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ARTICLE CONTAINED
ON PAGE 6.CHRISTIAN SCIENCE MONITOR
29 January 1981

'Hot' US intelligence expert joins CIA

By Daniel Southerland

Staff correspondent of The Christian Science Monitor

Washington

A new Central Intelligence Agency appointment has gone virtually unnoticed among the public at large but is being widely applauded among US government intelligence experts.

Vice-Adm. Robert R. Inman, now chief of America's largest intelligence organization, the supersecret National Security Agency (NSA), has been chosen by President Reagan to take the No. 2 position at the Central Intelligence Agency.

Among intelligence insiders, the publicly anonymous three-star admiral is considered America's "hottest" intelligence officer. Most of what Vice-Admiral Inman accomplished at the NSA headquarters at Fort Meade, Md., 15 miles north of Washington, remains shrouded in secrecy. But in closed testimony over the past 3½ years, the bespectacled, youthful-looking admiral has impressed senators and congressmen with the effectiveness of the NSA's many electronic listening posts around the world. With 20,000 employees, the NSA has more personnel and a larger budget than the CIA.

The NSA was created 28 years ago to intercept the messages of foreign governments, and it is believed to have broken more than half of the world's existing governmental codes. Until the Soviets caught on, the NSA was reputed, among other coups, to have developed a system whereby it listened to telephone conversations between Soviet leaders in the Kremlin and other top Soviets driving in their chauffeured limousines around Moscow. During the mid-1970s, the NSA suffered a brief period of notoriety when it was learned that, at executive branch instruction, it had eavesdropped on American citizens.

Inman is known to believe in competition in the analysis of intelligence, and this is something the Reagan administration is pledged to pursue. According to one report, the Defense Department wanted him to take over the Defense Intelligence Agency, but new CIA chief William J. Casey, insisted he was needed there instead.

Because of his experience in dealing with the technological and electronic side of intelligence collection, "Bobby" Inman complements Mr. Casey. Casey's most active involvement in intelligence work was during World War II, when he was in charge of dropping agents into Nazi Germany.

ON PAGE 1 (PART)

LOS ANGELES TIMES
28 January 1981

Haig Rules Out Arms to Iranians

Terrorism Control to Overshadow Human Rights Concerns, He Says

By OSWALD JOHNSTON, *Times Staff Writer*

WASHINGTON—Secretary of State Alexander M. Haig Jr. on Wednesday flatly ruled out the supply of any military equipment to Iran and declared that countering international terrorism will replace human rights as a foreign policy priority for the United States.

At the outset of his first news conference as secretary, a day after the nation's capital celebrated the return of the former American hostages from Iran, Haig said, "Let me state categorically, today there will be no military equipment provided to the government of Iran either under earlier obligations or as yet-unstated requests."

In spelling out foreign policy priorities for the incoming Reagan Administration, Haig put both Iran and the Soviet Union in the category of nations that foster and encourage terrorism, and he made any arms control negotiations with the Soviets contingent upon their behavior in other areas of activity.

"The United States cannot contemplate negotiations or ratifications of arms control agreements exclusive of consideration of the conduct and activities of the Soviet Union outside the sphere of arms control," he said.

Countering Terrorist Acts

Haig left no doubt that countering acts of terrorism similar to the seizure of the hostages has assumed a top priority for President Reagan and his foreign policy advisers.

Haig, Vice President Bush and other members of the Special Coordinating Committee of the National Security Council met with Reagan on Monday for more than an hour to discuss the ability of the United States to respond to terrorism here and overseas, Administration officials said.

Others present at the meeting were CIA Director William Casey and his deputy, B.F. Inman; FBI Director William H. Webster; Anthony Quilley, the State Department counter-terrorism director, and national security adviser Richard V.

STATINTL

ELECTRONIC NEWS
26 January 1981

government closeup

By JACK ROBERTSON

STATINTL

NSA Allayed

A NAHEIM, Calif. — Rear Adm. Bobbie Inman, director of the National Security Agency, and nominated to be deputy CIA director, now claims he is not so alarmed that state-of-the-art commercial computer security encryption devices are progressing so fast that U.S. government and military codes could be endangered.

Two years ago, the NSA chief sounded the toscin that the commercial computer industry unintentionally and quite independently was beginning to encroach on NSA code technology.

He was concerned that computer security microcircuit encryption techniques — though not as sophisticated as NSA code systems — could become openly available to potential U.S. adversaries. Such forces could begin duplicating the devices — or simply buy top-quality U.S. commercial encryption units on the open market — for use in their communications, making U.S. code-breaking efforts more difficult.

