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SUBJECT Staff Cuts At CIA

BOB EDWARDS: RIF, R-I-F, the government acronym for reduction in force. In normal English it means job layoffs. In most government agencies RIFs get little public attention, but the latest RIF at the super-secret CIA has produced a new phenomenon. CIA officers are going to the press with an array of complaints and warnings about the staff cut announced by the agency's Director, Admiral Stansfield Turner.

NPR's Nina Totenberg has been investigating the CIA cuts. Here's her report.

NINA TOTENBERG: The memo, dropped impersonally on 212 CIA desks by a courier, read as follows: "Subject: Notification of Intent to Recommend Separation. This is to inform you of my intent to recommend to the Director of Personnel your separation in order to achieve the reduction in Operations Directorate strength. I, or my designee, will first review your case with the Director of Personnel, or his designee."

The memo was signed by Admiral Stansfield Turner, CIA Director. It was delivered on October 31st and was immediately dubbed "The Halloween Massacre."

The CIA went into an uproar. Anti-Turner graffiti sprung up on bulletin boards. T-shirts sprouted with the emblem, "Arm-chair Admiral Out." And most unusual of all, people who had spent their entire lives clouded in secrecy suddenly began seeking out the press to complain about the Turner and the firings.

The layoffs were all among professionals, no clerks or typists. They were all in one section of the agency, the Clandestine Services Division, otherwise known as the spy section, the spook

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17 Dec 1977

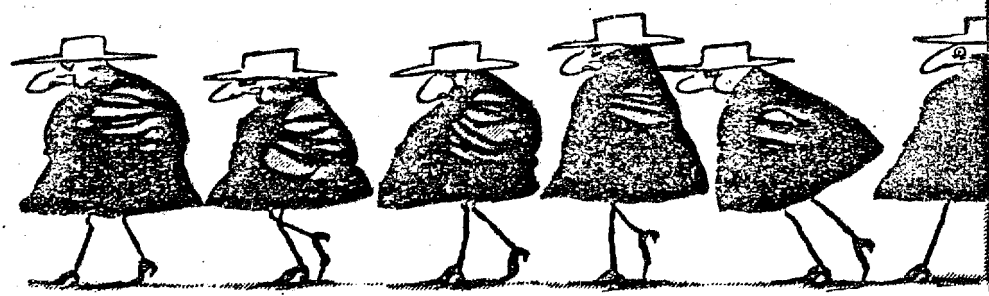
National Journal

THE WEEKLY ON POLITICS AND GOVERNMENT DEC 1

STAFF
MEETING
TODAY



The CIA Comes In from the Cold



CENTRAL
INTELLIGENCE
AGENCY
STANSFIELD
TURNER
DIRECTOR

Cutbacks by C.I.A.'s New Director Creating Turmoil Within Agency

By DAVID BINDER
Special to The New York Times

WASHINGTON, Dec. 9—The Central Intelligence Agency, which is just beginning to recover from the trauma of having some of its more provocative covert actions disclosed, is now troubled internally over the decision of its new head, Admiral Stansfield Turner, to dismiss most of the top officers in the branch that carried out covert operations.

At issue is not only his tough approach to the clandestine services, but also his style as the head of the 16,000-member agency.

Bulletin boards at the agency's headquarters have sprouted with anti-Turner messages and veteran officers of the agency have taken their troubles to newsmen in an unprecedented fashion.

The agency's turmoil is a problem that the blunt-spoken Director of Central Intelligence partly acknowledged when it was posed to him in a 75-minute interview this week, although he strongly defended his record since he was sworn in last March 9. "I probably made some mistakes in the way I handle things here," he said. "But I have handled them as straightforward management decisions."

Harsh Accusations Made

Starting Oct. 31, 212 members of the covert staff were notified that they were being considered for termination of services. According to Admiral Turner, another 225 members "at the maximum" will receive similar notice in the next year.

But in talks with 11 current and three former C.I.A. officers, an impression emerged that the "Halloween massacre," as critics have now dubbed the cuts, was only one of a series of actions by Admiral Turner that perturb them.

