

Hands off in Nicaragua

The Reagan administration is waging more than just a propaganda war against the Sandinista government of Nicaragua. Central Intelligence Agency Director William Casey first outlined the details of our involvement to the Senate Select Committee on Intelligence — on the condition that members keep the plan secret — as far back as November 1981. Word leaked out of that closed-door session that President Reagan had endorsed a \$19-million plan to destabilize the Sandinista government.

Since then, we've seen how some of that money was spent. The Nicaraguan government has been drawn into an all-out war along its Honduran border, where the anti-Sandinista guerrillas are based. American weapons and artillery have somehow found their way into the hands of those forces. More than one Green Beret has been sighted in the area. Argentine intelligence officers report that they've been paid lavishly by the CIA to help destabilize the Nicaraguan government.

President Reagan has made no secret of the fact that he'd like to see another government in Managua. But he's kept the CIA's energetic campaign a secret for one reason — it's illegal. Last year Congress attached an amendment to

the Defense Department authorization forbidding the administration to use funds for "military equipment, military training or advice, or other support for military activities . . . for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Nicaragua and Honduras."

Mr. Reagan has no constitutional power to declare war or wage an undeclared one. Stirring up hostilities between two neighbors in Central America is not only against our laws; it violates the United Nations' charter and the rules of the Organization of American States. It also could bring two nations closer to the brink of their own war.

Central America does not need more bloodshed — nor does it need American armed forces in a Bay-of-Pigs-style collusion with former Nicaraguan army officers trying to reclaim their power. It ought to be possible to coexist peacefully with the Sandinistas; but failing that, the administration has legitimate ways of showing its disdain for the régime in Nicaragua — through trade embargoes and restrictions on economic aid. Armed intervention in Nicaragua — no matter how it's masked — is absolutely the wrong way to go.

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29 MARCH 1983

The Presidency

*Is Post-Watergate Government
Morality Slipping?*

By JOHN HERBERS

Special to The New York Times

WASHINGTON, March 28 — The list of Reagan Administration officials accused of ethical violations has grown quite long lately, but few of the accusations have raised the furor that similar incidents did in other recent administrations. As a result, some observers of the Washington scene are asking whether the post-Watergate morality in Government is slipping back to pre-Watergate levels.

Presidential scholars and critics of the news media agree for the most part that disclosures or charges of impropriety on the part of Presidential appointees have not been as damaging so far to President Reagan as they were to President Carter.

Bert Lance's banking practices before he was appointed budget director in the Carter Administration and his subsequent indictment for fraud were treated in the news media as a major scandal; the charges were dropped after the jury failed to agree on a verdict. Hamilton Jordan spent much of his tenure as White House chief of staff under a widely publicized charge of using cocaine before he was exonerated by a special prosecutor.

Reagan supporters make the point that both Mr. Lance and Mr. Jordan were intimate Carter advisers and that no such charges have been directed at Mr. Reagan's top aides. But allegations of conflict of interest and other wrongdoing have been much more pervasive throughout the Reagan Administration; Carter supporters contend that, had they occurred under Mr. Carter, the outcry would have been louder.

Recent Congressional charges that officials of the Environmental Protection Agency were so anxious to relieve business of Government regulation that they adopted procedures contrary to Congressional intent is only one type of case occurring in this Administration. A sampler, drawn from the full Reagan term to date, follows:

¶Richard V. Allen's acceptance of \$1,000 from a Japanese magazine that had been granted an interview with Nancy Reagan while Mr. Allen was Mr. Reagan's national security advis-

er.

¶William J. Casey's failure to list his holdings and comply with other disclosure regulations before he became Director of Central Intelligence.

¶William French Smith's acceptance of a \$50,000 severance payment from a company on whose board of directors he served shortly before he became Attorney General.

¶Dennis E. LeBlanc's assignment as a \$48,500-a-year official with the National Telecommunications and Information Administration when, in fact, he cleared brush and did other chores at the Reagan ranch in California.

¶Thomas C. Reed's service as special assistant to the President for national security affairs despite information that he profited from inside information in stock option trading in 1981.

¶Robert P. Nimmo's expenditure of \$54,183 to redecorate his office and the use of his Government automobile for private purposes while head of the Veterans Administration.

Mr. Allen, Mr. Nimmo and Mr. Reed left the Government. The others stayed, although Mr. Smith returned the \$50,000 and gave up a tax shelter that earned him credits of \$176,000 on a \$58,000 investment.

In any event, there is a consensus that there has been a change in public reaction to big and little scandals since Mr. Reagan was inaugurated in 1981, with several reasons given for the change.

Cycles of History. James David

Barber of Duke University, who specializes in studying the character of Presidents, says the country has trouble maintaining a high level of righteous indignation for long periods of time. After World War I, fought in the name of making "the world safe for democracy," Mr. Barber said, "there was less interest in clean government and it took a long time for the Teapot Dome scandal to come out." The Watergate scandals, in which President Nixon and his top aides covered up a felony and corrupted much of the Government in the process, resulted in new standards of conduct for public servants, but there has been an expected drop in interest in enforcing them, according to this theory.

The Duck's Back. Some Presidents have a way of keeping scandal from sticking to them. Stephen Hess, a scholar at the Brookings Institution who was a member of Dwight D. Eisenhower's staff, said that Mr. Eisenhower, the last President to serve two terms, had the political knack of isolating himself from staff scandal, such as Sherman Adams's acceptance of gifts from an industrialist asking for White House favors.

But any suggestion of scandal stuck to Jimmy Carter like flypaper, partly because he projected a self-righteousness than ranked journalists and partly because he portrayed himself as a President who had his fingers on every aspect of Government. Mr. Reagan, on the other hand, has been portrayed, rightly or wrongly, as a chief executive who does not know much about the details of governing. Several people interviewed said reports of wrongdoing in the departments and agencies "roll off Reagan like water off a duck's back."

The President's "good guy" image also has helped. Edwin Diamond, a senior lecturer at the Massachusetts Institute of Technology and a student of the news media, says people are tired of failed Presidents and "don't want to hear bad things about Reagan."

But Fred Wertheimer, president of Common Cause, the public affairs lobby that instigated many post-Watergate reforms, has a different

CONTINUED

28 March 1983

U.S. misadventure in Nicaragua?

There's no denying that the nasty little conflict along the Nicaraguan-Honduran border has been intensifying or that the United States has helped to orchestrate the affair. You don't have to buy the Sandinista regime's accusations; you have the word of CIA Director William J. Casey, who recently conceded in congressional testimony that his agency was indeed supplying and supporting exiled Nicaraguan rebels in Honduras.

Casey told the House and Senate intelligence committees that the U.S. purpose in backing the rebels — many of them former minions of the late, unlamented Anastasio Somoza — was not to topple the Sandinista regime, but to prevent its supplying weapons to leftist guerrillas in El Salvador.

A week ago as many as 2,000 rebels were air-dropped into four Nicaraguan provinces, some penetrating to within only 60 miles of the capital of Managua. On Thursday the Sandinistas announced that a Honduran force of undetermined size had made an unprecedented incursion on Nicaraguan soil.

All this to interdict weapons intended for the Salvador leftists? Come on now, Mr. Casey. Even if one accepts Casey's motive — blocking the Salvadoran supply line — one ought to ask one's self whether it justifies:

- Violating a sovereign nation's borders.

- Associating the United States with the ragged remnants of a discredited dictatorship.

- Sponsoring an undeclared war without the consent of the Congress, in fact in direct contravention of a House resolution passed just last December concerning our relations with Nicaragua.

The CIA director's disclaimer to the contrary, it appears likely that the Reagan administration is aiming at a military solution to its problems with the Sandinista government, an adversary Washington has only strengthened — if not shoved outright into the Soviet orbit — by its belligerence.

The consequences of a concerted military effort to oust the Sandinistas may have escaped the president and his advisers.

What if the anti-government offensive only widens the hostilities, dragging in Honduras and possibly Cuba in a major confrontation?

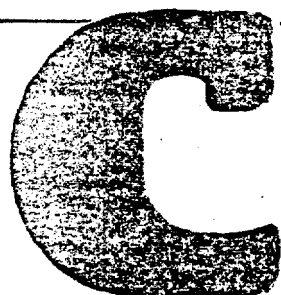
What if the rebels fail miserably and become a major embarrassment? What if this unsavory band of right-wing brigands is successful in routing the Managua leftists?

None of the alternatives seems worthy of this nation's expenditure of prestige and power.

ARTICLE APPEARED
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28 MARCH 1983

'War on Nicaragua'

By Saul Landau



CONGRESS should declare war on the Government of Nicaragua and thereby preserve the Constitution.

The United States Government is waging war against Nicaragua and has been for more than a year, but Congress has not declared war. The Constitution gives this power to Congress, but someone else has usurped it — and, by calling the war intelligence activity, they've gotten away with it. The "someone" is the Central Intelligence Agency, commanded by President Reagan. Here is how the usurpation took place.

According to a member of Congress, on Nov. 19, 1981, William J. Casey, Director of Central Intelligence, rode a little-used elevator to the fourth floor of the Capitol, where the House Select Committee on Intelligence occasionally meets. Mr. Casey informed the Congressmen that the President had "signed on" to a \$19 million covert package — money now being used to destabilize and eventually overthrow the Nicaraguan Government.

Congress is now informed, Mr. Casey told the gathering, referring to the Hughes-Ryan Amendment, which the C.I.A. has interpreted to mean that Congress is "informed" as soon as the intelligence committees are told about violent covert actions. Each intelligence committee member, however, is oath-bound not to reveal a word of what he knows, even to other House and Senate members.

That's how the war began — in policy circles. On the ground, the players are different. Some of the ways in which Mr. Casey's \$19 million budget gets spent are described in a videotape I received in the mail from an unknown sender. It contains testimony by an Argentine, Hector Frances, who claimed that he defected from Argentine Intelligence Battalion No. 601, which had posted him to Costa Rica to work with the C.I.A. to overthrow the Nicaraguan

Government. He says that he and other Argentine advisers were paid \$3,000 a month plus lavish hotel and living expenses in Costa Rica and Honduras. He says that on several occasions he carried payoff dollars — enormous sums spent to maintain thousands of former members of the late Nicaraguan President Anastasio Somoza Debayle's National Guard, "feeding them and keeping the camps going." (Conversations with United States intelligence officials and an Argentine officer have since confirmed Mr. Frances's identity and his statements about the C.I.A. and Argentine roles in Nicaragua.)

