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PROGRAM McLaughlin: One on One STATION WRC-TV

DATE June 8, 1986 5:30 P.M. CITY Washington, D.C.

SUBJECT CIA Director William ~~Colby~~ CASEY Interviewed

JOHN MCLAUGHLIN: Should news organizations be prosecuted for revealing secret intelligence? We'll put that question to the spymaster of the U.S.

Born, Queens. Age, 73. Wife, Sophia, 45 years. One daughter. Roman Catholic. Repubican. Fordham, bachelor of science. St. Johns University, doctor of laws. U.S. Naval Reserve, World War II, lieutenant. OSS, Office of Strategic Services, transferred to. Organized French Resistance, supporting Normandy invasion, awarded Bronze Star for. Intelligence operations, OSS, European Theater, Chief, two years. Marshall Plan, Associate General Counsel, one year. New York University, lecturer, 14 years. Practicing attorney, New York and Washington, 26 years. Presidential campaigns: Dewey, Willkie, Taft, Eisenhower, Nixon, Romney, Scranton, various positions in, '40 to '68. Venture capitalist, 25 enterprises, cofounder and co-developer of, '51 to '71. Capital Cities Communications, owner of ABC, cofounder and director of, 21 years. U.S. House of Representatives, New York, Third District, Republican nomination, candidate for, '66. Securities and Exchange Commission, Chairman, two years. U.S. State Department, Economic Affairs, Undersecretary, one year. Export-Import Bank, President and Chairman, almost two years. Ronald Reagan presidential campaign, manager, one year, 1980, succeeding John Sears, discharged by Mr. Reagan. Author, "Armchair Tour of the American Revolution" and 20 other books and manuals. Central Intelligence Agency, Director, 5 1/2 years and currently. Net worth, 1981, three million dollars-plus.

William Joseph Casey, it's one on one.

ANNOUNCER: From Washington, D.C., John McLaughlin's One

on One. An unrehearsed, probing inside exchange with the people making the news.

Here's the host, John McLaughlin.

MCLAUGHLIN: Director Casey, you carry, literally, the secrets of the world on your shoulders. Is it an onerous job?

DIRECTOR WILLIAM CASEY: I don't find it particularly onerous. It's a heavy responsibility. I rather enjoy it. It's very challenging.

MCLAUGHLIN: Is one of your problems winnowing out the information you get, you get so much information?

DIRECTOR CASEY: Oh, certainly. Winnowing it out, selecting, evaluating. That's the main thing we do. It's the analytical and the assessment work that is the critical part of the job.

MCLAUGHLIN: This week Ronald Pelton was convicted of espionage on several counts and conspiracy. How do you think the press handled itself in relation to this trial?

DIRECTOR CASEY: Well, I think the press reported the trial well. I was disappointed that some elements of the press put some information, classified information into their stories that was not cleared to come out in the court process and in the process of declassifying information for purposes of the trial.

But I thought it was well covered.

MCLAUGHLIN: In the early part of May, the reports began to surface that you were considering asking the Justice Department to prosecute the Washington Post, the Washington Times, Time magazine, Newsweek magazine because they were in potential or in real violation of a section of our law called COMINT, which is a 1950 law, Section 798, Title 18 of the U.S. Code, which bars publication of any information relating to codes and intelligence gathered through intercepted communications. In one of its broadest provisions, it prohibits disclosure of communications by foreign governments if they were obtained through interception. And your particular grievance against the Washington Post was that it had published the intercept between Libya and the Libyan Embassy in East Berlin.

Is that a fair statement of what happened in early May?

DIRECTOR CASEY: Not only the Washington Post, all the major medias had published that intercept. And that, knowing and willingly publishing any information about communications intelligence, is prohibited by federal law.

MCLAUGHLIN: You were really anticipating a larger article to have been written by The Post, which was then in composition, where The Post was contemplating writing about the submarine eavesdropping capability of the Navy. And in fact, The Post did publish that article, but in a sanitized state. And it was reported that you enlisted the help of Ronald Reagan, who called Kay Graham, the Editor of The Post.