Among the charges they make against him are that he is "fragmenting" the agency, that he has "demoralized" most of its middle-grade and senior officers, that he has been largely inaccessible, that he has "reduced C.I.A.'s clout in inter-agency dealings," that he has treated his wards "with suspicion bordering on hostility," and that he is inept.

In keeping with his pledge of "more openness," Admiral Turner not only agreed to be interviewed but also designated four officers at various levels to talk candidly with a reporter about him and about their view of life in agency. Those reviews were mixed.

A single officer praised the Admiral's actions. He identified himself as Jack Finarelli, a holder of 1970 doctorate in chemistry who is now engaged in analyzing problems of future technologies.

He said he gave Admiral Turner "high marks" for taking seriously his role as head of the American intelligence community and for "biting the bullet" in his decision to cut back the covert operations staff.

Several current and former C.I.A. officers also acknowledged that Admiral Turner's stewardship coincided with changed perceptions of the nation's role in the world. As one former official expressed it, the need for an intelligence service is greatly reduced if the country's main concern is with human rights.

This officer and others agreed that Admiral Turner's directorship represented a major, qualitative transformation in intelligence policy, part of a reorganization that President Carter announced before he appointed the admiral to head the agency.

Criticism of Staff Cuts

Yet Mr. Finarelli, even while defending Admiral Turner, also said that the reductions in the operations directorate had been "done terribly, with a meat ax" and that "there appears to be unease" at the agency's headquarters.

The intention to make the reductions was officially announced to the agency last August in a speech by the Director. He did it with a bold smile, according to an officer who was present.

At that time the number of clandestine services operatives was 4,500, down from 8,500 at the height of the Indochina conflict in 1969 when, according to an operations chief, there were 1,870 covert officers in Vietnam and Laos alone.

Starting eight years ago, this official went on, the operations directorate instituted a program to reduce the staff to 5,000 by 1973 partly through attrition and partly through transfers. That reduction was sharpened by James R. Schlesinger in his brief tenure as head of the agency. The operations directorate lost about 1,400 staff positions in the reduction by Mr. Schlesinger that ended the services of a total of 2,000 C.I.A. employees in early 1973.

The official recounted these nominally secret statistics in disputing Admiral Turner's contention that the clandestine services were "bloated."

The director defended his cuts. "I could have saved myself the pain by letting the situation stagnate," he said, "but I preferred to get new young people, to promote promotions and flowthrough." The cuts were made to strengthen the division—"and I really mean that," he said.

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to return selves receiving notices, too. One of these was the station chief in Ottawa.

One of the strongest criticisms over the cuts is that the director did not consult Charles Briggs, the chief of the evaluation and program design staff in the operations directorate, who is responsible for budgeting and staffing covert services.

The officer who raised this point also said he had been perturbed by Admiral Turner's remark to a member of the Senate Select Committee on Intelligence that the cuts had been undertaken because the agency "no longer needs dirty tricks." The officer remarked that previous reductions had cut the number of paramilitary and "black operations" agents to less than 1 percent of the directorate's total.

Turner Aide Also Criticized

A covert operations officer also charged that William W. Wells, the director of clandestine services, would not fight for any of his men. Mr. Wells, along with Admiral Turner, is depicted as a villain in caricatures, graffiti and verse proliferating on headquarters bulletin boards.

Admiral Turner bristled over these accusations. He spoke of "crybabies" last month. He reduced this to "one crybaby" in the interview, and there was a typewritten note in front of him to remind him to say, "I crybaby."

But he acknowledged an assertion frequently made at the agency that his decision to cut the operations directorate was prompted by a sequence of events that started last April 10 when John Stockwell, a 40-year-old operative, announced his resignation in a public letter to The Washington Post.

The director immediately called upon Mr. Stockwell and other younger officers to substantiate the letter's charges that the directorate was run by an "old, burned-out" "clique of senior officers."