Interviewed after speaking to the Armed Forces Communications & Electronics Association's recent western convention here — only his second public appearance — Admiral Inman said he may have been a little premature in his concern.

"Studies we have made now show that the commercial computer industry is not moving quite as fast as we had originally feared in developing highly advanced encryption technology," the NSA director said. "We can live with the present situation."

PERHAPS COMPUTER ENCRYPTION technology is not rushing ahead quite as fast as NSA feared, but it is said to be only a matter of time before the NSA director's original alarm will be justified. LSI — and the oncoming VLSI — circuits will certainly make highly sophisticated encryption techniques economically and technically feasible.

Perhaps Admiral Inman foresees the futility of trying to hold back the commercial technology floodwaters. Little short of a police-state iron hand could stop commercial semiconductor and computer firms from developing the technology that worries NSA.

A hyper stop-commercial-encryption campaign only puts the spotlight on an unsolvable dilemma, anyway, focusing the interest of our adversaries on technologies they may have overlooked or be unable to exploit without other academic or commercial assistance.

THERE IS A LESSON HERE for export control hardliners in other misguided high-visibility campaigns to try to stem all exports of critical technologies.

In a free society, total embargo is not possible — or desired — but the publicized campaign certainly focuses Soviet and Communist Bloc attention on technologies that could help them the most. Then it is not that difficult for such potential adversaries to follow the technical roadmap we have given them, picking up needed products from other Free World suppliers, the open market, or clandestine diversions, supplemented by readily available academic and industry data, seminars, and publications.

If Admiral Inman foresees commercial encryption technology not moving ahead that rapidly, his own agency's military technology has also run into a few snags on major programs.

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WASHINGTON STAR
25 JANUARY 1981

STATINTL

The Plum Report - Phase II New Appointments

The Washington Star today continues compiling nominations and appointments in the administration of President Reagan with yesterday's announcements from the White House. Subsequent lists will be published as the job vacancies are filled.

SUB-CABINET OFFICIALS

The pay of the following is at Executive Level III, currently \$55,387:

Roscoe L. Egger, commissioner of internal revenue.

Vice Admiral B.R. Inman, deputy director of central intelligence.

Norman S. Ture, undersecretary for tax policy, Treasury Department.

Robert W. Blanchette, administrator, Federal Railroad Administration, Department of Transportation.

The pay of the following is at Executive Level IV, currently \$50,112:

John M. Fowler, general counsel, Department of Transportation.

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THE WASHINGTON POST
25 January 1981

U.S. Hiring Freeze Backdated to Nov. 5

By Mike Causey
and Lee Lescaze

Washington Post Staff Writers

The Reagan administration yesterday backdated its tough federal hiring freeze to Nov. 5 and the president announced his choices to head the Internal Revenue Service and to be deputy director of the Central Intelligence Agency.

The decision to backdate the freeze to the day after Reagan's landslide election victory will be a jolt to the bureaucracy and to thousands of people who have been promised federal jobs since then but are not yet on the payroll. The backdated freeze is certain to face legal challenges from disappointed job-seekers.

Except for emergency situations, people offered a job since Nov. 5 cannot now be hired. When no freeze is in effect, the executive branch agencies hire about 1,500 new workers a day.

Reagan chose Roscoe L. Egger Jr., a partner in the giant accounting firm of Price Waterhouse & Co., to head the IRS, and Vice Adm. Bobby R. Inman, an intelligence specialist whom President Carter named to head the National Security Agency, to be deputy to CIA Director William Casey.

Inman, 49, is a former No. 2 man at the Defense Intelligence Agency and head of the Naval Intelligence Department. As head of the super-secret NSA, Inman established good working relationships with congressional oversight committees. He is regarded within the Pentagon as one of the brightest younger admirals.

Egger, 60, was for 17 years the partner in charge of his firm's tax department before switching in 1973 to head its Office of Government Services.

Reagan promised a hiring freeze during his presidential campaign and issued the order imposing one within hours of being inaugurated. The decision to backdate it is a surprise, however.

The executive branch has been under a partial hiring freeze, allowing only one of every two vacancies to be filled, since last March. Full-time permanent employment dropped by about 20,000 jobs in the first months of this freeze, imposed by President Carter. But recently the agencies — clearly anticipating a Reagan freeze — went on what officials have described as a "hiring binge."

Full-time employment in the executive branch has been increasing since September despite Carter's order and now stands at 1.86 million.

Officials at the Office of Management and Budget, which will oversee Reagan's freeze, say that making the freeze retroactive does not mean that people hired in recent months and already on the payroll will be fired. They are probably safe. Those promised jobs but not on the payroll will have to get clarification of their status, OMB officials said.

