Soviet Union and Poland, on the organization of the State Department.

Whether Weinberger and Haig will get the deputies they want, however, remains for Reagan to decide. There is not only opposition from the Reagan conservatives to Carlucci at Defense, but also pressure for Haig to appoint as Under Secretary a favorite Reagan California judge, whose ignorance of foreign affairs is equaled only by his contested knowledge of the law.

Washington is puzzled by this Reagan transition, mainly because it seldom hears from Reagan. Some departments of the Government have made the transition switch easily. Weinberger and Secretary of Defense Brown, and Muskie and Haig at State have worked well together, but on policy and on the other officials who have to carry it out, there is still more than the natural confusion.

One suggestion here is that the officials now in charge at the sub-cabinet level of deputy and assistant secretaries might stay on the job for a few weeks until the new administration selects their successors, but this has not been met with enthusiasm.

Meanwhile in Congress there has been a lot of noise about the transition, and demands for tapes of Haig's private statements on Watergate and Vietnam, but these is not likely to get very far. Carter is in no mood to cause trouble for Reagan. Haig has invited the senators to get any tapes they like about his role in the last days of the Nixon tragedy, and doesn't want the help of Nixon, who is apparently prepared to go to court if necessary to deny by executive privilege access to Haig's private White House conversations.

Also, the new chairman of the Senate Foreign Relations Committee, Charles Percy of Illinois, has indicated that he does not want a Vietnam or Watergate replay of Haig's role in Nixon's resignation, unless this is clearly relevant to Haig's appointment.

There are exceptions, of course, and the confirmation process will undoubtedly be rough, but there is a growing feeling here that the problems of the nation are too serious to be left to parliament. Reagan should be given a chance to choose the people and policies he wants, if only he will make up his mind where he is

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Brock, Carlucci Expected to Get Top Positions

By Lou Cannon
Washington Post Staff Writer

Two favorite targets of organized conservatives — Republican National Chairman William Brock and Deputy Central Intelligence Agency Director Frank Carlucci — are in line for high-ranking positions in the Reagan administration, according to well-placed sources.

The sources said that Brock would be named special trade representative, a post that currently carries Cabinet rank. It is not clear that the position will retain that status, however.

Carlucci, one of the enduring veterans of federal government service, is scheduled to be appointed deputy secretary of defense. He was the personal choice of Secretary of Defense-designate Caspar W. Weinberger, for whom he served as deputy secretary of health, education and welfare in the Nixon administration.

These sources said that President-elect Ronald Reagan also will name his transition spokesman, James Brady, as White House press secretary, and that William P. Clark, a California Supreme Court justice who was Reagan's executive secretary when he was governor, has been asked to be the deputy secretary of state.

Brady had been on the Reagan list for weeks as administration aides sounded out, with no success, various journalists for the position. At one point Brady was depicted as less than the first choice of Nancy Reagan, who reportedly wanted her husband to choose someone "better looking" for the job. She denied that this was her view.

Yesterday, however, a note was left on Brady's desk: "Since we couldn't find anybody good-looking, congratulations."

The objections to Brock and Carlucci were more ideological.

Carlucci, a career Foreign Service officer who once was stabbed while rescuing a group of Americans from a Congolese mob, was described in a recent staff paper prepared for an organization of conservative Republican senators as "an obstruction, rather than an asset, to Reagan interests." He has served in a wide range of positions in five presidential administrations, including ambassador to Portugal under President Ford. President Carter named him to the CIA post in 1977.

The major conservative objection to Carlucci, as stated in the staff report to the senators, was that he gave "active support" to a Carter presidential order that "enormously restricted intelligence collection."

But Carlucci's supporters, among them Weinberger, see him as kind of a governmental man for all seasons with an enormous range of expertise that he will put at the disposal of any president.

Brock's difficulties with the right wing of his own party are of long standing, stemming especially from his refusal as GOP chairman to allow party funds to be used for opposition to the Panama Canal treaties, an issue that split both Democrats and Republicans.

Last June, after Reagan had locked up the Republican presidential nomination, an attempt was made by GOP conservatives to remove Brock from the party chairmanship. The effort ended in a compromise in which Brock remained as chairman but Drew Lewis, a Reagan political operative who now is the designee for secretary of transportation, was made the operating officer at the committee.

Sen. Paul Laxalt of Nevada, one of Reagan's closest and most influential friends, said yesterday that he had recommended Brock for the special trade representative position. Laxalt and Brock were adversaries on the Panama Canal issue but have since patched up their differences.