ARTICLE APPEARED
ON PAGE 20

THE NEW YORK TIMES
13 November 1977

Turner Begins Personnel Cuts in the C.I.A.'s Clandestine Services

By DAVID BINDER
Special to The New York Times

WASHINGTON, Nov. 12—Adm. Stansfield Turner, the Director of Central Intelligence, has begun a personnel reduction in the clandestine services of the Central Intelligence Agency that he promised to make last Aug. 9, agency officials said today.

On Oct. 31, Adm. Turner issued a circular to agency employees announcing that 198 agents involved in clandestine operations would be dismissed effective next March, and he also signaled further cuts next year.

The cuts are part of a program to eliminate about 800 positions in the directorate of operations, which handles clandestine collection of foreign intelligence information and covert operations overseas. Administration officials said that about 300 clandestine agents had already been dismissed this year at the request of the Office of Management and Budget.

The cuts were long expected and are in large part a result of the Indochina conflict, which ended in 1975. Planning for the reductions began under the directorship of William E. Colby and was continued under his successor, George Bush, who preceded Adm. Turner.

Administration officials remarked that after the withdrawal of the United States from the Indochina hostilities approximately 800 C.I.A. clandestine service operatives returned to this country from Vietnam, Cambodia and Laos. There was little for these Asia specialists to do at agency headquarters in McLean, Va., the officials remarked.

The reductions, they said, also reflect two other trends: a marked aversion on the part of the Ford and Carter Administrations to covert intelligence operations and an increasing reliance on technological means of collecting intelligence in place of spies.

Covert operations were once the pride of the C.I.A., and this was reflected in big budgets and large personnel rolls in the directorate of operations. At one time in the 1960s, an agency veteran recalled, the agency was running 40 covert operations out of West Germany, simultaneous-

ly, most of them against Soviet bloc countries.

Administration officials estimate that about 4,000 of the agency's roughly 16,000 employees are now officers in the directorate of operations. The bulk of the new cuts, one official said, would be made on the basis of efficiency ratings conducted annually at each grade level in the directorate.

The last major personnel reductions at the agency were ordered in March 1973 by James R. Schlesinger in his short tenure as director. About 1,800 employees from all parts of the agency were dismissed or compelled to retire early.

The latest cuts announced by Admiral Turner have contributed to a further decline in agency morale, veteran intelligence officials said today, even though they derived from plans laid down by his two predecessors.

One longtime C.I.A. official said he felt that morale was at its lowest point since the abortive Cuba Bay of Pigs invasion in April 1961. But this official and others attributed morale problems more to Admiral Turner's alleged proclivity for running the agency with his own hand-picked aides from the Navy, where he served since World War II, than to the personnel reductions.

These officials said this was illustrated last July by the resignation of Enno Henry Knoche as deputy director of intelligence, the No. 2 agency post, after he found his decisions being reversed by Admiral Turner.

RESIGNATIONS

Assistant to the Secretary of HUD for Public Affairs—Arch Parsons.

Deputy Director of the CIA—Henry Knoche resigned after 24 years with the CIA for reasons that were not explicitly disclosed. However it seems he is leaving because of policy differences with Director Stansfield Turner. It is rumored that a major CIA reorganization is in the making, and that Knoche did not like the looks of it.

EXCERPT

... They say Admiral Turner of the CIA is the kind of pol who constantly uses your first name: "Now tell me what you think, Joe. I want you to know, Joe"

CIA 'Under Control': Ex-Chief

By CAROL GREEN
Denver Post Staff Writer

COLORADO SPRINGS—The Central Intelligence Agency took its turn at a criticism-riddled housecleaning in the post-Watergate era and now is "under control," a former head of the agency said here Friday.

E.H. Knoche of Washington, former deputy director of the CIA and acting director during the brief time President Carter was seeking a new head for the agency, spoke at a luncheon at the 76th annual convention of the Colorado Bar Association.

Uncertainties remain, but the agency is under control and is operated by professional and competent people, Knoche told the lawyers.

Now, to regain its composure—it needs new legislation to balance the needs of government for information produced by intelligence activities against the rights of individuals, he said.