It is expected that agencies that have issued job promises will have to ask whether they can go through with the hires or not.

The freeze guidelines, signed by acting OMB director Dale R. McOmber (Reagan's choice for director, David A. Stockman, is not expected to get Senate confirmation until Tuesday) say that the freeze applies to "all departments and establishments and to all types of appointments, temporary as well as permanent" except for certain exempted positions.

Exemptions will be for jobs that protect life and property, and for medical, hospital and other health care operations. Agency heads seeking other exemptions must submit written justification to the director of OMB.

The freeze does not apply to the U.S. Postal Service, a quasi-government corporation with more than 650,000 workers, nor to executive-level jobs nor non-career positions in the Senior Executive Service.

Federal officials say a lot of questions remain despite yesterday's new guidelines. They anticipate that some mechanism will be established to handle "hardship cases," such as a person who was promised a job after Nov. 5, quit his old job, sold his home and moved to Washington.

Federal hiring freeze are nothing new. There have been half a dozen ordered by Congress or presidents in the past 20 years, but this is the toughest one in memory and the backdating makes it unique. Critics challenge Reagan's right to backdate a freeze in months when another man was president. In addition to Egger and Inman, Reagan appointed three other men to top government posts yesterday:

- Norman B. Ture, a supply-side economist, to be under-secretary of the Treasury for tax policy.

- John M. Fowler, chief financial officer of the Reading Co., to be general counsel to the Department of Transportation.

- Robert W. Blanchette, a lawyer with long and varied railroad experience, to be administrator of the Federal Railroad Administration.

In addition, White House chief of staff James A. Baker III announced that John F. W. Rogers has been appointed special assistant for management and acting director of the office of administration in the White House. Rogers will be responsible for managing personnel, finance and correspondence units in the White House as well as for the White House Visitors Office.

Reagan held a Cabinet meeting yesterday, but promised that Saturday Cabinet meetings would not be frequent in his administration. The Cabinet was briefed by Secretary of State Alexander M. Haig Jr. on the emotional health of the returned Iran hostages and the plans for welcoming them to the United States, and then the bulk of the meeting was devoted to the economy, according to White House Press Secretary James Brady.

Although Reagan held a Cabinet meeting every day during his first week, only one is planned this week and the work on Reagan's economic package will be carried on in smaller "budget working groups," Brady said.

Reagan left the White House yesterday for lunch and dinner to visit two of Washington's old establishment clubs. He had lunch at the Alibi Club and dinner at the Alfalfa Club.

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WASHINGTON STAR
25 JANUARY 1981

The Capital Report

Five More Sub-Cabinet Jobs Filled

'Deluge' Promised In Next Few Days

By Jeremiah O'Leary
Washington Star Staff Writer

President Reagan yesterday announced five more sub-cabinet nominations and aides said there will be a "deluge" of high-level appointments coming from the White House in the next few days to break a logjam in the personnel process.

Acting for the president, White House press secretary James S. Brady announced the following nominations, all of which will require Senate approval:

- Roscoe L. Egger Jr., a partner in the accounting firm of Price Waterhouse and Co., to be commissioner of internal revenue.

- Vice Admiral Bobby R. Inman, director of the National Security Agency, to become deputy director of central intelligence.

- Norman B. Ture, an economic consultant, to be undersecretary of the Treasury for tax policy.

- John M. Fowler, vice president and chief financial officer of the Reading Railroad, to be general counsel of the Department of Transportation.

- Robert W. Blanchette, a prominent Washington lawyer, to be administrator of the Federal Railroad Administration in the Department of Transportation.

The White House also announced appointment of John F.W. Rogers as special assistant for management and acting director of the Office of Administration under Reagan's chief of staff, James A. Baker III.

Egger has been with Price Waterhouse for 24 years, first as head of the firm's tax department and then as chief of its Office of Government Services.

A native of Jackson, Miss., he graduated from Indiana University and from George Washington University Law School in 1950. He recently served as one of seven private sector members appointed to the Commission on Administrative Review of the House of Representatives. He is a member of the American Institute of Certified Public Accountants, the U.S. Chamber of Commerce and the District of Columbia and American Bar Associations.

Inman is a resident of California, but since 1977 he has been in charge of the supersecret communications operation at Fort Meade, Md. Traditionally, when a civilian heads the CIA, the deputy directorship goes to a military officer.

Inman joined the Navy in 1952 through Officers Candidate School and is a graduate of the University of Texas and the National War College. From 1974 to 1976 he was director of the Naval Intelligence Department and was also in charge of intelligence for the commander in chief of the Pacific Fleet.