Further corroboration came from William Baltodano, a Nicaraguan convicted in January 1982 of conspiring to dynamite Nicaragua's oil refinery and cement plant. He met Mr. Frances in Costa Rica and they worked together on the sabotage plan. Mr. Baltodano, who spoke to me in a Managua prison, said that Argentines had given him \$50,000 to buy arms and explosives.

Mr. Frances's tape described the C.I.A.'s involvement in other sabotage operations, including one in which Argentine and C.I.A. agents apparently blew up a bridge near the Honduran border. I saw the bridge — and the job was done so thoroughly that the Nicaraguans still hadn't been able to repair it six months later.

Mr. Reagan "signed on" to more than a property damage-plan when he gave the C.I.A. the green light. I spoke to Nicaraguan widows left with many children, and to women whose husbands and sons had been kidnapped and still had not returned. Peasants complained to me that shells were lobbed daily from Honduras into their villages, and I saw many evacuating the war zone with their belongings piled on ox carts.

In a Nicaraguan prison, two captured former Guardsmen told me more about how the C.I.A.'s \$19 mil-

lion is distributed. The two men said that a Honduran Army major took them from a refugee camp in Honduras to a training camp where they learned guerrilla and commando tactics. Then they became bodyguards for a camp commander. He met monthly in a Tegucigalpa safe house with "a gringo colonel" who handed out thousands of Honduran lempiras, according to the Guardsmen.

"How did you know he was from the U.S. Army?"

"Our commanders told us, they identified him as U.S. Army."

The M-79 grenades, the United States-made rocket launchers, ration boxes and radio equipment, the ex-Guardsman's testimony, the Argentine defector, the dynamiter, the member of Congress — all add up to war waged by our Government under the name of intelligence.

The warmaking power is the most important power Congress has. It is still not too late to call for a declaration of war. If a majority of members decide that Nicaragua has not provided *causis belli*, they will vote against declaring war. Perhaps then and only then will they exert their constitutional power and stop the covert war.

Saul Landau is a senior fellow at the Institute for Policy Studies, a Washington-based research organization.

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83-1792

March 25, 1983

Honorable William Casey
Director of Central Intelligence
Washington, D. C. 20505

Dear Mr. Casey:

Recently you brought to my attention your deep concern about proposed changes in the federal retirement system. You clearly conveyed in our discussion the great uncertainty and confusion experienced by many Agency personnel about their personal situations.

In light of recent events, it is now possible for me to respond with some observations I trust will offer reassurance to serving Agency personnel. First, the FY 84 budget resolution passed by the House posits no savings associated with changes that would affect current serving federal employees in the Civil Service Retirement System or the CIA Retirement and Disability System. The only provision affecting such employees is a proposed 4 percent comparability increase in federal salaries. The FY 84 budget request contained no increase.

Second, the House leadership, the chairman of the House Post Office and Civil Service Committee and I all agree that any consideration of changes in federal retirement systems must be considered thoroughly and deliberately. No House action on federal retirement changes is planned in 1983.

Third, if changes are considered which affect either CSRS or CIARDS, I intend to insure that the needs and special circumstances of all intelligence employees are fully understood. In particular, early retirement for overseas operational service should be retained.

As you will appreciate, the Senate has yet to act on a FY 84 budget resolution. I believe there is a similar hesitancy on the part of key Senators to change federal retirement policy at this time. In the event of a difference between two Houses, however, the House position on preserving the present system - particularly in the area of retirement ages - is a strong one upon which House conferees would be bound to insist.

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24 March 1983

WASHINGTON
WASHINGTON BRIEFS

Vice President George Bush will head a new government coordinating effort aimed at stopping the flow of illegal drugs into the United States, a senior White House official says.

Edwin Meese III, counselor to President Reagan, announced Wednesday that Bush would head the new National Narcotics Border Interdiction System. He said the board will be responsible for halting the importing of drugs into this country.

The secretaries of state, treasury, defense and transportation, the director of the Central Intelligence Agency and the director of the White House drug abuse policy office will serve on an executive board, Meese said.

ASSOCIATED PRESS
23 MARCH 1983

NBC Reports CIA Agents in Rome In Hot Water

NEW YORK

The Reagan administration is investigating whether the CIA station chief in Rome and two of his agents disobeyed presidential orders in connection with the investigation of the shooting of Pope John Paul II, NBC News reported Wednesday.

The three, whom the network by law did not identify, raised the ire of officials in Washington because they refused to stop "discrediting" the so-called Bulgarian connection in the inquiry of the papal shooting, NBC said.

Mehmet Ali Agca, a Turkish gunman serving a life sentence for the attempted assassination of the pope on May 13, 1981, has told Italian investigators that several Bulgarians helped him plan the attack. Bulgaria has denied any involvement, as has its close ally, the Soviet Union.

Quoting an unidentified key administration source, NBC said the three may be fired because they allegedly disobeyed orders issued by National Security Adviser William Clark and CIA director William Casey.

In Washington, CIA spokesman Dale Peterson said "We'll have no comment until we see" the NBC report.

Sen. Alfonse D'Amato, R-N.Y., said last month after a visit to Rome that he had been told the CIA was trying to block an investigation into the papal shooting.

But President Reagan said at a dinner a week later that he favored a full investigation of the shooting, and Secretary of State George Shultz denied that the CIA was seeking to discourage the probe.

NBC said the Rome agents may have downplayed the Bulgarian connection because they did not want attention drawn to:

An alleged "close working relationship" between them and an Italian labor leader who was arrested as a Bulgarian spy, or

The possible use of a guns and drug smuggling route between Sofia, Bulgaria, and Milan, Italy, to run CIA agents into Eastern Europe.

STAT

RADIO TV REPORTS, IN

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News

STATION WRC-TV
NBC Network

DATE March 23, 1983 6:30 PM CITY Washington, DC

SUBJECT The Papal Plot

ROGER MUDD: There's new evidence linking Bulgaria to a plot to assassinate the Pope in May 1981.

According to the "New York Times," a Bulgarian official who defected to France shortly after the Pope was shot claims the Soviet intelligence agency organized the assassination attempt, and the Bulgarian Secret Service contacted Mammet Ali Agca, the man who shot the Pope.

As Marvin Kalb reports tonight, the Reagan Administration is not pleased with the way three CIA agents in Rome are handling the Bulgarian connection.

MARVIN KALB: At the U.S. Embassy in Rome, the three top CIA officials are in deep trouble. The station chief and his two deputies whom U.S. law prohibits us from identifying are the subject of a secret investigation in Washington, and they may soon be fired because, according to key Administration sources, they appear to have deliberately disobeyed presidential orders about the Papal plot.

The orders came on more than one occasion from National Security Adviser William Clark and CIA Director William Casey that the three officials in Rome were to stop discrediting the so-called Bulgarian Connection, and yet they continued, infuriating senior officials in the Administration.

Why?

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Why?

'Project Democracy': Reagan tries to export the US way of governing

By Rushworth M. Kidder
 Staff writer of
 The Christian Science Monitor

Boston

Can the United States export both bullets and ideas?

As Congress chews over President Reagan's \$110 million proposal for increased arms aid to El Salvador, America is brooding over a far larger question: how best to spread the values of democracy among developing nations.

Even as it plumps for increased military aid, the Reagan administration is weighing in with an information campaign — a two-year, \$85 million plan described by officials of the United States Information Agency (USIA) as "an ambitious, long-term, positive program . . . to advocate the principles of democracy."

Known as "Project Democracy," it gathers together some 44 separate proposals for seminars, institutes, publications, and fellowships, largely carried out by private foundations. The latest in a string of cold-war efforts to export democracy dating at least from the Truman era, it includes:

- A \$15 million grant to the Asia Foundation.
- \$1.7 million for assisting Liberia's transition to democracy.
- \$10.7 million to support "Centers for the Study of the US Abroad."
- A \$5.5 million proposal to make American textbooks available abroad.
- A \$1.1 million regional newspaper to serve rural populations in Honduras, Guatemala, and El Salvador.
- Symposia to help build "positive attitudes toward democracy" among third-world military leaders.

In explaining Project Democracy, a senior administration official close to its development said that it set "a remarkable new tone in our foreign policy" because it involved "going up front with the advocacy of democratic values."

The latest effort, he said, began with the President's address last June to the British Parliament, in which Mr. Reagan called for a major "competition of ideas and values" with the Soviet Union and its allies.

The President's address to Parliament last summer, says this official, was "in many ways the most important presidential speech since World War II" — because it turned away from "the policy of containment" of the Soviet Union and toward a pro-

gram aimed at "building respect for a sub-structure of democratic values."

But so far the project has faced tough sledding on Capitol Hill. Both Secretary of State George P. Shultz and USIA director Charles Z. Wick faced hard questioning from a congressional subcommittee over its workability and over potential Central Intelligence Agency involvement. CIA director William Casey attended a planning meeting for the initiative in August, although administration officials insist the CIA is no longer involved. But "I think it's fair to say that there's widespread skepticism," a USIA spokesman admits.

The proposal has also met resistance from the academic community. "If the United States wants to propagate democracy, it should do it by example," says Prof. Stanley Hoffman of Harvard's Center for International Affairs. Peter Magrath, president of the University of Minnesota, calls the project "propaganda and hard-sell," and notes that, as a means for promoting democracy, "hard-sell doesn't work."

Jeswald Salacuse, dean of the law school at Southern Methodist University, calls it "a mixed bag of things put under one label." "I don't see that there's any coherent philosophy behind it," he adds. And Hampshire College president Adele Simmons worries that the proposal's tone smacks of "cultural imperialism" and "suggests that our way is better than their way."

Most scholarly criticism, however, arises out of a concern that Project Democracy will drain funds from the Fulbright programs for academic exchange — which, in the eyes of many scholars, have a proven record at showcasing the values of democracy by example instead of indoctrination.

Sen. Claiborne Pell (D) of Rhode Island, author of the "Pell amendment" passed by Congress last year to double the funding for exchange programs between 1982 and 1986, insists that such exchanges must remain "USIA's top priority." The administration's 1984 budget proposes \$84.3 million for exchange programs — significantly less than the \$135 million which, says an aide to Senator Pell, is needed to meet the 1986 goal of doubling the exchanges.