Is that pretty much what happened?

DIRECTOR CASEY: Pretty much. We frequently are able to discuss a story which is sensitive and would be damaging to our intelligence capabilities with members of the press, members of the media. And they frequently -- sometimes hold and sometimes will modify a story to protect our equities and our interests.

MCLAUGHLIN: I take it that's the way you like to proceed, on that kind of a cooperative...

DIRECTOR CASEY: That's the way we like to proceed. That's the way we've worked with The Post on a number of occasions, and on this particular occasion for quite a while.

MCLAUGHLIN: The press counterargue that: Hey, wait a second, Director Casey. Your operation at the CIA, some of your people, and elsewhere in the government, will directly leak information when it suits your purpose.

For example, in the case of the undertaking against Libya, Richard Burt delivered himself of a clear statement very early on that there was conclusive evidence, or reasonably conclusive evidence that Libya had been -- was behind it. And Senator Byrd condemned roundly the CIA for hemorrhaging leaks which might have even impaired the military success of the Libyan strike.

So, do you really -- the question is, do you really want it both ways? Do you want to be able to leak the information you want in the press, but at the same time slap the wrist of the press, or worse, if the press gets out of line?

DIRECTOR CASEY: John, I want it both ways. I want to stop the leaks internally and I want the press to cooperate in not publishing, or in publishing, not publishing information that is damaging to our national security and damaging to the safety of our citizens. It is deplorable. And we all deplore, I deplore the loose talk and the lack of discipline within the government, the Administrative branch, and in the Congress as well. And you don't condone that.

But it's always been recognized, recognized by the

Congress, that you can't bottle up all the information. Some of it's going to get out. And when it does, if it deals with communications intelligence, the press is prohibited by law from publishing it.

MCLAUGHLIN: Right. And that's that COMINT act of 19...

DIRECTOR CASEY: That's right.

MCLAUGHLIN: ...or law of 1950.

You took the gloves off against NBC, though, when James Polk, on the show, the Today Show of May the 19th, he said this, quote: Pelton apparently gave away one of the NSA's most sensitive secrets, a project with the code name Ivy Bells, believed to be a top secret underwater eavesdropping operation by American submarines inside Russian harbors.

It's been speculated around town here in Washington that the reason why you hit NBC so hard was because you got a phone call from Ben Bradlee and he said, "Look, I did what you asked me to do. I sanitized our story. But look at what NBC did. NBC revealed everything that we withheld."

Is that why the CIA got into the act?

DIRECTOR CASEY: Not at all. I had told everybody, many other medias, that this law was there. And I thought it necessary to apprise them they were exposing themselves to that risk if they publish information about communications intelligence.

It so happened that NBC was the first one after the beginning of the Pelton trial. And Ben, The Post had been very cooperative. They had withheld. And if I let anybody else do it without responding, I would -- the whole situation would crumble. And I felt it necessary to notify NBC that they had violated our law.

MCLAUGHLIN: But here's the position, now, that occurs to someone looking at what happened. On November the 27th, Jim Polk -- that's last November, six monmths ago -- the same crack investigative reporter who did the May story -- on November the 27th, Polk revealed the exact same information. He said on that program, when there was a hearing, a bond trial hearing for Pelton, Polk reported, "A clue to what secrets Ronald Pelton may have sold to the Russian KGB emerged in a court hearing today. The defense used the phrase Ivy Bells. Ivy Bells refers to Navy eavesdropping operations. The Navy is known to have submarines outside Soviet harbors listening to what the Russians say."

So the question arises, why didn't you go after NBC last

November? Why wait until May?

DIRECTOR CASEY: We might have been asleep at the switch. There's no principle of law that says if you violate a law once, you're immune when you violate it a second time.