He is considered an ideal choice for the second position at CIA because he is current on the latest methods of intelligence-gathering through use of space satellites, communications intercepts and code-breaking while CIA Director William Casey has been away from active intelligence work since World War II.

STATINTL

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 24, 1981

The President announced today his intention to nominate Vice-Admiral B. R. Inman as Deputy Director of Central Intelligence.

Since 1977, Admiral Inman has served as Director of the National Security Agency. From 1976 to 1977, he was Vice Director of the Defense Intelligence Agency.

From 1974 to 1976, Admiral Inman served as Director of the Naval Intelligence Department. He was Assistant Chief of Staff Intelligence to the Commander in Chief of the U.S. Pacific Fleet from 1973 to 1974. From 1972 to 1973, he was Executive Assistant to the Senior Aide to the Vice Chief of Naval Operations.

Admiral Inman entered the Navy via the Officer Candidate School in 1952. He is a graduate of the University of Texas (B.A. 1950) and the National War College (1972).

He is married and has two children. The family currently resides at Ft. Meade, Maryland. Admiral Inman was born on April 4, 1931, and is a legal resident of California.

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Approved For Release 2001/03/07 : CIA-RDP91-00901R0005

RADIO TV REPORTS, INC.

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FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News STATION WRC TV
NBC Network

DATE January 24, 1981 6:30 PM CITY Washington, DC

SUBJECT Vice Admiral Inman as Number Two Man at the CIA

BILL LYNCH: ...Among the latest Reagan choices for key subcabinet jobs is Vice Admiral Bobby Inman to be number two man at the CIA. Inman currently heads the super-secret National Security Agency.

Approved For Release 2001/03/07 : CIA-RDP91-00901R000500270015-1

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THE WASHINGTON STAR (GREEN LINE)
19 January 1981

Reagan Selects Buchanan as U.S. Treasurer

By Jeremiah O'Leary

Washington Star Staff Writer

Angela Marie Buchanan, sister of conservative columnist Pat Buchanan and a veteran Reagan loyalist, has been chosen by President-elect Ronald Reagan to be the next treasurer of the United States, informed sources at Reagan headquarters said today.

The decision is one of nearly 300 sub-Cabinet jobs that were approved over the weekend and which will be announced soon, possibly today.

Also receiving final approval of Reagan and his top advisers was Adm. Bobby Inman, director of the National Security Agency, to become deputy director of the CIA under William J. Casey.

It was also reported that the on-again, off-again situation for the key post of assistant secretary of state for inter-American affairs has been resolved by selection of former Florida Sen. Richard Stone.

It still was not known whether the deputy's post at the State Department would go to California Judge William Clark, to Fred Ikle, former director of the Arms Control and Disarmament Agency, or to someone else.

Sources close to Reagan said that the delay in naming people to the 300-plus undersecretaryships and assistant secretaryships in the 13 Cabinet departments was because Reagan has been busy working on the economic messages he plans to deliver in the early days of his presidency. The sub-Cabinet decisions finally were completed Saturday at Reagan transition headquarters. Only three sub-Cabinet nominations have been announced formally.

Reagan headquarters today also was to announce appointment of Larry Speakes and Mark Weinberg to positions in the new White House under press secretary James Brady and his deputy, Karna Smalk.

"Bay" Buchanan, 30, will become Treasurer in what has become traditionally a job reserved for women, replacing Carter's treasurer Azie Taylor Morton. She is a native of Washington and a graduate of Georgetown Visitation Convent who later received her master's degree in mathematics at McGill University in Canada.

Buchanan, who is single, worked in the financial office for the Nixon re-election campaign in 1972. From 1973 through 1975 she lived in Sydney, Australia. In 1976 she became bookkeeper for Reagan's unsuccessful campaign for the GOP presidential nomination. After that she was financial officer for Lyn Nofziger's Citizens for the Republic organization. She then was treasurer of the Reagan-Bush Election Committee.

Inman, a naval officer, was Reagan's first choice to be deputy CIA director, but he did not want to give up the directorship of the National Security Agency for the No. 2 man at another.

Casey Promises to Revive Morale, 'Minimize' Restrictions at the CIA

By George Lardner Jr.
Washington Post Staff Writer

Declaring that "this is not the time for another bureaucratic shakeup of the CIA," William J. Casey said yesterday he would work to revive the spy agency's morale and "minimize" the restrictions that have been placed upon it in recent years.

The director-designate for the Central Intelligence Agency said at his confirmation hearing that he is confident there are ways to ease the restrictions, most of them laid down by executive order, "without infringing in any way on the rights of American citizens."