USIA officials see Project Democracy as a continuation of the Reagan administration's "Project Truth" — a counter-propaganda effort of the USIA aimed at combating Soviet "disinformation" by providing positive views of democracy abroad.

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14 MARCH 1983

Washington Whispers.

★ ★ ★

After a rocky first two years, Director William Casey is impressing professionals at the Central Intelligence Agency by the way he is managing the organization. The word now is that the staff, highly critical of Casey initially, would be unhappy to see him leave.

★ ★ ★

ARTICLE CONTAINED
 CHICAGO 10, Sec 1

No more Mr. Nice Guy, Reagan aides warn chief

By Steve Neal
 Chicago Tribune

WASHINGTON — Former President Richard M. Nixon once suggested that Ronald Reagan was too nice a guy to make the tough decisions in the Oval Office.

When it comes to hiring and firing people, a growing number of Reagan's political associates would agree.

"The one thing I've learned is that people can get away with anything," said a Reagan adviser who asked to remain unidentified, "and Ronald Reagan won't fire anybody."

The president's reluctance to fire people has long been described by friends and allies as his biggest administrative weakness. "He's a pussycat," a longtime friend said.

Until Anne Burford quit Wednesday night, senior White House aides were left frustrated by Reagan's unwillingness to remove her as administrator of the Environmental Protection Agency.

MOST OF THOSE same advisers have also urged Reagan to get rid of Interior Secretary James Watt and Labor Secretary Raymond Donovan, both of whom are considered major political liabilities heading into the 1984 election.

"If the President is running again," a senior administration official grumbled, "then it makes no sense to keep Donovan and Watt around."

Reagan, though, is loyal to his people, especially when they are under attack from the media or his political critics.

On Friday, for example, Reagan scoffed at reports that even senior members of his staff thought Burford should be replaced because she had become a liability.

"It might be a political embarrassment," Reagan admitted at a news conference. But he said: "Well, I'm not that easily politically embarrassed. When I know and have faith in the individual, I am not going to yield to the first attack and run for cover and throw somebody off the sleigh."

This is how Reagan has operated from the beginning of his presidency. In 1981, he ignored congressional pressure to dump CIA Director William Casey for alleged securities violations in his law practice. A Reagan

aide, who felt that Casey should have been let go, explained that the President owed Casey a political debt for running his 1980 campaign.

LAST YEAR, Reagan stood by Donovan when the labor secretary was accused of having links to organized crime. A special prosecutor later concluded that there was insufficient evidence to indict Donovan.

But when two persons connected with the case were slain in mob hits, Reagan's senior aides were stunned.

Reagan overruled nearly his entire senior staff in the fall of 1981 when he didn't fire Budget Director David Stockman for criticizing the administration's economic policies in an interview published in the Atlantic Monthly. Though Reagan was angered by Stockman's interview, he refused to accept the budget director's resignation.

Watt frequently has embarrassed the White House with his ill-chosen comments, his use of public facilities for private business and his controversial management of the Interior Department. Reagan, however, hasn't bought the arguments of aides who think Watt should go.

REAGAN DID fire Alexander M. Haig as secretary of state last summer after running out of patience with his volatile behavior. Some

Reagan aides thought the President should have sacked Haig more than a year earlier for publicly disagreeing with Reagan.

Richard V. Allen was forced out as national security adviser in the wake of allegations that he had accepted a \$1,000 cash payment from Japanese journalists for arranging an interview with Nancy Reagan. But Reagan waited more than two months before giving Allen the official word that he was no longer wanted.

Reagan isn't the only president who has had trouble getting rid of people. Jimmy Carter had his Bert Lance, Dwight Eisenhower had Sherman Adams, and Harry Truman had Harry Vaughan. All were instances in which presidents were reluctant to throw valued aides over the side when they were tarnished in political scandals.

"Most presidents have tended not to be managers," said Stephen Hess of the Brookings Institution, author of "Organizing the Presidency." And, Hess concluded, Reagan's unwillingness to fire discredited aides "certainly doesn't give us any great confidence in him as a manager."



Donovan



Casey



Watt

11 March 1983

The Panther Pundit

We've Been Brainwashed, And The CIA Asks Big Business To Help

**WILLIAM
BOARDMAN**

FOR THE VALLEY NEWS

WOODSTOCK — You've been brainwashed! Yes, you have — no use trying to deny it. You've been brainwashed. But you don't have to take my word for it. I'm just another victim just like you.

How do I know?

William Casey, director of the Central Intelligence Agency, says so, that's how. Earlier this week he spoke at a luncheon for a bunch of business leaders and told them that the American people have been brainwashed on the subjects of guerrilla war in Central America and nuclear war in Europe. I heard him say it myself, when National Public Radio broadcast excerpts of the speech.

But Casey wasn't just crying over spilled disinformation.

No, he wants countermeasures.

Unfortunately, the spy chief said, the government can't remedy the situation itself. The government is too "clumsy" to tell its story, Casey explained. The government also has a serious credibility problem, he added, without discernible irony.

This is pretty amazing stuff.

Not only have the American people been magically brainwashed — he didn't say by whom, though the implication was clear enough — but the American government, the world's largest, most powerful, and most expensive government, is helpless, even incompetent, to do anything useful to improve the mental health of its citizens. And this news comes from a cabinet member with access to the most sensitive information.

I would have thought a revelation like that would have been front page news across the country — especially since the head of the CIA seems to be admitting that the government headed by the Great Communicator himself simply can't communicate well enough to be believed. Even, presumably, if it tells the truth.

But Casey has a solution.

He told those business leaders that he wants the private sector to get involved and tell the true story of what's at stake in Europe and Central America. He says business can do this through their annual reports, employee newsletters, public appearances by executives, and so on.

He didn't say so, but Casey clearly implies that these business leaders aren't brainwashed, since they've been tapped to counter

the brainwashing. And if they aren't brainwashed, then according to Casey's syllogism, they aren't part of the American people, either — which certainly explains a lot of corporate behavior over the years.

But the big question is, when you get right down to it, which business leaders does he expect to get the truth into the rest of us, the great brainwashed masses?

Casey didn't say in his speech, at least not in the parts I heard.

So I put my well-scrubbed little brain to the task of figuring it out for myself.

The mass media obviously can't help, or we wouldn't be brainwashed in the first place. Besides they're already over-committed to hyping their own subsidiary products and serving as CIA cover.

The computer industry might be a logical choice, but they're all tied up in knots assuring us their little VDTs (video display terminals)

are perfectly safe for chronic exposure to their low level radiation, and certainly they couldn't possibly be responsible for the eye damage, headaches, sterilization, or miscarriages showing up in Canadian research. Label that more propaganda.

Steel industry's out because it can't tell the truth about acid rain, much less deindustrialization, and the appropriation of capital to acquisition rather than renovation. Of course those could catch a lot of companies, so we better not use it as a criterion.

How about the oil industry, since it always has the consumer's best interests at heart and never lies about price gauging?

The tobacco industry because it's tried so hard for so many years to get us to stop smoking cigarettes since they give us lung cancer?

The automobile industry because they always put safety first?

The chemical industry, because they never put any chemical into the environment until they know it's completely safe for human beings and every living thing?

The drug industry, because they never market undertested drugs that could possibly harm anyone, not in a million years?

The power industry, since they're even better than the steel people on acid rain, and they're even better than that on nuclear power?

This doesn't seem to be working. What about individual companies? Of course not counting the more than 400 corporations that have already confessed to making bribes, kickbacks, payoffs, illegal campaign contributions, and the like — both at home and abroad in recent years. Of course that's a list that includes Lockheed's multi-million dollar bribery penetration of the Japanese government,

CONTINUED

2.

but what about — picking more or less randomly through my files —

✓ Manville Corporation, for its steadfast suppression or denigration of the dangers of asbestos for over half a century, while it made billions of dollars as workers died — and now, in sound financial condition, tries to use the bankruptcy laws to protect its profits from the claims of more than 15,000 asbestos victims.

✓ United Brands, a.k.a. United Fruit, for its devotion to property rights in Central America.

✓ Textron, the popular defense contractor, currently making more millions slipping around the U.S. embargo on military aid to Guatemala, by selling the government there commercial helicopters easily converted to military use.

✓ Eli Lilly, for suppressing information on Oralflex-related deaths in Britain, when it marketed Oralflex in the U.S.

✓ International Telephone and Telegraph (I.T. & T) for buying a covert war against Chile's labor unions and democratically-elected President Allende.

And so on.

But I.T. & T. brings some old friends together. Remember the good old days of Watergate, when Howard Hunt was wearing a red wig in his pursuit of an I.T. & T. flak who knew something about the company's alleged secret payoff to the Nixon people? Well, there were 34 boxes of internal I.T. & T. memos Congress wanted to see, but they were in the possession of the Securities and Exchange Commission whose chairman, William Casey, wouldn't give them up. To protect them from Congress, he turned them over to the Justice Department.

But then I.T. & T. was one of a number of

other huge corporations who did good business with the Nazis throughout World War II, with formal permission from the U.S. government under The Trading with the Enemy Act. The same secret, sometimes tacit arrangement also allowed Ford to make military cars and trucks for both sides; Standard Oil to provide oil for both sides, while losing fewer tankers to Nazi U-boats; Chase Bank to handle Nazi accounts in occupied Paris throughout the war; SKF to supply the Nazis with ball bearings, even when the Allies were in short supply; and I.T. & T. to improve the accuracy of Nazi V-1 and V-2 rockets which blitzed London, and to build Focke-Wulf fighter-bombers which attacked Allied troops.

Since Casey was in the Office of Strategic Services (OSS) during World War II, serving as director of economic intelligence, he must have a pretty good idea which business leaders are best at counter-brainwashing.

But will that make us any happier than facing history without illusions?

And besides, who does your truly world class brainwashing these days? The same day Casey talked to the business leaders, Fidel Castro was telling the Conference of Non-Aligned Nations that the United States was responsible for the War in Afghanistan! Not to mention black holes, the polar ice caps, dust balls, and bad breath, no doubt.

Truth is not the either/or proposition the cold warriors on both sides would like to make it.

Asked to choose between the adder or the scorpion, I'd just as soon not, thanks.

VALLEY NEWS columnist William Boardman of Woodstock is founder of the Panther Players comedy group.

ARTICLE APPEARED
ON PAGE C-4

WASHINGTON TIMES
11 MARCH 1983

D'Amato: CIA 'inept' in pope investigation

Sen. Alfonse D'Amato on a possible cover-up of the attempted assassination of Pope John Paul II.