And, it needs an "end to corrosive criticism and leaks" so that confidence may be restored, he added.

"NO GOVERNMENT organization should be left untended, unstudied, for very long," Knoche added. "Our checks and balances system must be made to operate."

Some persons question whether now, in the wake of discoveries of excesses committed by CIA personnel and accusations that the agency participated in plots to overthrow foreign governments and assassinate foreign leaders, the agency might have lost its effectiveness, Knoche continued. On the other side of the question, the agency shouldn't become too cautious and "leave us vulnerable," he said.

The balance between government needs and individual's rights swings back and forth, he said.

Former President Gerald Ford provided new guidelines for agency operation in 1976, and Congress also has expressed its opinions, although no laws have been written, he said.

"We're still grappling. It takes time to find a balance," he said.

KNOCHE DESCRIBED attempts by Congress to provide oversight of the agency, including the designation of seven committees which must approve covert activities.

For that reason—and because the urgent need for espionage that existed during the war periods of the 1950s and 1960s no longer exists—the agency has cut its espionage budget from 50 to 60 per cent during the Cold War period to 2 per cent in 1977, Knoche said.

He said he hoped that with the creation of a House Select Committee on Intelligence—in addition to the already existing Senate committee—the agency would have to seek approval from only two committees instead of seven.

Knoche suggested the legislation be passed to plug leaks on information from the agency by making it a crime for an employe to make disclosures and that the CIA be given a new law allowing it more freely to obtain court approval for its activities. Lawyers should offer their assistance, he urged the bar.

Ex-CIA acting chief favors canal treaty

COLORADO SPRINGS - A former acting director of the Central Intelligence Agency warned Friday that unless a new Panama Canal treaty is signed "all hell will break loose all over South America."

"We need a new treaty," E.H. Knoche, who left the agency in July, said in an interview after an address at the Colorado Bar Association convention. "That's an archaic treaty, an unfair treaty."

Knoche said he hadn't read the proposed new treaty between the United States and the Panama, but from news accounts he thinks it's "generally okay."

Knoche said that he does not believe that the Panama Canal, built in the early 1900s, is as important to the United States as it once was. But he noted that the major stumbling block in getting the treaty ratified is the issue of whether the United States could "intervene" in Panamanian affairs if it becomes necessary.

Americans opposed to the new treaty want language saying that the United States can intervene, Knoche said. But Panamanians regard the word "intervene" with hostility, and officials of both countries, to make the treaty palatable to their people, will have to find a way of ensuring American right to intervene while not using the word, he said.

(President Carter and Panamanian leader Omar Torrijos agreed in a Washington meeting Friday that the U.S. can defend the canal against any threat and send its warships through it ahead of other ships in any crisis. But the U.S. can act only to keep the canal open, and it can't use its force against Panama, the leaders agreed.)

Knoche was acting director of the CIA in the first three months of the Carter administration. He resigned after Carter appointed Adm. Stansfield Turner as director. Knoche said he and Turner disagreed about several major issues, but he wouldn't discuss them.

"I thought it was crazy to have two men at the top at loggerheads," said Knoche.

He defended the much-criticized CIA practice of using "covert action in foreign countries." He said in the past, covert action perhaps was used too often, but he said the United States needs to maintain its ability to influence foreign countries in that manner if necessary.

Knoche did say, however, that he did believe that President Carter would make "very, very little use of covert action."

The president's propensity is to negotiate with foreign countries rather than try to influence them surreptitiously, Knoche said.

7 August 1977

Joseph Kraft

The Intelligence Semi-Shuffle

A handy guide to reform of the intelligence community awaited Adm. Stansfield Turner when he was appointed Director of Central Intelligence six months ago. But Turner overreached himself, making enemies in high places and low. Now the President has ordered a semi-reorganization that increases Turner's power but not by as much as he wanted and probably needed for full control.

The guide to reform was the report of the Senate Select Committee on Intelligence under Frank Church, which made an exhaustive study last year. The committee found that various intelligence agencies were unresponsive to presidential needs and direction in several ways.