The reason we've taken this position now is that there has been a perfect hemorrhage of these things. There's been a complete flood. It's reached the point where we're very seriously concerned about the impact on our basic capabilities.

If you have -- we have a single situation, you weigh it. You say, "Well, is it better to act or is it better to hope that it goes away or hope that nobody notices it too badly." If you act, you attract attention to it.

The number of disclosures we had, the number of leaks, and the sensitive nature of them, the damage they did to our capabilities required us to act at this time. And we were acting across the board at this time.

MCLAUGHLIN: There's a story around town to that you are now in retreat with regard to your attempts to enforce COMINT -- that is, the 798 section of the U.S. Code -- and that you've been called off by the White House.

Any truth to that?

DIRECTOR CASEY: That's a false story, entirely false. It's hard to understand how, when a law enacted by the Congress to protect intelligence capabilities is violated flatly, it's hard to understand how you can fail to act and seek to use that law and implement it to protect what the law requires you to protect.

So, nobody's called me off. Nobody's tried to call me off.

MCLAUGHLIN: One final question before we leave this segment, Director Casey, and that is this: When Pelton went to trial, the CIA delivered itself of a pointed statement. And part of it said this: "Those reporting," referring to the press, "on the trial should be cautioned against speculation and reporting details beyond the information actually released at the trial. Such speculations and additional facts are not authorized disclosure and may cause substantial harm to the national security." Unquote.

The press went wild at that. They felt that this was going to exert -- (A) it was obscure; and secondly, it was going to exert a chilling effect upon the press.

And you value the press, I'm sure, the freedom of the press as much as anybody else in this country.

DIRECTOR CASEY: I do entirely. Very much so. I'm of the press, in a way.

That was probably not put as clearly as it might have been. What we intended to say is that the information that had been released can be considered to be no longer classified. But any additional information related to that, if it remains classified, if it's used, if it's published, it's in violation of that statute.

That's what we were trying to say. We were trying to give that simple message.

MCLAUGHLIN: Do you think you succeeded in that?

DIRECTOR CASEY: Oh, yes. I think we succeeded in that.

MCLAUGHLIN: Because it was...

DIRECTOR CASEY: Well, there was misunderstanding and confusion.

MCLAUGHLIN: But didn't Pelton...

DIRECTOR CASEY: And I think it's pretty clear. People understand what we're saying.

MCLAUGHLIN: But at the trial...

DIRECTOR CASEY: That information -- publishing that information is a violation of law. And I think all the media lawyers are working over that.

MCLAUGHLIN: But at the trial itself, didn't Pelton ponit to a map, to the Kamchatka Peninsular up there near the Bering Strait and point to the area where the submarines are listening, our submarines are?

DIRECTOR CASEY: Well, that's a legal question, whether that constitutes unclass -- removal of classification.

MCLAUGHLIN: It was published by The Post. Do you have any grievance by The Post for publishing that?

DIRECTOR CASEY: I haven't raised any question on that.

MCLAUGHLIN: I published in a magazine called The National Review...

DIRECTOR CASEY: It was revealed in open court.

MCLAUGHLIN: Two years ago I published in The National Review, Director Casey, a story that I did on Russian submarines in Puget Sound monitoring, eavesdropping, particularly on the Trident submarine. Puget Sound. Now...

DIRECTOR CASEY: On Russian submarines.

MCLAUGHLIN: Right. Now the...

DIRECTOR CASEY: That's probably...

MCLAUGHLIN: In other words, isn't this so well known that it makes, really, no difference? And aren't you exaggerating?

DIRECTOR CASEY: You're absolutely wrong, John. You're dead, cockeyed wrong. The Sovi -- how do you know what the Soviets know? How do you know what they need to have confirmed? How do you know what details they need to effectively counter what we can do?

MCLAUGHLIN: You mean...

DIRECTOR CASEY: You just can't know. You're in no position to understand or realize it.