Brock is widely regarded among many factions of the GOP as having a chance of being the Republican man in an election that exceeded even the most optimistic Republican expectations.

Clark, in San Diego for the swearing-in of a county supervisor, acknowledged that he had been offered the State Department post but said he had not decided whether he would take it. He is known to be concerned that resigning from the California court, often a trend-setter among state judicial bodies, would cause a liberal shift on the seven-person court, to which California Gov. Edmund G. (Jerry) Brown would name the replacement.

That choice became even more difficult yesterday when Justice Wiley Manuel, a moderately conservative Brown appointee who sometimes sided with the conservative Clark on criminal justice issues, died in Oakland after a long illness. Clark's resignation would leave the court with a single conservative member.

But there was, nonetheless, a strong belief among Reagan intimates that Clark would accept the Reagan administration post despite his lack of foreign policy experience. Reagan looks upon Clark as one of his most valued aides and waived his normal consultation with the bar on judicial appointments to name Clark to the court.



FRANK CARLUCCI
... to be deputy secretary of defense

THIS WEEK'S NEWS FROM Inside Washington

Carlucci Under Fire

President-elect Ronald Reagan's new defense secretary-designate, Caspar Weinberger, is coming under fire for his choice of career civil servant Frank Carlucci as his deputy. Carlucci has been under such intense heat from conservatives in Congress and elsewhere, in fact, that Weinberger was in town last week, partly on a mission to reassure conservatives that Carlucci was not the ogre they feared. Weinberger, for instance, met with Heritage Foundation President Ed Feulner on Tuesday, December 23, to give his side of the case.

What has particularly hurt Carlucci, it has been learned, was an Evans and Novak column that ran in the *Washington Post* called "Why Weinberger? Why Carlucci?" The column portrayed both Weinberger and Carlucci as neophytes in the defense field, and suggested that the news about Weinberger's pick has struck defense hawks like a thunderbolt.

Carlucci is considered a neutral by many, and some of his supporters insist that he did excellent work as ambassador to Portugal in the mid-1970s, but he also has strong enemies within the defense and intelligence community. A two-page memorandum—reportedly partially based on the work of a high-level CIA official, now retired—has been circulating through Capitol Hill for several weeks. Among the charges leveled against Carlucci, now deputy director of the CIA:

- He suppressed critical intelligence footnotes dealing with the role of the Soviet armored brigade in Cuba.
- He actively supported "Executive Order 12036 which enormously restricted intelligence collection."
- He personally offered support for the Bayh-Huddleston CIA charter legislation in 1980 which is severely restrictive and is "contrary to the Reagan transition team's view of what should be done to restructure the intelligence community."
- He downgraded the significance of the loss of the U.S. monitoring stations in Iran when Khomeini and his supporters seized control of the country and closed down these bases.
- CIA transition team members report that Carlucci has been "singularly uncooperative" with the President-elect's people.

"Finally," the memo goes on, "Carlucci is viewed with alarm by many in the Senate. Should his name go forward in nomination, the confirma-

tion hearings would bring to light his dedication to the Carter Administration and its policies. This allegiance would be disturbing to many Republicans, both on Capitol Hill and throughout the country."

Whether Carlucci is guilty of any or all of these transgressions is not clear, but there is no question that this memo is widely believed within much of the intelligence community.

Weinberger, however, dismisses the charges against Carlucci as just plain wrong. He insists he was for a reasonable intelligence charter, and argues that he battled the anti-CIA extremists. Other Carlucci defenders, furthermore, insist he is not an ideologue, that he is a career bureaucrat who will do what his boss tells him. Moreover, they say Weinberger trusts him because he served Weinberger faithfully in both the Office of Management and Budget and the Health, Education and Welfare department.

Still others suggest that Weinberger, who is loyal to Reagan, is determined to beef up the defense budget, and that he will have plenty of backing from Alexander Haig as secretary of state, Sen. John Tower (R.-Tex.), as chairman of the Senate Armed Services Committee and Reagan himself. "Carlucci couldn't do all that much damage, even if he wanted to," says one defender.

Carlucci's detractors, however, insist—contrary to Weinberger's claims—that Carlucci has gone along with the CIA's dismantling under President Carter, and that his position as deputy secretary of defense would be critical.

"This post," says one expert very familiar with the structure of the Pentagon and the Reagan transition team's recommendations for change, "will have a powerful influence over policy, and thus it is essential that Weinberger have somebody there who is totally loyal to President-elect Reagan's ideas. Carlucci is not the man for the job." And whether Weinberger will be able to defuse all this criticism with his talks to conservatives and defense hawks in Congress is not at all clear.