Sen. Alfonse D'Amato, R-N.Y., recently returned here following a visit to Rome as part of the Helsinki Commission. While in Rome, he discovered that information regarding the attempted assassination of Pope John Paul II was never forwarded to investigators in Rome, even though D'Amato says he gave that information to the CIA in October 1981. This apparent negligence on the part of the intelligence community prompted D'Amato to criticize publically the CIA for its handling of the matter, even suggesting that they may in fact be trying to cover up the truth for their own purposes.

The senator was interviewed by Washington Times columnist John Lofton.

Q: Sen. D'Amato, you charged the CIA, which is our intelligence agency, with covering up the facts in the plot to murder the pope. What is your evidence to support this very serious allegation?

A: I think what we find is a total lack of dedication in ascertaining the facts so that the public can make an informed judgment. In addition, we find in many instances misinformation that has been given out by various intelligence sources — the kind of information that has proved to be very discouraging to the Italian government and to those charged with carrying out this investigation.

Q: You, in effect, said that the CIA was engaging in a campaign of disinformation. What kind of disinformation?

A: Well, for example, when certain intelligence sources are used by the national media as their sources for indicating that Agca, and his reliability — Agca being the young Turk who attempted to assassinate the pope — that he was mentally deranged and that information is attributed to an intelligence source, a CIA source, that provokes, No. 1 — Great concern within the Italian intelligence community and obviously begins to discredit the theory and the investi-

Q: Could you give us some more specifics?... what has the CIA not done that it should have done and what would be an example of where, in addition to what you just said, the agency has put out information that was erroneous? Why in the world they want to cover up this crime?

A: Well, again, I don't believe that it's the official position, I don't believe it's the position that comes from, let's say, CIA Director William Casey. I've spoken to the director and I am convinced of their good intentions but I think we have certain operatives in the field who have engaged in this kind of speculation with respect to the integrity of the Italian investigation and I could give you a number of instances.

Q: You, in effect, accused Casey of at least being negligent or not pursuing these leads you say exist. You also met with him. How did you get along after making that allegation?

A: Well, I think that the director is doing all in his power at this time. I came away with a sense that this matter has been discussed at the highest levels. I also understand why the CIA may not want to be out front. I don't believe that it should.

Q: But wasn't he ticked off at your allegations at that he basically was doing an inept job?

A: Well, I think that there are people out in the field who have done a less-than-adequate job.

Q: I don't understand why any CIA employee would try to cover up information dealing with what is arguably the crime of the century.

A: Well, let me give you a couple of facts that I ascertained and that deeply distressed me. I found out, for example, that there was not a high priority assigned to this particular matter, that indeed, there were, for example the exportation of atomic weapons, etc., was higher, that the Libyans were higher, that the transfer of technical equipment was assigned a higher priority, for example.

Q: Didn't I see you quoted in the newspaper as saying that there was an official at the Rome embassy — a CIA official — that there wasn't one CIA person working on this case? Can that be true?

A: That's correct. And that is true. And, of course, now they say well, you really didn't understand what he said. That really there were seven people over there. He told me — quote-unquote — we don't have anyone specifically assigned. All of our agents have their ears to the ground. But I think more shocking is the fact that here, at this late date, they cannot — the CIA cannot — determine whether or not Antonov, the Bulgarian who was arrested, was an agent or not.

Now that is ludicrous. For us not to be able to form an opinion with respect to this Bulgarian, with respect to his activities, whether or not he was an agent? That that question would still be in doubt is something that I find hard to believe.

Q: You met with National Security Adviser William Clark and what did he say about all the things you've said in the press as well as here?

A: I went even further with the judge. There were certain matters which I have not revealed to the press — information that we were able to gather from various...

Q: You don't want to do it here?

A: Well, no, I'm afraid if I wouldn't do it before, I certainly wouldn't do it now but I did.

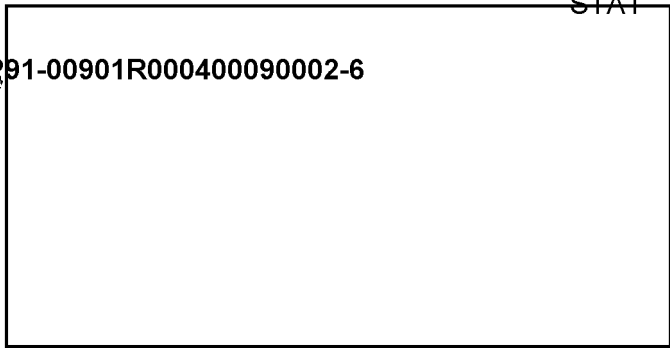
Q: Well, that's a silly rule, Senator, I mean you could reveal it with the others, no problem with that... You ought to be dogmatic, really.

A: Let me suggest to you that there also has been an attempt to say that I've looked to capitalize on publicity with regard to this matter and I say, let's look at the record. I came into possession of information which indicated a possible motive back in October 1981.

Q: This is when you went to Rome and met with Vatican officials?

A: When I went to Rome, I met with certain Vatican officials. I did not make that information public. I did not go to the press. I did not hold a press conference. I gave that information to the CIA. And I have to admit to you, I was deeply distressed when I just learned — talk about ineptness — that that information I gave to certain officials here had never been transmitted to ascertain the truth or falsehood of the information to the people in the field in Rome.

Central Intelligence Agency



Washington, D. C. 20505

10 MAR 1983

Mr. Michael Lehmann
Editor-in-Chief
Common Sense
Box 4521
Brown University
Providence, RI 02912

Dear Mr. Lehmann:

I am greatly honored that you asked me to serve on the Board of Advisors of Brown University's new publication Common Sense.



As much as I would enjoy serving as a board member, it would be inappropriate so long as I serve in a public office. I am sure that you can understand this position.

Thank you again for the opportunity. I am sorry I am unable to accommodate you, but wish you all the best for the future of your publication.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

cc: 


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- 1 - CEW chrono.
- 1 - PAD hold



STAT
STAT

9 March 1983

WASHINGTON
AN AP NEWS ANALYSIS - WASHINGTON TODAY
BY BARRY SCHWEID

Americans like Canada, Pope John Paul II and keeping military spending about where it is. They don't like the Soviet Union, the Ayatollah Khomeini - and they're not wild about sending U.S. troops to El Salvador.

In fact, if leftist guerrillas appeared on the verge of victory in the Central American country, only 20 percent would send troops and 11 percent weapons. Twenty-nine percent would try to negotiate and 18 percent would favor doing nothing.

These findings, in a survey sponsored by the Chicago Council on Foreign Relations, suggest President Reagan and his policy-makers face a long uphill climb if they intend to stake U.S. prestige and manpower on the Salvadoran struggle.

Vietnam may not be an apt comparison, but the sad U.S. experience in Southeast Asia still apparently acts as a restraint on extensions of American power overseas.

And yet, if Western Europe, Japan or Poland were threatened by Soviet invasion, Americans would be far less reluctant to send U.S. troops. Sixty-five percent would try to rescue Western Europe, 51 percent Japan, and 31 percent Poland.

If the Arabs tried to cut off U.S. oil, 39 percent would favor armed intervention, or if they invaded Israel, 30 percent would step in, even though Prime Minister Menachem Begin's popularity slipped badly since the last poll in 1978.

So, Americans by no means have retreated to pre-World War II isolationism. They are wary of overseas ventures, but they are true to long-term commitments and willing to resist Soviet expansion.

They treat the communist threat in different countries with varying degrees of seriousness. Only in the case of Mexico did a majority - 61 percent - say that a communist victory through a peaceful election would be a "great threat" to the United States.

William Casey, director of the Central Intelligence Agency, readily acknowledges that the Reagan administration has been losing the struggle for public opinion on El Salvador.

According to Casey, Marxists in Central America have "mounted a propaganda program that has a large part of the American public brainwashed into believing that what's happening down there is just innocent peasants seeking their rights."

Without commenting on the survey directly, the CIA director said "we don't know how to go out and explain what's happening, explain the situation from our viewpoint. The government is a little clumsy at that."

CONTINUED

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ON PAGE B-2

WASHINGTON TIMES
9 MARCH 1983

SOCIETY /
Steve Hammons

Last Thursday evening, Moroccan Ambassador Ali Bengelloun rolled out the royal red carpet for Society — recreating the scene in Rabat.

The stellar guest list included former secretary of state Alexander M. Haig, USIA director Charles Wick, CIA director William Casey, Secretary of Commerce Malcolm Baldrige, President of the Export-Import Bank William Draper, and Secretary of the Army John O. Marsh.

Conversation was mostly apolitical, although Haig described the dinner held last week for Admiral Hyman Rickover (which featured Presidents Nixon, Ford and Carter) "almost like Alice in Wonderland."

ENCIPHERED

ARTICLE APPEARED
ON PAGE 2

CHRISTIAN SCIENCE MONITOR
9 MARCH 1983

The news—briefly

CIA beefs up operations in countries vital to US

Washington

The CIA has strengthened its intelligence-gathering operations to assess instability in countries vital to the US, Director William Casey said Monday. Among the countries watched are Egypt, Saudi Arabia, Pakistan, and Mexico.

The same day, the White House announced guidelines making it easier for the Federal Bureau of Investigation to monitor domestic terrorist groups and political dissidents advocating violence. The rules, which take effect this month, would allow the FBI to monitor activities of such groups even if they were inactive.

REUTER
8 MARCH 1983

WASHINGTON, MARCH 7, REUTER -- CIA DIRECTOR WILLIAM CASEY SAID TODAY HIS AGENCY HAS STRENGTHENED ITS INTELLIGENCE-GATHERING OPERATIONS TO ASSESS INSTABILITY IN COUNTRIES VITAL TO U.S. INTERESTS, INCLUDING EGYPT, SAUDI ARABIA, PAKISTAN AND MEXICO.

CASEY SAID THE CENTRAL INTELLIGENCE AGENCY WAS KEEPING A CLOSER WATCH ON POSSIBLE INSTABILITY IN KEY COUNTRIES.

HE DISCLOSED THE INCREASED SPYING ACTIVITIES IN REMARKS TO A MEETING OF THE NATIONAL DEFENSE EXECUTIVE RESERVE WHEN ASKED ABOUT CHANGES IN THE AGENCY FOLLOWING THE 1979 OVERTHROW OF THE SHAH OF IRAN, WHICH CAME AS A SURPRISE TO MANY U.S. OFFICIALS.