With most members of the Senate Intelligence Committee warmly endorsing every point, Casey said he also intended to improve the intelligence community's assessments and present them forcefully to the president and the National Security Council — but without glossing over the differences of opinion that have customarily been played down.

"I assure you that I will present these views without subjective bias and in a manner which reflects strongly held differences within the intelligence community," Casey told the senators.

He recalled how early intelligence reports about Soviet missiles in Cuba in 1962, about Soviet divisions preparing to enter Czechoslovakia in 1968 and about Arab preparations to attack Israel in 1973 were all "obscured" by faulty judgments.

A veteran of U.S. intelligence in World War II, Casey said he would encourage competing assessments and reports that emphasize "hard reality, undistorted by preconceptions or wishful thinking.... Alternative possibilities and their implications must be fully set forth in our assessments so that they can be reflected in our preparation and in our policies."

As director of central intelligence (DCI), Casey will be in charge of coordinating the work of U.S. intelligence services, including the Defense Intelligence Agency, the National Security Agency and the State Department's bureau of intelligence and research.

The 67-year-old New York lawyer's hints of a new and more aggressive posture for the CIA were matched by calls from the Senate committee's new Republican majority for what Chairman Barry Goldwater (R-Ariz.) called "strong, stable and experienced leadership."

For his part, Goldwater also seemed to dismiss proposals for wide-ranging organizational changes in the CIA, although they have been advocated in some GOP circles. Not a few Republicans have advocated splitting the CIA in two and setting up a separate agency for covert actions.

Goldwater, however, said he thought that "minor changes are probably in order, but wholesale changes are neither warranted nor desired."

Casey said he was inclined to agree that any such effort would be counterproductive. He testified easily and confidently, but with a characteristic mumble that has led many to predict he will be "the first DCI who won't need a scrambler telephone."

Under questioning by Sen. Walter D. Huddleston (D-Ky.), Casey said he didn't like to use the well-worn phrase about "unleashing the CIA," but he said he is in favor of "unleashing the ability of the organization to initiate and carry out its objectives."

In the field of covert actions, or secret operations designed to influence the internal affairs of foreign nations, Casey said he still "generally" subscribes to the view expressed by the so-called Murphy Commission, on which he served, in 1976.

The commission, which was established to study the implementation of U.S. foreign policy, concluded that any prohibition on covert action would put the country and its allies "at a dangerous disadvantage in many parts of the world." But the commission added that covert action "should be employed only where such action is clearly essential to vital U.S. purposes and then only after careful high-level review."

Sen. Joseph R. Biden Jr. (D-Del.) wondered what reservations Casey has that prompted him to say he only "generally" supports that view now. Casey replied that the phrase "co-

"There is a point at which rigid accountability... can impair performance."

vert action" has become a word of art" including minor, relatively inconsequential undertakings that should not require high-level review. He declined to give any examples in open session, but alluded to what he called a "minor journalistic effort" that had been discussed previously with the senators at an executive session.

"There is a point at which rigid accountability, detailed accountability can impair performance," Casey declared.

Goldwater voiced a similar theme, both in a prepared statement about the "need to reestablish a robustness in the intelligence system" and in subsequent remarks deploring what he said was the reluctance of CIA operatives abroad to do anything "without discussing it with the home office."

"If we don't have overseas offices free to act covertly, we're going to be in the same fix we were in in Vietnam where pilots weren't able to attack targets of opportunity," Goldwater protested.

Casey picked up the same phrase, "targets of opportunity," later in the hearing in an effort to explain the impossibility of getting advance approval for every operation. But he said he agreed that "any major, substantial clandestine operation which entails embarrassment or danger" should be brought to the committee's attention.

CONTINUED

— THE INTELLIGENCE WAR —
**SECURITY AGENCIES
 IN PUBLIC EYE**
 By ROBERT MOSS

THE Chiefs of the National Security Agency decided last week to allow an admitted homosexual to keep a top-security job, provided he told his family the truth about his private life.

Critics of the decision in the Washington intelligence community recall that in 1960, two homosexual NSA employees were found to be members of a Soviet spy ring. Those who defend the decision argue that, in the present case, the officer's vulnerability to blackmail has been reduced because he has been obliged to make a full admission of his proclivities to his family and colleagues.

The scandal has brought the highly-secretive NSA (whose initials have been jokingly said to stand for "Never Say Anything") into the public eye at an interesting moment.

With a budget bigger than that of the CIA and an imposing headquarters at Fort Meade, Maryland, the NSA handles signals intelligence worldwide (it has a major facility at Menwith Hill, England), code-breaking, and United States communications security.