MCLAUGHLIN: You mean that the press confirms, and that act of confirmation is what is the -- is what itself is subversive of the natural -- national interest, that it tells, that it communicates something to the Soviets?

DIRECTOR CASEY: The law is pure and simple. It says publication of information about communications intelligence is illegal. There were reasons for enacting that. During World War II, we were reading German and Japanese communications. That saved many, many thousands of lives and cut the war short a few years. One little whisper of that in the media would have enabled the Germans and the Japanese to turn that off, the law would have been prolonged, many more lives would have been lost.

That's why the Congress enacted that law. And it's been on the books and it's still there, and it's there to protect this particular kind of communication intelligence.

MCLAUGHLIN: When we come back I'd like to talk to you a little bit about counterintelligence.

DIRECTOR CASEY: Okay.

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DIRECTOR CASEY: ...assemble quite a lot of information.

MCLAUGHLIN: We're back on the air, Director Casey. And it's a pleasure to have you with us today.

DIRECTOR CASEY: It's good to be here.

MCLAUGHLIN: Can we talk a little bit about Ronald Pelton? Because a lot of people are disillusioned at the counterintelligence capacity of your distinguished agency in the way it handled Ronald Pelton. Now, it's not the CIA, it's the NSA. But I think a lot of people feel that you are an umbrella person, as far as intelligence is concerned, because you have a seat at the Cabinet table. And therefore, although there is the CIA and the DIA and the NSA...

DIRECTOR CASEY: And the FBI.

MCLAUGHLIN: ...and the FBI, that you kind of are the principal honcho of intelligence.

Is that a fair statement?

DIRECTOR CASEY: I have a coordinating authority over the intelligence community.

MCLAUGHLIN: You do.

DIRECTOR CASEY: Yes.

MCLAUGHLIN: Good. Okay.

The question is this: Ronald Pelton is a man 44 years of age who was making $24,500 a year. He went into debt to the tune of $63,000. He is a gifted human being. He's brilliant. He's got a photographic memory. He was a wizard as far as cryptography is concerned. All of a sudden he quits the NSA, and there's no check. That's number one.

Number two, he makes several phone calls to the embassy. The phone line is tapped. We heard the conversations that Pelton had with the Soviet Embassy. No check is made after that.

Number three, during the course of a two-or-three-year period, three-year periods of travel, he goes to Vienna, he stays in the ambassador's embas -- in the Soviet Embassy for three days at a time. No check on that.

Finally, we have a defector, or a pseudo-defector, by the name of Yurchenko, Vitaly Yurchenko, and he announces that, indeed, Pelton was an agent for the Russians.

Why is it that we have to depend upon a defector, or a pseudo-defector, to tell us what the intelligence community ought to tell us at the start?

DIRECTOR CASEY: We had no information about Pelton's disloyalty and what he did when he left the agency, or while he was at the agency. He worked for the NSA. The NSA was responsible for his conduct. They polygraphed him at some point. Nothing came out which caused any suspicion with respect to Mr. Pelton.

I didn't know anything about Mr. Pelton until Yurchenko told us that this man had passed information to the Soviet Embassy. And even then, we didn't know who he was. It took us quite a while to identify exactly who he was.

MCLAUGHLIN: Well, doesn't that tell you something about counterintelligence?

DIRECTOR CASEY: It tells you that counterintelligence is a very tough job. We do catch a great many spies. We caught more spies last year than we have ever before in any one year.

MCLAUGHLIN: How many spies did you catch last year?

DIRECTOR CASEY: Eight or nine.

MCLAUGHLIN: And their principal spies? I mean...

DIRECTOR CASEY: They're important spies.

MCLAUGHLIN: They're important spies?

DIRECTOR CASEY: Yeah.

MCLAUGHLIN: What do you think about Yurchenko, Vitaly Yurchenko? Do you think he was the real article, or was the whole thing an assignment from the Soviet Union? Did he redefect?