CASEY BLAMED FORMER PRESIDENT CARTER AMONG OTHERS FOR THE FACT THAT THE UNITED STATES WAS ILL-PREPARED FOR THE SHAH'S OVERTHROW AND SAID THIS WOULD NOT HAPPEN TODAY.

"WE ASSESS EVERY YEAR THE DEGREE OF INSTABILITY IN ALL THE COUNTRIES WHICH ARE OF STRATEGIC SIGNIFICANCE TO US," CASEY TOLD THE GROUP, COMPOSED OF PEOPLE WHO HAVE VOLUNTEERED TO HELP MANAGE GOVERNMENT AFFAIRS IN TIME OF WAR.

HE SAID THE INTELLIGENCE-GATHERING WAS BEING CONDUCTED BY VARIOUS MEANS.

CASEY SAID THE AGENCY WAS MONITORING ECONOMIC INSTABILITY.

"THE FINANCIAL PRESSURES OF THE DEBT BURDEN THESE COUNTRIES HAVE TODAY AND THE INTERNATIONAL MONETARY FUND PRESSURE TO IMPOSE AUSTERITY AND CUT BACK, INCREASE PRICES, HOLD-DOWN WAGES AND SO ON CAN HAVE A LOT OF POLITICAL BACKLASH," HE SAID.

"WE WATCH THIS VERY HARD AND HAVE INCREASED OUR NUMBER OF OFFICERS ASSIGNED TO THESE COUNTRIES," HE SAID WITHOUT ELABORATING.

HE SAID THE AGENCY HAD MADE A POOR SHOWING IN THE 1970S IN COVERING THIRD WORLD COUNTRIES, BUT WAS STEPPING UP ITS STUDY OF THESE COUNTRIES, AS WELL AS IMPROVING ITS ECONOMIC REPORTING.

CONTINUED

DISCUSSING IRAN; CASEY SAID THERE WERE TWO FACTORS -- THE INTELLIGENCE ITSELF AND WHAT WAS DONE WITH IT.

"I DO NOT KNOW HOW GOOD THE INTELLIGENCE WAS AT THAT TIME; BUT IT WAS CLEAR TO ME THAT THE POLICY-MAKERS HAD TURNED THEIR BACKS ON INTELLIGENCE."³

HE SAID THEY WERE AFRAID BECAUSE OF THE CIA'S UNFAVORABLE NOTICES IN THE PRESS AND CONGRESS; APPARENTLY REFERRING TO THE AGENCY'S ALLEGED ATTEMPTS AT DESTABILIZING FOREIGN GOVERNMENTS.⁴

ARTICLE APPEARED
ON PAGE 11

CHICAGO TRIBUNE
7 March 1983

It's really Project Gobbledegook

WASHINGTON — It is possible, although not likely, that someone who speaks English could explain "Project Democracy," Ronald Reagan's murky and expensive scheme for promoting the "infrastructure of democracy" around the world.

But the first language of Charles Z. Wick, director of the U.S. Information Agency, who would run it, is gobbledegook. The foggy, foggy dew of his prose about what "PD" is and isn't has left the Senate Foreign Relations Committee as confused and suspicious as when he began.

"I should like to apologize for any ambiguities that have been introduced here," he said after several particularly befuddling passages about "coordinating the information and sensitivities ... to implement various communications and approaches to assist the infrastructure of the legal, business and religious communities."

The members were friendly to Wick, who is a person of obvious good will and good nature, but school was out when he wheeled out some huge organizational charts that Sen. Chris Dodd [D., Conn.] said "made Rube Goldberg look like a computer chip." They were supposed to lay to rest widespread fears that the \$65 million budgeted for the program will be used for the promotion of what Sen. Paul Tsongas [D., Mass.] labeled "Project Right-Wing Democracy."

One chart headed "National Security Decision Directive on Public Diplomacy" seemed particularly ominous. It showed an "International Political Committee," which sounded as if its chairman would be Yuri Andropov — against whom the whole effort is directed.

"In God's name," said the usually long-suffering chairman, Charles H. Percy [R., Ill.], "who is really in charge?"

"Frankly," said Wick with becoming humility, "there is a lot of confusion in the government ... Perhaps I should not have brought those charts with me." He insisted the charts had nothing to do with Project Democracy.

Dodd pointed out that right under "International Political Committee," in the lower left-hand corner, "Project Democracy" appeared.

Wick said, "You will have to forgive me, I didn't know you were listening so carefully."

"I wasn't," said Dodd. "I was looking."

Wick obligingly referred thereafter to the charts as "Rube Goldberg maps." He also said he didn't think some of the projects should be funded "in the way I

Mary McGroary

have seen," and of one that it would "illustrate and flesh out what the symbolism is."

Tsongas took Wick on a tour of the minefields he must tread. He asked if the Central Intelligence Agency is "still involved" in the program. Wick assured him that "they will never be involved" — and then volunteered that CIA Director William V. Casey had sat in on early discussions "because he has a very important job to do, just as you and your colleagues in Congress do."

Tsongas also asked about a USIA grant of \$190,000 to Ernest Lefever, the hard-right conservative who was Reagan's doomed choice as director of our human rights policy. Wick said that rejecting Lefever would have been "reverse McCarthyism." He nonetheless, on reading about it in the paper, asked the General Accounting Office to investigate. He hopes the probe will "evolve into nothing more than a dispute about judgment."

"I don't believe," Wick added, although nobody had suggested that it was, "that there is anything illegal in that."

Sen. Nancy Kassebaum [R., Kan.] said that a trip to Africa had convinced her that the natives need health care and basic education more than the English lessons Project Democracy will offer.

Sen. Charles McC. Mathias [R., Md.] said the best way to sell democracy is to bring foreign students here and "turn them loose" to see for themselves. Project Democracy, in its attempt to achieve acceptance, is co-opting proven programs like the spectacularly successful Fulbright Scholarships, which have yielded the matchless political dividend of a number of highly placed alumni who are now running their countries.

Wick agreed with the senators about the importance of educational exchanges. The father of the Fulbrights, former Sen. William Fulbright, was invited to the stand. In totally intelligible terms, he warned that foreign governments now contributing to the program will cut their donations if it becomes part of the U.S. propaganda campaign.

Wick declined Percy's offer of a shredder for his charts. But Project Democracy, unless someone can explain it better, seems headed in that direction.

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RADIO TV REPORTS, I

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM All Things Considered

STATION WETA Radio
NPR Network

DATE March 7, 1983 5:00 P.M.

CITY Washington, D.C.

SUBJECT Director Casey/El Salvador

SUSAN STAMBERG: CIA Director William Casey said today that Americans have been brainwashed by the Soviets and their Third World allies about events in Central America and disarmament in Europe. In an address to business executives here in Washington, Casey called on the private sector to help set the record straight.

NPR's Alan Berlow reports.

ALAN BERLOW: Casey pointed specifically to leftist gains in El Salvador, Guatemala and Honduras. He said part of the blame for the success of the Soviets and their allies has been the failure of the U.S. to counter Communist propaganda, propaganda the CIA Director said has brainwashed large numbers of Americans.

DIRECTOR WILLIAM CASEY: These tiny little countries in Central America are able to mount a propaganda program, they're able to gather in Havana or Mexico City and lay out a program of propaganda that has a large part of the American public brainwashed into believing that what's happening down there is just innocent peasants seeking their rights; and do the same thing in Europe, where although the wea -- the Soviets have the weapons deployed and they've carried out their military buildup, they manage to put the West in the posture of being a threat to the peace.

BERLOW: Casey's last reference was to Soviet efforts designed to stop deployment of U.S. missiles in Europe. Casey said part of the problem in dealing with Soviet propaganda has been the inability of our government officials to offer an alternative view.

CASEY: We just don't know how to talk back. We don't know how to go out and explain what's happening and explain the situation from our viewpoint. And the government is a little clumsy at that, and that's putting it quite charitably. On top of being clumsy, it doesn't have much credibility. The public is inclined to think that anything they hear from government has some hidden motive in it.

BERLOW: But if the government has allowed Americans to be brainwashed by Communists, Casey believes the primary responsibility for countering Soviet subversion and propaganda lies not with the government, but with the private sector.

CASEY: The word has to be passed through all the channels that exist, including employer communications and employee communications and stockholder communications. You have to use your judgment on it. But that's what I was referring to, that we just don't know how to contest these propaganda battlefields.

BERLOW: CIA Director William Casey.

Approved For Release 2005/12/23 : CIA-RDP91-00901R000400090002-6

7 March 1983

WASHINGTON
By DANIEL F. GILMORE
EXECUTIVES

President Reagan Monday thanked 770 business executives who have volunteered for government service in the event of an emergency or war, and top defense officials briefed them on national security.

In a videotaped address to members of the National Executive Reserve, Reagan said the businessmen are "part of a spectrum of civil mobilization programs that we pray will never be used. Yet good judgment demands that we keep prepared.

"Thanks again for your good citizenship," the president told the reserve group, which organized in 1955.

The National Executive Reserve was founded in 1967, and the three-day meeting that began Monday at a city hotel was the group's first national conference since 1967.

Now administered by the Federal Emergency Management Agency, the executive volunteers would serve in key government positions in a national emergency.

Defense Secretary Caspar Weinberger, Army Secretary John Marsh and CIA Director William Casey were among top government officials who briefed the conference Monday. Other officials were scheduled to speak at later sessions.

* * * * *

In an overall view of U.S. intelligence, Casey said the CIA has improved from a low point in the 1970s, when it lost 40 percent of its funding and 50 percent of its personnel, "but a lot remains to be done."

He said he is "reasonably confident" U.S. intelligence would be able to detect major Soviet military moves and has a "good capability" in the Middle East.

Asked during a question period why the CIA was so ineffective in assessing the strength of the Shah of Iran's opposition just before his overthrow, Casey said: "I don't know. I wasn't there. I don't know how good the intelligence was."

But he said U.S. "policy makers" were not listening to intelligence at the time.

"Today, that doesn't happen," he said. "The administration is listening."

* * * * *

EXCERPTED

Approved For Release 2005/12/23 : CIA-RDP91-00901R000400090002-6
7 MARCH 1983

SUBJECT: DCI-USSR

WASHINGTON, MARCH 7; REUTER -- CIA DIRECTOR WILLIAM CASEY TODAY SAID SOVIET LEADER YURI ANDROPOV MUST RETAIN THE SUPPORT OF THE MILITARY TO STAY IN POWER.