Interception of domestic telephone calls by the NSA inside the United States came under investigation during the Senate Select Intelligence Committee hearings chaired by Senator Frank Church.

But the NSA has been spared the savage political attacks that have been directed against the CIA and the FBI. Vice Admiral B. R. ("Bobby") Inman, its highly articulate Director, can claim some measure of credit for this; he has had considerable success in getting the NSA's views across on Capitol Hill.

Adm. Inman has lately been tipped as a possible Deputy Director of the CIA under President-elect Reagan. (Another military man seen as a possible contender for that post is Lieut.-Gen. Edward Rowley, the United States military negotiator in the Salt talks in Geneva where he showed healthy scepticism for Soviet promises and a close friend of Gen. Alexander Haig, Mr. Reagan's choice for Secretary of State.)

In recent months, however, the radical lobbies that sought to orchestrate the anti-CIA campaign in America have been visibly shifting their focus towards the NSA. The current issue of the GOVERNMENT ACTION INFORMATION BULLETIN, a Washington-based publication closely linked with the CIA defector Mr Philip Agee (who was deported from Britain and other West European countries as a national security risk because of his links with Cuban and Soviet intelligence operatives) contains a lengthy article on the NSA, most of which takes the form of an interview with an alleged "NSA veteran" who is not named.

Moscow's Armenian

terror expert

NATO intelligence sources believe that Moscow is directly involved in the continuing wave of terrorism against Turkish diplomats and officials by Armenian extremists. As previously reported in this column, scores of Armenian Turks have received guerrilla training at P.L.O. camps in Syria under the supervision of Soviet advisers.

Some Armenian Turks are also believed to have attended training establishments inside the Soviet Union that are controlled by the GRU, Soviet military intelligence, whose Third Department is specific for handling "national liberation movements."

The man behind the overall strategy, according to my sources, is Mr K. N. Brutents, one of the deputy chiefs of the powerful International Department of the Central Committee of the Soviet Communist party, which exercises a decisive co-ordinating role in covert action and subversive operations.

At 56, Mr Brutents is relatively young by comparison with Mr Boris Ponomarev, the 75-year-old head of the International Department, and his 76-year-old immediate superior, Mr R. Ulyanovsky, whose general

Born and educated in Azerbaijan, Mr Br Armenian by nationality whose interests span the Middle East, southern Europe and Latin America. In 1973, after extensive travels in Syria, Lebanon, Venezuela and Colombia, he published a book on the developing countries.

Last year, he returned to Syria and also visited Panama as a member of a Soviet Communist party delegation. In the course of this year, he has had meetings in Moscow with delegations from Nicaragua, Bolivia, Syria and the P.L.O.

Some observers see him as a possible heir to Mr Ponomarev; although the favoured contender is Mr Vadim Zagladin, who has specialised in efforts to influence the West European member-parties of the Socialist International and to so divide Europe and the United States.

Poland's secret

policeman

HOWEVER the Soviet leadership decides to deal with the continuing workers' revolt in Poland, they can count on a loyal "enforcer" in Gen. Mieczyslaw Moczar, who was brought back into the Warsaw Government as Russian forces stepped up their mobilisation around the country's borders. An authoritative account of Gen. Moczar's leanings (based on his role as Interior Minister under the Gomulka regime, when he exercised direct control over the intelligence service, or Ub) comes from Wladyslaw Tykocinski, a former official of Z-2—the Polish military intelligence service, who defected to the Americans from Berlin in 1965.

Mr Tykocinski says that Moczar is "the chief of the hardliners in the Communist party which consists of the so-called Partisan group, which means the people who were in the Communist party and units in Poland during the war, and of ex-members of the Stalinist group."

not fight and win any war by defensive means only.

He stresses that by far the most important source of information on terrorist activities for the security authorities is human intelligence. This means agents recruited inside a terrorist organisation (often under a "false flag"), intelligence operatives who are planted there, and the systematic interrogation of captured terrorists.

However, the kind of intelligence needed to prevent a planned terrorist operation from taking place has to be extremely precise (e.g., a bomb will be planted in such-and-such a building at such-and-such a hour) and is extremely difficult to acquire, given the tight compartmentation of terrorist cells.

For this reason, Gen. Gazit expounds the doctrine of a permanent, unremitting counter-offensive to attack the leadership bases and support systems of terrorist groups. He is refreshingly candid in his discussion of covert paramilitary operations.

"Such operations," he states, "are supposed to be designed in such a way as to avoid leaving any marks and evidence as to the attacking force. They will not be formally acknowledged even after the operation has already taken place, even if the evidence left leaves little doubt as to the identity and origins of the performers."