DIRECTOR CASEY: He was a bona fide defector who had a change of heart and redefected. I think he gave us a great deal of information, important information, helped us catch some other spies. Not only here, but in other places around the world. And he was a bona fide defector who, for a variety of reasons, had a change of heart and decided to go back. And I think everybody accepts that now.

MCLAUGHLIN: You know what would argue against that, is that he fingered two people that I'm aware of -- one is Pelton and the other is a fellow by the name of Howard. Ronald Howard?

DIRECTOR CASEY: Yes.

MCLAUGHLIN: Now, Howard escaped, and Pelton has been convicted. But both were drained. They were drained by the Russians. In other words, they were useless. They were easy giveaways for Yurchenko. So that would kind of argue that he was not a bona fide defector the second time.

DIRECTOR CASEY: That's a rather narrow argument, and there were a great many other people he identified who I don't think you can make that claim about.

And it was also -- we wouldn't have caught Pelton, and Pelton might have had some further usefulness for them if he hadn't told us about him.

MCLAUGHLIN: True.

We'll be right back, Mr. Director, with some other questions about your life at the agency.

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MCLAUGHLIN: The mastermind of the Achille Lauro hijacking was a man by the name of Abu Abbas. And he was -- he's hunted by several different governments. And he was interviewed recently by NBC's Henry Champ. And by a deal cut with Mr. Abbas and his people, NBC refused to reveal where the interview took place.

What do you think of that behavior on the part of NBC?

DIRECTOR CASEY: Well, I deplore it. I think it was a pretty shabby performance.

MCLAUGHLIN: Do you think that -- here is another argument about intelligence. If Henry Champ, an NBC reporter, can track down Abu Abbas, I think a lot of people say, why can't the CIA?

DIRECTOR CASEY: Well, we think we know quite a lot about Abu Abbas. We haven't been invited to see him. He's well-guarded, he's well-protected by other governments.

MCLAUGHLIN: Now, I learned and I published in The National Review the location of where the interview took place. It took place in Algeria. And I learned that from someone in the U.S. Government. Now, if it's in Algeria, why can't we -- I guess what I'm getting at, Mr. Director, what is the intelligence capability in the Middle East?

DIRECTOR CASEY: We have a significant intelligence

capability in the Middle East. We have our own people. We have very close relationships with the other governments in the Middle East. We have been able to warn against, cause action to be taken, or abort, better than a hundred planned terrorist attacks over the last year. And that's a pertty considerable capability.

Now, we don't kow where every one of these guys are. They have armed guards. They hide. They move all the time. They're well-protected. And we just can't send people in to interview them on a contractual basis, the way NBC did. There's no analogy there at all.

We're out there working the terrorist account all the time, with increasing effectiveness. It's a very difficult target, but we're doing steadily better at it.

MCLAUGHLIN: In that sector of the world -- quickly, because I want to ask you the mega-question -- are you concerned about the terrorist capability of Syria?

DIRECTOR CASEY: Yes, I am.

MCLAUGHLIN: Do you think that Syrian terrorists were behind the La Belle discotheque?

DIRECTOR CASEY: I'm not going to comment on that publicly.

MCLAUGHLIN: When we come back I'll ask you the mega-question.

DIRECTOR CASEY: Okay.

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MCLAUGHLIN: You're a veteran spook, so to speak. And you've been spymaster for this nation for over five years, and you've got a background against which to judge things in this area. Do you think the United States is safer than it was when Mr. Reagan took office and you went over to the CIA?

DIRECTOR CASEY: Well, I'm sure it is that our intelligence capabilities are far stronger than they were at that time. I spent billions of dollars and recruited thousands of very talented young people. And this has created an intelligence capability unprecedented in this or any other nation.

As to whether that makes us safer, we'd be much less safe without it. But we are also in a world which has become increasingly dangerous.

MCLAUGHLIN: Thanks so much for being my guest on One on One.

DIRECTOR CASEY: Okay.