IN ONE OF HIS RARE PUBLIC APPEARANCES, THE HEAD OF THE CIA (CENTRAL INTELLIGENCE AGENCY) SAID THE NEW SOVIET LEADER'S POWER TO AMEND POLICIES "DEPENDS ON HIS ABILITY TO KEEP INTACT THE SUPPORT OF THE COALITION THAT PUT HIM IN POWER."

AND, CASEY SAID, THE SECURITY POLICE -- WHICH ANDROPOV HAD LONG HEADED -- AND THE DEFENSE MINISTRY WERE BEHIND THE NEW LEADER'S ASCENDENCY TO THE PARTY CHAIRMANSHIP.

"NO LEADER OF THE SOVIET UNION HAS A FREE HAND TO CALL THE SHOTS AS HE WISHES," CASEY SAID.

HE MADE HIS REMARKS TO A MEETING OF THE NATIONAL DEFENSE EXECUTIVE RESERVE, AN ORGANIZATION OF VOLUNTEERS WHO WOULD BE CALLED ON TO HELP MANAGE THE FEDERAL GOVERNMENT IN TIME OF WAR.

"WE DO NOT KNOW WITH MUCH CONFIDENCE WHAT TO EXPECT FROM THIS NEW LEADER," CASEY SAID.

WHILE THE SOVIET LEADER HAD DISCUSSED ARMS CUTS AND CONSUMER NEEDS, "OVER THE LONG RUN MR. ANDROPOV WILL PROBABLY FIND IT POLITICALLY NECESSARY TO PLACE A HIGH PRIORITY ON SATISFYING THE MILITARY," CASEY SAID. †

REUTER 1627 RT

7 March 1983

WASHINGTON

By THOMAS FERRARO

U.S. HAILS KOHL ELECTION VICTORY

The Reagan administration, with a sigh of relief, Monday hailed the 'magnificent victory' at the polls of West German Chancellor Helmut Kohl, a key backer of its arms policies.

President Reagan told a group of conservative supporters the election Sunday was an affirmation of 'peace through strength,' according to Sen. Jeremiah Denton, R-Ala., who was among those who met with the president.

Vice President George Bush told a cheering conference of the Veterans of Foreign Wars that Kohl won a 'magnificent victory.' He indicated it would bolster the U.S. position at arms talks in Geneva.

CIA Director William Casey told reporters after addressing a business group that the election of Kohl's conservative coalition was 'very encouraging.' He said it offers 'a much better climate to deal with' than the Social Democrats, who had accused Kohl of seeking a mandate to place U.S. medium-range missiles in West Germany.

The State Department said the United States looks forward to continued close relations with Kohl's government.

EXCERPTED

Approved For Release 2005/12/23 : CIA-RDP91-00901R000400090002-6

ASSOCIATED PRESS

7 March 1983

WASHINGTON
By BARRY SCHWEID
AMERICAN ATTITUDES

Twenty percent of the American public would support the use of U.S. troops if leftist guerrillas appeared on the verge of victory in El Salvador, while 18 percent would favor that the United States do nothing, says a poll released Monday.

Most who had an opinion on the question, 29 percent, would favor trying to negotiate a solution.

And yet, a communist takeover of the Central American country through a peaceful election was viewed as a great threat to the United States by 21 percent of the Americans polled between Oct. 29 and Nov. 6, and another 43 percent agreed it would be "somewhat of a threat."

These are among the findings in a survey of American attitudes on foreign policy issues, sponsored by the Chicago Council on Foreign Relations. It was conducted by the Gallup organization.

CIA Director William Casey said in a speech, meanwhile, that Marxists in Central America have "mounted a propaganda program that has a large part of the American public brainwashed into believing that what's happening down there is just innocent peasants seeking their rights."

Casey, addressing a conference of private executives, acknowledged that the Reagan administration has been losing the struggle for public opinion.

"We don't know how to go out and explain what's happening, explain the situation from our viewpoint," Casey said. "The government is a little clumsy at that."

* * * * *

EXCERPTED

RADIO TV REPORTS, IN

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM CBS Evening News

STATION WDVM-TV
CBS Network

DATE March 7, 1983 7:00 P.M.

CITY Washington, D.C.

SUBJECT Director Casey Comments on Deployment Issue

DAN RATHER: Political rejoicing in West Germany. Political reappraisal in France. Those were the chief reactions today after the elections in which the right decisively pounded the left.

Tom Fenton reports the results may have far-reaching effects in Western Europe, beginning with missiles and money.

TOM FENTON: The results of national elections in Germany and municipal elections in France caused a wave of buying on French and German stock markets. Both elections were fought on mainly economic issues and both were defeats for the left.

In France, the conservative parties that were defeated two years ago in national elections by the Socialists and Communists won over 51 percent of the votes. In Germany, the average voter saw the conservative Christian Democrats' landslide victory as a vote of confidence in Chancellor Helmut Kohl's economic policies. Business confidence in the German economy will now improve, and investment in industry is expected to pick up. Germans also hope for some improvement in the highest rate of unemployment since World War II.

But the most important issue, as far as the United States is concerned, was not the economy, but the missile controversy. Chancellor Kohl expressed his determination to go ahead with deployment of new American missiles if arms talks with the Russians fail.

From Washington's point of view, this election produced the best possible result. The prospects now are for a stable and moderately conservative German government that is firmly

committed to NATO. Kohl's resounding victory will give his government the strength it may need to carry out the deployment of new American nuclear missiles in the face of domestic opposition.

In Washington, the Administration was pleased.

DIRECTOR WILLIAM CASEY: I think it was very encouraging. Very encouraging. I don't think -- I don't think it means all the problems with the deployment are over, though. There's still going to be a lot of problems. But I think we have a much better climate in which to deal with them.

FENTON: A major problem will be the Greens, a radical new anti-nuclear group that won over five percent of the vote and 27 seats in the new Bundestag. The Greens warn they will organize strikes and demonstrations, risking their lives if necessary, to block installation of the missiles.

PETRA KELLY: We will try to have -- to make initiatives so that people will have more freedom to make non-violent action on the street. And we, as members of the parliament, cannot risk less than the people out on the street.

FENTON: Tonight Kohl began a series of meetings with political leaders to form what should be one of the strongest and most stable governments in the Western alliance for the next four years.

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CHICAGO TRIBUNE
6 MARCH 1983

Synfuel project comes up empty despite big budget

Critics angered over inaction in U.S. hunt for oil alternative

By James O'Shea

Chicago Tribune

WASHINGTON—There aren't many federal agencies nowadays that are having a hard time giving their money away.

Yet that is what is happening at the U.S. Synthetic Fuels Corp. (SFC), the federal agency intended to free the nation from the whims of oil sheikdoms.

Weary of being vulnerable to oil-producing Arab nations, Congress in 1980 authorized more than \$80 billion in federal loan and price guarantees for the SFC and told it to start a new industry—one to convert the nation's vast oil shale and coal supplies into fuel to power America.

But in the 2½ years since its birth, the SFC hasn't been able to fund a single project.

CITING SOARING plant costs and depressed oil prices, energy companies have turned their backs on the proposed subsidies. Meanwhile, the SFC, under congressional pressure to spend money before someone takes it away, has created an "outreach" program in which SFC officials travel to Japan, West Germany and throughout the United States trying to drum up business.

The U.S. Synthetic Fuels Corp., created in 1980 to lead the nation toward energy independence, is awash in money with few places to spend it. Its proponents are determined to fund some projects soon. Its detractors would like to see the agency abolished. This is the first of two stories by Tribune Washington correspondent James O'Shea on the government's efforts to start a synthetic fuels industry.

Despite its billions in federal guarantees, the closest thing the SFC has to a synfuels plant is a proposal to make a gasoline enhancer from a huge peat bog owned by Malcolm McLean, a wealthy New York shipping magnate. The plan is backed by some prominent Republican investors, including William Casey, director of the Central Intelligence Agency.

"My biggest problem with the SFC centers on what kind of criteria it's using when it picks harebrained projects like a peat plant as opposed to [a technology] that offers some potential and would justify spending the taxpayers' money," said Charles Ebinger, associate director of energy studies at Georgetown University's Center for Strategic and International Studies.

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PHILADELPHIA INQUIRER
6 MARCH 1983

Reagan ponders a bigger role in Central America

The new, broad review of U.S. policy in Central America is based on a determination to prevent a triumph by leftist insurgents in El Salvador or anywhere else in the area, sources say.

By Alfonso Chardy
Inquirer Washington Bureau

WASHINGTON — The Reagan administration is approaching some crucial decisions that could widen American involvement in the war in El Salvador and in the anti-leftist effort throughout Central America, according to high-level administration officials.

President Reagan and his top advisers are in the midst of their broadest review of U.S. policy in that region. Informed government officials say the major options before them include:

- More aid and military advisers for El Salvador in that nation's continuing war against guerrilla forces, and the bringing of more Salvadoran troops to this country for training. Last week, the White House announced that the number of advisers would be increased to the self-imposed limit of 55.

- The assignment of American advisers for the first time to El Salvador combat zones, but with orders not to engage in the fighting.

- More money for the covert U.S. operation against Nicaragua, where the Sandinista revolutionary regime is transshipping arms from Cuba to the Salvadoran guerrillas. The money, supposedly for use in interrupting the flow of Cuban weaponry, would go to the anti-Sandinista forces fighting against the Nicaraguan government.

- More military aid and, possibly, some U.S. advisers for Guatemala, which has had to contend with leftist insurgents, and additional aid for Honduras, which is worried about a Nicaraguan buildup on its border.

This rundown of proposals before Reagan and high-ranking members of his administration was obtained through interviews with government officials and military officers, as well as from the testimony of administration witnesses before congressional panels.

Reagan met late last week in California with Defense Secretary Caspar W. Weinberger and Secretary of State George P. Shultz for an update on the five-week-old review. Larry Speakes, White House deputy press secretary, warned reporters "not to look for a decision" about El Salvador immediately.

Some administration sources said the review of U.S. policy was based on a determination to prevent a triumph by the leftist insurgents in El Salvador or anywhere in Central America because of that region's strategic importance to the United States.