He is equally frank on the need for deception—for example, to mislead terrorists as to the security arrangements for possible targets and psychological warfare against guerrilla groups. The aim of "psywar" operations, he suggests, should be "to hit the terrorist organisation at its most vulnerable spot: the motivation of its members and the readiness of others to join its ranks or to remain and operate within its framework."

(The Gazette will appear in COLLECTOR-INTelligence, edited by Roy Godson, in the spring. Available from NSIC, 1750 Woodland Avenue, Washington DC 20036.)

NEW STRATFOR
1 January 1981

Reagan's new sweetheart

CLAUDIA WRIGHT investigates the North African connection

RABAT: An important new liaison is flourishing between the United States and Morocco. The Americans are prepared to supply King Hassan with weapons to enable him to escalate the fighting in the Western Sahara against the Polisario. In return, the CIA is stepping up its strength in Rabat, as a useful base for covert operations in the Maghreb and Western Africa.

During 1981, the Reagan administration sent a very unusual number of high-level officials to Morocco. General Vernon Walters, Deputy Director of the CIA between 1972 and 1976 and now a roving ambassador for the State Department, visited Rabat in March and again in October and December. Lannon Walker, then acting Assistant Secretary of State for Africa, was there at the same time in March. Francis West, Assistant Secretary of Defense in charge of international security and military sales, made two visits, one of them in November at the head of a delegation of 23 military advisers and experts. Frank Carlucci, Deputy Secretary of Defense, arrived in midsummer. Vice Admiral Bobby Inman, the current deputy director of the CIA, made a secret visit to Rabat not long after. In December the Secretary of Defense, Caspar Weinberger, met with the King in Fez. And he was followed, on 19 December, by Senator Charles Percy, Republican Chairman of the Foreign Relations Committee. Presenting his credentials to King Hassan in November, the new US Ambassador Joseph Verner Reed Jr., a Chase Manhattan Bank official and long-time friend of the King's, declared: 'The United States will do its best to be helpful in every area of need that may arise. Count on us.'

This represents a significant shift in US policy since President Carter's days. As Morris Draper, a Deputy Assistant Secretary of State, testified before a Congressional committee last March, Carter's policy had been 'neutral as regards the final status of the West Saharan territory', taking the view that 'a military solution to this conflict is neither possible nor desirable'.

Morocco has enjoyed unusual access in Washington since Reagan's election. Two key officials in the Reagan team - General Walters and Robert Neumann (a former ambassador to Morocco and director of the State Department in the transition period which followed the election) - were associated with DGA International, a Washington firm that had lobbied the Carter administration and Congress to supply Morocco with 108 M-60 tanks, together with other weaponry and surveillance equipment suited for Saharan conditions. Carter would only go so far as to supply 20 F-5 fighter aircraft and six OV-10 surveillance planes. But within days of taking over in January 1981, General Haig announced that the tank sale would go ahead. Initially, this was on condition that the tanks would not be used in the Sahara. However, Moroccan officials say they will accept no restrictions on their deployment and the Americans have now stopped insisting

Two developments have facilitated the change in US policy. One was King Hassan's announcement to the OAU summit in Nairobi that he would accept a referendum on Moroccan sovereignty in the contested Saharan territory. His offer ruled out direct talks with the Polisario and the terms of the referendum are unlikely to satisfy them; however, the gesture was good enough for the Reagan team - who have applauded it publicly as a legitimate means of settling the dispute, and welcomed it privately as a device for confirming Hassan's military occupation of the old Spanish territory.

The second development was the Polisario's October victory at the battle of Guelta Zemmour. In a surprise attack, the Polisario destroyed the 2,000-strong Moroccan garrison in the town, captured a great deal of equipment and downed five Moroccan planes. Hassan's army was forced to retreat northwards behind the wall of sand, ditches, barbed wire and minefields that has been under construction for just over a year. (The wall encloses the phosphate-rich centres of the Western Sahara that make the sand worth fighting over.) The United States and Morocco have since claimed that SAM-6 missiles and Soviet-built T54 and T55 tanks were used against Morocco in the battle. King Hassan has alleged that 'Non-African specialists' were fighting alongside the Polisario. Libya and the Soviet Union have been blamed for supplying the missiles and tanks.

The Libyans deny supplying the Polisario with the SAM-6, and the French in Morocco confirm that the aircraft at Guelta Zemmour could have been brought down by less sophisticated weapons. The Soviet tanks that may have appeared at the battle were almost certainly captured two years ago from the Moroccan army itself: they originally came from Egypt. Wafer-thin though the allegations may be, they provide public justification for the American decision to step up the supply of arms to Morocco.