First the product as a whole gave short shrift to economic information and was served up in a volume and detail difficult for the busy men at the top of government to absorb. Secondly, there was bitter, and often unresolved, infighting among the Central Intelligence Agency and two other units under Pentagon control—the Defense Intelligence Agency, linking the military services, and the National Security Agency, specializing in electronic interception. Finally, the CIA itself, particu-

larly in covert operations, interpreted presidential mandates in a highly self-serving way with results often out of line with the original intent.

As a remedy the committee suggested that the Director of Central Intelligence run the CIA and also make the rest of the community more responsive to the President by control over budget and the assignment of tasks and missions. Turner seemed almost ideal for that job. Since he had been Carter's Annapolis classmate, he had a personal relationship with the President. His military career put him in good with the Pentagon.

As it happened, however, Turner had limited contacts with the civilian world and big ideas for himself. He submitted to Carter a plan for reform that made him an intelligence czar with operational control over all the intelligence agencies. That inevitably put him at odds with the Defense Department and Secretary Harold Brown.

He further antagonized Brown, and Secretary of State Cyrus Vance and the White House to boot, by the position he took on the AWACS, an advanced air-attack warning system, which this country proposed to sell to Iran. In a letter to the General Accounting Office, Turner opposed sale to Iran on the

ground that the warning system, including its ciphering material, might fall into the hands of the Russians, thus compromising important American secrets. In fact, the model being sold to Iran was not equipped with the sensitive cipher, and most experts doubt the Russians have the electronic know-how to put it to use anyway.

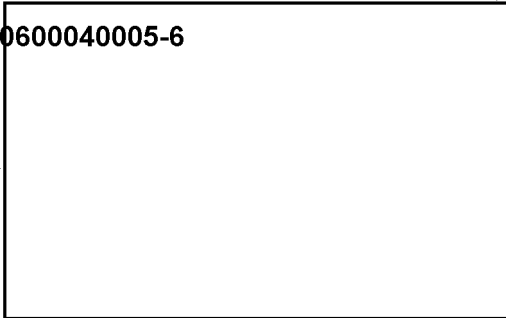
Finally, at the CIA, Turner put a layer of naval personnel between himself and the intelligence officials. He moved to replace, as deputy director, a popular career man with Lyman Kirkpatrick, a former inspector general and executive director of the CIA who left to work at Brown University after being crippled by polio in 1965.

These career officials in the agency, feeling themselves cut off and demoted, immediately began to retaliate by leaking around the director. They spilled the beans on the AWACS goof. At least partly to discredit Kirkpatrick and what he had tolerated as inspector general, they served up a whole new set of horror stories about CIA experiments with human guinea pigs.

In these conditions, Carter accepted the Turner reorganization proposal only in part. The President did give the director budgetary control over the whole intelligence community and some authority to mete out tasks. But he kept operational control over the two Pentagon agencies in the hands of the Secretary of Defense, and he set up as arbiter of priorities a Cabinet committee including the Secretaries of Defense and State.

Perhaps there is enough power in the office of director to manage the whole community. Turner apparently retains the confidence of the President. But he has not established himself with his colleagues. The DIA and NSA are not going to embrace his leadership, and neither will the CIA easily accept his authority.

So it remains a question whether he can truly run the intelligence community. Or if anybody else can, for that matter. The progressive demoralization of the CIA by investigation and leak, the tendency of every foreign-policy-agency to develop its own intelligence, and the bitter infighting among rival agencies seem certain to go on as before. It may be that the country will have to live for a long time without a well-coordinated intelligence operation. Indeed, the argument now being made in behalf of the latest reorganization is that it maintains competition among the agencies.



Kirkpatrick out of running for number 2 post at CIA

By STEPHEN M. BARON
Journal-Bulletin Washington Bureau

WASHINGTON — Lyman B. Kirkpatrick, the Brown University political science professor who was believed to be the administration's first choice for deputy director of the Central Intelligence Agency (CIA), is no longer being considered for the job, an agency spokesman told the *Journal-Bulletin* yesterday.