Critics of U.S. policy fear, despite administration denials, that the nation is witnessing the birth of a new Vietnam. But even some officials who shudder at the Vietnam analogy say that El Salvador is more important to the United States than Vietnam ever was and that Americans should be prepared to defend it from a leftist takeover.

"We understand the concern of those who remember the specter of Vietnam that the war in El Salvador is being 'Americanized,'" said Nestor Sanchez, deputy assistant secretary of defense for inter-American affairs. "But Vietnam was 10,000 miles away, and El Salvador is a contiguous region right at our doorstep. I won-

der how many of us stop to consider that San Salvador is closer to Washington, D.C., than is San Francisco, California."

Administration aides have informally nominated Kirkpatrick, Sanchez, Weinberger and Clark as the hard-liners pushing for a wider U.S. military involvement in the region. They classify Enders and Shultz as relative moderates who agree that more military aid is needed but that El Salvador must be encouraged or pressured into social, economic and political reforms in order to create a climate for reconciliation with the left.

The specific proposals submitted for the review remain classified, but congressional documents and interviews with U.S. officials give this country-by-country picture of some of them:

NICARAGUA

Congressional sources say a major part of the presidential review is a new look at the "secret war" against Nicaragua because it is not achieving its purpose of halting the flow of Nicaraguan arms to the Salvadoran rebels. "Tons and tons of munitions are being flown in from Nicaragua," Enders told Congress. CIA Director William Casey reportedly has proposed increasing the funds for the operation, and perhaps widening its scope to deal with the flow of air supplies. Capitol Hill sources say he may have asked to double or triple the amount of U.S. funds for the anti-Sandinista guerrillas. Last year the United States spent between \$1.5 million and \$3 million for such aid.

Last month, Sen. Patrick Leahy (D., Vt.) asked Shultz if the administration would still comply with congressional restrictions on the covert operation, and Shultz replied: "Yes, sir, without reservations." Those restrictions preclude overthrowing the Nicaraguan government or provoking a war between Nicaragua and Honduras.

EL SALVADOR

Last year, the administration requested \$61.3 million in military funds for El Salvador, but Congress slashed the amount to \$26.3 million. Weinberger told Congress three weeks ago that \$60 million more should be spent to help El Salvador buy more ammunition, combat helicopters and communications gear.

HONDURAS

The administration is seeking at least \$1 million more in military aid for Honduras this year for additional transportation and communications gear to counteract the Nicaraguan military buildup. There now are about 100 U.S. military advisers in Honduras.

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LOUISVILLE COURIER-JOURNAL (KY)

4 March 1983

Memo to CIA: Hush, fellows

WHEN RONALD REAGAN came to office promising to beef up the Central Intelligence Agency, a lot of folks here and abroad assumed that meant more covert operations — “dirty tricks.” But lately the CIA's dirty tricks have been mostly at the expense of Reagan administration policies and assumptions.

In January, the CIA delivered to Congress a study that claimed the Soviet economy was more self-sufficient than those of almost all other industrial nations. That conclusion seemed to undercut those in the administration who wanted sharp curbs on Western trade with the Russians, such as that controversial Soviet natural gas pipeline to Western Europe.

Now, according to *The New York*

Times, CIA analysts believe that earlier estimates of the Soviet military buildup were exaggerated. They think the Russians have been increasing military spending by only 2 percent annually since 1977, instead of the previously estimated 3 to 4 percent.

The Pentagon's own intelligence arm disagrees — and no wonder. The new CIA view, if widely accepted, might cause Americans to wonder why the U.S. is increasing defense spending 9.5 percent this year over last while the Russians are slowing the pace.

Who's running the CIA anyway? Has director William Casey lost his grip, or — horror of horrors — could he be a KGB mole? Stay tuned. This one could be juicier than the mess at EPA.

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WASHINGTON TIMES
4 MARCH 1983

ARNOLD BEICHMAN

Does the CIA know what it's talking about?

"...The only experts on the Soviet Union are those who sit on the Politburo in Moscow. The rest of us have varying degrees of ignorance." Malcolm Toon, former U.S. ambassador to the U.S.S.R.

"Estimating is what you do when you do not know." Sherman Kent, former chief of the CIA National Intelligence Estimate.

A page-one story in yesterday's *New York Times* about the Central Intelligence Agency and the Soviet arms buildup could, if true, help make mincemeat of the Reagan administration's defense budget. Unnamed CIA specialists, according to the story, claim the Soviet military spending growth rate has been over-estimated for the last six years.

Instead of a 3-to-4 percent annual increase, corrected for inflation, the growth rate "may have been no more than 2 percent," the *Times* reported. It went on to say that estimating Soviet military spending "is an inexact art, based on incomplete information, subjective assumptions, and difficulties in translating Soviet ruble costs into dollar values."

The real story about CIA's analysis and estimates branch is that it has had a dismal track record estimating the growth of Soviet military power. It has systematically discounted Soviet military expenditures. CIA analysts also were wrong in their predictions about the stability of the shah of Iran's kingdom, right up to the shah's downfall.

I am no admirer of President Carter but he was surely correct when he sent off a handwritten memo to his top security advisers in 1978 which began: "I am not satisfied with the quality of political intelligence."

In an article in 1979, Robert Ellsworth and Kenneth Adelman described in *Foreign Policy* "staggering errors, compounded over 15 years, in estimating Soviet forces

and intentions and strategic weaponry and over-all military effort."

"Beginning in the 1960s," said the authors, "the CIA embarked upon a consistent underestimation of the Soviet ICBM buildup, missing the mark by a wide margin: Its estimates became progressively worse on the low side. In the mid-1970s, the intelligence community underestimated the scale and effectiveness of the Soviet's multiple independently targetable re-entry vehicle (MIRV) program. Even more important Soviet warhead accuracies that have already been achieved — and that have equalled U.S. accuracies — had been estimated by American intelligence to be unobtainable by Moscow before the mid-1980s."

How could such mis-estimates have happened, not only under Democratic but also under Republican administrations, right up to the present Reagan presidency?

Ellsworth and Adelman, who awaits a Senate vote on his nomination as Reagan's arms negotiator, said that the source of the problem lies "within the bowels of the intelligence bureaucracy itself."

American intelligence "has long been stultified by the domination of a clique," which has prevented the upgrading of the National Foreign Assessment Center. CIA Director William Casey has tried to do something about it by involving himself personally in the National Intelligence Estimates machine. But it has taken a long time to take even the first step.

The real bombshell which could destroy the CIA methodology for estimating Soviet military procurement expenditures has just gone off. It is a recently published book, *False Science: Understanding the Soviet Arms Buildup*, by Prof. Steven Rosefielde (Transaction Books, 1982) published under the auspices of the National Strategy Information Center.

The preface to Rosefielde's book is by Patrick Parker, who was deputy assistant secretary of Defense for intelligence a decade ago. Parker says that during his government service, "I discovered that

the CIA's estimates of Soviet weapon expenditures were implausibly low and failed to reflect the rapid quantitative and qualitative improvements which we were seeing in Soviet weapons systems and technology."

Said Parker: "My own estimates, supported by those of most military intelligence organizations, indicated that the real value of Soviet weapons production was growing at roughly 10 percent per annum, while the agency put the figure variously between 2 and 4.5 percent per annum."

What Rosefielde has done in a brilliant technical and statistical analysis is to demonstrate the inconsistencies in CIA estimates of Soviet production costs, inconsistencies which arise from a CIA methodology which "systematically understates technological growth and biases the agency's estimates downward."

Until President Reagan persuaded the CIA to adopt his view of Soviet intentions towards the U.S. and the Free World, estimates of Soviet military spending will be subject to all kinds of anti-defense propaganda.

CIA optimism about Soviet intentions leads to one kind of interpretation, Reagan's pessimism or realism about Soviet intentions demands a different kind of interpretation about Soviet arms expenditures.

Alexander Solzhenitsyn recently wrote in *National Review* that "We would understand nothing about communism if we tried to comprehend it on the principles of human reason. The driving force of communism, as it was devised by Marx, is political power, power at any cost and without regard to human losses or a people's physical deterioration."

In estimating Soviet military expenditures, the CIA might be well advised to base its conclusions on what, perhaps, we might call Solzhenitsyn's Law.

Arnold Beichman, a Visiting Scholar at the Hoover Institution, is a founding member of the Consortium for the Study of Intelligence.

USIA Chief Questioned On 'Project Democracy'

By Patrick E. Tyler

Washington Post Staff Writer

Members of the Senate Foreign Relations Committee yesterday questioned whether President Reagan's \$85 million "Project Democracy" proposal will put a propaganda stamp on longstanding U.S. programs overseas and jeopardize their acceptance by foreign governments.

Much of the concern was about how cultural and student exchange programs, support of foreign press groups and educational programs will be affected.

Committee members heard a plea from the panel's former chairman, J.W. Fulbright, that they not mingle the administration's short-term propaganda efforts with long-term overseas programs such as the student exchanges, which have a non-political tradition.

Fulbright noted that 24 foreign governments partially fund the student exchange program that bears his name and that the program has benefited 140,000 persons over three decades.

Although the Fulbright exchange program is not directly under Project Democracy, budget funds were transferred out of the program to set up a \$10 million student exchange program under the project, a committee staff member said.

"No country will support another country's propaganda," Fulbright said.

At a crowded hearing, Charles Z. Wick, director of the U.S. Information Agency, defended the multifaceted program, saying it represents the administration's attempt to wage a war of ideas with the Soviet Union.

"The ideals and values which underlie our national purposes are under attack by a potent Soviet propaganda and disinformation campaign," he said.

Committee Chairman Charles H. Percy (R-Ill.) expressed concern that under Wick's interpretation of Project Democracy, the Voice of America would be supervised by the State Department, which Percy said would amount to a "propagandizing of VOA."

Under questioning by Paul E. Tsongas (D-Mass.), Wick acknowledged that CIA Director William J. Casey had participated in discussions about Project Democracy, but Wick denied that the CIA would participate.

Wick also acknowledged that as part of Project Democracy, the USIA intends to funnel \$50,000 through an intermediary organization to the Inter-American Press Association because that group's rules prohibit funding by governments.

"This would appear to be a rather indelicate attempt to launder \$50,000," Tsongas said. Wick replied, "There was no thought whatsoever to be covert. It's not that intent."