According to American officials, the delivery of M60 tanks, initially scheduled for 1984, is to be accelerated and new equipment for defence against ground-fired missiles and night fighting are also to be shipped soon. Assistant Secretary West promised in early November to consider despatching radar-detection and jamming equipment for the Moroccan airforce. And a month ago, he offered a substantial increase in military advisers to train pilots and troops for the war. At least a dozen US military advisers have already been spotted wearing Moroccan uniform in Smara and Al Auin in the war zone: Polisario officials in Algiers say they are operating ground-to-air communications and radar, installed by the Americans.

Representatives of the Reagan administration in Morocco recently expressed confidence to me that the war would be won. They have certainly dropped any pretence of neutrality. As far as the Reagan administration is concerned, the Polisario 'don't exist' - they are just mercenaries, Mauritians and Algerians'. The war itself is seen simply as an extension of Libyan ambitions to destabilise American allies in the region.

The CIA is thought to be increasing the size of its station in Morocco to compensate for its losses elsewhere. In 1979 it lost its Libyan post after the embassy withdrew and in a July 1981 Norman Descouteaux, CIA chief in Algiers, was exposed by the Algerian authorities and expelled. *Covert Action Information Bulletin* in Washington has identified three senior agents in Morocco. The latest, Joseph Petteff, arrived last February. David Wilson and Arthur Nimer Jr were spotted in Casablanca and Rabat two years ago; both are known to have had prior experience of Qaddafi's Libya.

There is little doubt that the increased CIA activity in Morocco is aimed at Qaddafi, the other major target being Angola. In Morocco last March Jonas Savimbi of Unita and talks with General Walters, Lannon Walker and two CIA men from Rabat. The new arms flow to Morocco for the Sahara enables the Reagan Administration to evade Congressional prohibitions still in force against covert aid to Unita. Arms intended for Savimbi are to be passed to Morocco legally and transferred while Washington looks the other way. As long as the White House can convince doubters in Congress that 'Soviet surrogates' such as the Libyans are behind the Polisario, the Saharan conflict will remain a useful front for covert operations of this kind. □

MOBILE PRESS (AL)
1 January 1981

Inman is favorite for CIA deputy director

By PHILIP W. SMITH
Press-Register
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WASHINGTON — Vice Adm. Bobby Ray Inman, the Reagan transition team's top choice for deputy director of the CIA, would bring to the agency a knowledge of modern, electronic intelligence-gathering techniques that Director-designate William J. Casey lacks.

While Inman's nomination for the No. 2 CIA job isn't yet certain, transition team sources say he is the clear favorite.

Inman is director of the super-secret National Security Agency, which monitors communication networks worldwide with satellites and other electronic methods, and attempts to break the secret codes of other nations.

The NSA, which has headquarters at Fort Meade, Md., is the most secret of all U.S. intelligence organizations. Inman has headed it since 1977.

Casey, a personal friend of Reagan and his national campaign director, was an intelligence officer in the World War II Office of Strategic Services. But

he has had no intelligence experience since the late 1940s when he served on a presidential commission that recommended the establishment of the CIA.

His lack of experience with modern electronic spy techniques has been a source of concern to some members of Reagan's national security transition advisers.

Inman's long experience in that field as a career naval intelligence officer would more than offset Casey's lack of knowledge of electronic data-gathering, according to transition staff officials.

A 28-year Navy veteran, Inman, 49, was deputy director of the Defense Intelligence Agency, the CIA's military counterpart, in 1976 and 1977 before being named director of NSA by President Carter.

Prior to his tour as the No. 2 officer at the DIA, Inman, a Texas native and University

of Texas graduate, was assistant chief of staff for intelligence of the Pacific Fleet and director of the Office of Naval Intelligence in Washington.

Because he is not a Navy "line" officer, Inman normally would not be promoted to full admiral and would probably retire at the end of his current tour of duty as director of NSA if he does not move to the CIA. Reagan could promote him to admiral in the CIA job.

Inman has a reputation among senior Navy officers as a good administrator, another factor in his favor with the Reagan talent scouts. As deputy director, he would be in charge of much of the day-to-day administration of the CIA.

Casey does not like to deal with detailed administrative chores, according to former Reagan campaign officials who worked with him during the past year.

The nomination of Inman also would continue the CIA tradition of having one civilian

and one military officer in the top two jobs.

The departing director, Adm. Stanfield Turner, is a career naval officer, and his deputy, Frank Carlucci, is a civilian.

Over the past 30 years, the director usually has been a civilian and his deputy a senior military intelligence officer.