Charles McC. Mathias Jr. (R-Md.) pointed out that, according to a chart displayed by Wick at the hearing, it appeared that the USIA would be directing "public affairs" effort in the United States, an apparent violation of the USIA charter requiring the agency to communicate U.S. policies overseas.

Wick promised that would not happen and said the USIA would be only a "resource" for domestic information campaigns.

Christopher J. Dodd (D-Conn.) asked that Wick return to the panel with proposed legislative guidelines for Project Democracy. "If you wish this program to survive, you had better establish some parameters for behavior. I can see what's going to happen before it starts—this is just going to be perceived as a propaganda tool," Dodd said.

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Wick Says Justice Move Was Not A 'Credible Decision'

BY BARTON REPPERT

WASHINGTON

Charles Z. Wick, director of the U.S. Information Agency, told a Senate panel Wednesday that the Justice Department's recent move to label three Canadian films as political propaganda was not a "credible decision."

Wick, whose agency runs the Voice of America and other U.S. government information programs targeted abroad, said he personally would favor steps by the administration and Congress to amend the 1938 law invoked in the case.

Wick's comments came at a hearing by the Senate Foreign Relations Committee.

Sen. Paul E. Tsongas, D-Mass., said the Justice Department move "has not only inflamed the Canadians, it has expanded the viewership of those films probably a thousand-fold."

Wick also was questioned repeatedly about whether the CIA was involved with the Reagan administration's "Project Democracy" intended to foster the growth of democratic ideals and institutions worldwide.

Wick responded that "there is no CIA participation contemplated or presently included ... in Project Democracy."

However, he acknowledged that CIA Director William E. Casey had been present during early discussions of the project among administration officials.

"He (Casey) has been involved with a broad number of administration people discussing the overall threats that the United States faces," Wick testified.

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WASHINGTON POST
1 MARCH 1983

Joseph Kraft
**Impasse
In Central
America**

Central America poses a classic problem of U.S. diplomacy. For reasons deemed "moral," this country has made commitments that far outweigh its material stake in the area.

The disparity now finds expression in a reluctance to pony up the resources required to save El Salvador from left-wing guerrillas. Meanwhile there rages inside the administration a covert battle as to how commitments might safely be wound down.

The objective interest of the United States in the six countries between Mexico and Panama is almost zero. Guatemala, Belize, Honduras, Nicaragua, El Salvador and Costa Rica provide no important resources. They attract less than half of 1 percent of American investment abroad. Unlike the Caribbean islands, they sit astride no trade routes, and they are not even a major source of immigration.

The declared American interest in the area, however, has been hyped by the last two administrations. Jimmy Carter not only joined presidents Ford and Nixon in believing the Panama Canal was best secured by a treaty giving the regime of Panama a stake in the local waterway. He went beyond that to use Central America as a backdrop for sermons against power politics and on behalf of human rights. His administration cheered as the Somoza regime in Nicaragua fell apart. In its place there came to power a Marxist group, the Sandinistas. These promptly teamed up with Fidel Castro to promote the guerrilla insurgency in El Salvador.

The Reagan administration made Central America its prime testing area for holding communist expansion all over the world. It mounted a major campaign of aid to El Salvador. It issued dire warnings to the Sandinistas. It fostered in Honduras, Guatemala, Costa Rica and elsewhere various threats to left-wing insurgency.

Willingness to pay in money or blood for those commitments, however, has been hard to find. The Congress has held down funds for El Salvador, and required the local regime to pass human rights tests every six months. The Pentagon, keen to maintain congressional support for appropriations, has stringently restricted the activities of American military advisers in the area. Progress toward the declared objectives, as a result, has been halting.

In El Salvador, the regime succeeded in holding elections that drew a large turnout last March. But disunity followed that success, and there have been repeated reports of squabbles among military commanders and atrocities by government troops. The guerrilla forces have regained the initiative, and now pose a serious threat to the survival of the regime.

Faced with the danger of a military collapse, the Reagan administration became suddenly desperate to increase military and economic aid. At a White House meeting yesterday, the president sounded congressional leaders about the possibility of using discretionary authority to raise the level of aid from the \$26 million budgeted last year to the \$60 million the administration has been seeking.

But there is little reason to believe the extra money will turn the tide. For one thing, there is no sign of political renewal in El Salvador. For another, the Sandinistas have used the threat of foreign intervention to tighten their grip on Nicaragua. With help from Cuba, they seem prepared to continue and even widen the guerrilla struggle.

The obvious supplement is a big political move. Secretary of State George Shultz and the assistant secretary for Latin America, Tom Enders, have been edging cautiously in that direction. Abundant hints suggest that they have in mind a regional settlement.

One element would be a withdrawal of all foreign forces, including advisers from this country, but also those from Cuba. A second would be a limitation on arms shipments—from this country and from the Soviet bloc. Third, there would be among the countries in the region an undertaking not to interfere in each other's affairs.

Wide nets have been cast in support of that approach, by Shultz and Enders. They have backed declarations favoring a regional settlement made by Mexico, Venezuela, Colombia, Panama and Costa Rica. They have sought help from various European leaders, including the Socialist leader of Spain, Felipe Gonzalez Marquez, and the pope. But the response has been less than overwhelming—especially in Venezuela and Mexico, where governments experiencing economic difficulties derive some political benefit from standing up to Washington.

Moreover, the State Department has had rough going in Washington itself. A group inside the administration—including William Casey of the Central Intelligence Agency; the president's national security adviser, William Clark; and Jeane Kirkpatrick, the ambassador to the United Nations—have equated any fobbing off of the American commitment to a sellout of El Salvador. They have obliged Shultz and Enders to deny charges that State wants to force the regime in El Salvador to accept the guerrillas in a coalition government.

The outcome of the internal battle remains in doubt. But my sense is that Shultz faces an uphill fight. The odds do not favor a winding down of the American commitment. A more likely outcome is a long, drawn-out and steadily widening guerrilla struggle that can only deepen suffering in Central America.

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STAT

The Failure to Defend Defense

Weinberger and Casey Fail to Strike the Proper Military

by Anthony H. Cordesman and Benjamin E. Schemmer

Even in the best economic climate, defense must compete with other uses of public funds. In a major recession, every defense dollar must be shown to be necessary. This is partly a matter of efficiency and effectiveness: the American people must believe that their tax dollars are being spent wisely. It is also, however, a matter of convincing the American people that a strong defense is necessary to meet the Soviet threat. This is not simply a matter of showing that Soviet forces are increasing in size and capability, it is a matter of showing that planned US force improvements are a well-judged response to the trends in the Soviet threat.

For the last decade, the Secretary of Defense and the Director of Central Intelligence have published comparisons of US and Soviet forces as part of the annual budget cycle to support the President's proposed defense budget. The Defense Secretary has explained the strategic balance, the trend in theater nuclear forces, the trend in conventional forces, and the trends in the NATO and Warsaw Pact Alliances, while the Director of Central Intelligence has published detailed dollar cost estimates of US and Soviet defense spending.

These data have shaped the Reagan Administration's buildup of US forces. The comparisons of US and Soviet forces have furnished the essential rationale for increased defense spending, and a critical perspective on the size of the US defense budget and the adequacy of US forces. Although many readers may not realize it, most of the statistical and graphic data that shaped the SALT II debate, and many of the qualifying words necessary to give such numbers meaning, came from the *Annual Report* of the Secretary of Defense and the *Military Posture* statement of the Joint Chiefs of Staff. Virtually all of the data on the inadequacy of US forces and defense expenditures that President Reagan campaigned on came from these sources. They underpin every reputable work on the military balance and on US and Soviet defense expenditures.

Omitting the Facts from the Secretary's FY84 Annual Report

The merits of providing as much data on the balance as possible should be obvious to a conservative Administration which won election through its use of such data, which advocates a strong defense, which now faces a massive defense budget battle in the Congress, which faces an even greater battle over arms control, and which must try to persuade its allies to maintain their defense spending in the face of a world recession. The Reagan Administration seemed to understand this when it wrote its first series of defense posture statements.

It published more statistical material on the balance in FY83 than any previous Administration.

Somewhere along the line, however, things have gone astray. As Table One shows, Secretary Weinberger has removed virtually all of the useful data on the balance from the Defense Department's two main defense policy and budget statements. Even Table One understates just how much material has been censored in FY84, or is presented in an inadequate or potentially misleading form. With almost Orwellian timing, the Secretary of Defense has made "1984" the year in which the truth about the balance is missing from his defense of the nation's defense budget.

Canceling CIA Public Reporting on the Soviet Military Budget and Activities in the Third World

Secretary Weinberger has not acted alone. William Casey, the Director of Central Intelligence, has killed the CIA's annual estimate of Soviet defense spending. The Agency will no longer publish its *Dollar Cost Comparison of Soviet and US Defense Activities*, perhaps the most quoted work it has ever issued. CIA reporting will evidently be confined to the release of selected data to the Congress and press, although in a form that will lack sufficient analytic detail

and backup to be convincing in the face of intelligent questions or criticism. According to an official CIA spokesman, the Director has done this as part of a general policy of eliminating all public CIA reporting on military matters and Soviet forces.

He has also eliminated the Agency's annual estimate of Soviet military and economic assistance to Third World countries and its reporting on the number of Soviet military and economic advisors overseas. This information used to be published in a document entitled *Communist Aid Activities in Non-Communist Less Developed Countries*.

The title of this report is so esoteric that its importance may not be obvious, but it was the only useful source of data on the number of Soviet bloc and Communist advisors in foreign countries, the number of foreign military trained in the Soviet bloc, and the size of Soviet economic and military aid to Third World nations. Without it, there is no reliable source of data on the number of Cuban, Soviet, East German, or PRC military in nations like South Yemen or Ethiopia or on the intensity of the Soviet effort to target given Third World nations.

The same CIA spokesman made it clear that the Director's new policy applies to far more than these two periodicals. When asked whether the CIA would issue any further statistical or analytic data of any kind on threat military forces, he replied, "Nothing."

Some lower-level CIA staff have raised some more serious issues. Although there is no way of confirming their views, some feel that the reporting on Soviet defense may have been eliminated because it disclosed serious analytic problems and uncertainties in the CIA effort in this area. One CIA analyst also raised the issue of whether the report on Soviet expenditures was being dropped because it would disclose a leveling out or drop in the rate of growth in Soviet defense spending and equipment production over the last two years, although he noted that this conclusion was "controversial" and scarcely reduced the rationale for increases in the US defense budget.

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