Kirkpatrick, at home in Narragansett, broke his longstanding silence on his candidacy and confirmed that his unofficial nomination had been put to rest. "It is my understanding," the former

No. 3 man at the CIA said, "my nomination is no longer under consideration."

He declined to elaborate.

Herbert Hetu, the intelligence agency's assistant director for public affairs, said CIA Director Stansfield Turner recommended Kirkpatrick's name be "withdrawn for consideration" because Kirkpatrick was an official of the CIA in the 1950s and '60s, a period of alleged abuses, including drug tests on human subjects.

* * *

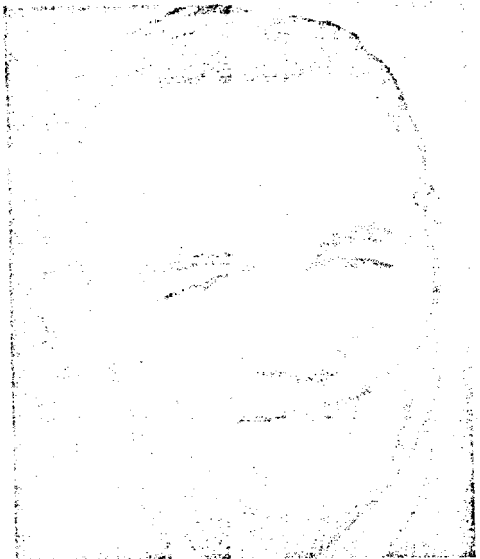
TURNER FELT that in light of the charges of abuse relating to that period, "selecting someone with such deep roots

in the history of the CIA might be misinterpreted," Hetu said.

Hetu, who responded to an inquiry about Kirkpatrick's status, also disclosed that Admiral Turner, a friend of Kirkpatrick's, originally recommended the 61-year-old professor for the job.

Hetu said the administration is not now considering a new candidate for the job, left open by the resignation of former Deputy Director Henry E. Knoche. The Knoche resignation, made public July 14, caused speculation that the agency might be undergoing a major shakeup.

Only two weeks ago Kirkpatrick's star seemed to be rising. Informed sources said President Carter had offered the former CIA man the job as deputy director. The White House first denied, then confirmed that Kirkpatrick was under consideration. He was never officially nominated.



Turner: no more "dirty tricks"

UNITED STATES

Intelligence purge rumours are 'exaggerated'

Despite less-than-convincing White House denials a wide-ranging purge of the Central Intelligence Agency (CIA) seems to be on the cards. Informed Washington sources said last week's resignation - or sacking - of former caretaker director Henry Knoche could herald the departure of a score of subordinates including those chiefly responsible for "dirty tricks" operations, whom new director Admiral Stansfield Turner would like to get rid of.

The apparently forced resignation of 52-year-old Knoche, a CIA veteran of 24 years, in charge of day-to-day operations since 1976, came as even more of a shock as President Jimmy Carter had decorated him earlier this year for "distinguished civilian services." He sat at the director's desk in the period between the departure in January of George Bush and the April arrival of Admiral Turner - second choice after Theodore Sorensen who stepped down after Senate opposition to his nomination by Carter.

When asked about rumours of a major purge at the Agency, White House spokesman Jody Powell confined himself to terming them "exaggerated". If the reports prove well-founded the sackings would reflect the malaise which has been obvious for some time not only in the CIA but in the other branches of the "intelligence community", including the National Security Agency, the Pentagon intelligence department and the Federal Bureau of Intelligence (FBI) which is itself looking for a new director.

Turner, who was at the Annapolis Naval Academy at the same time as Carter, has a reputation as a strongman. He is now trying to gather all intelligence activities under his authority. Vice-President Walter Mondale has been charged with drawing up a plan to re-

The World in Depth

organise and restructure intelligence operations, but Defence Secretary Harold Brown is against the idea. He maintains that excessive centralisation under the CIA director would stifle independent assessment of intelligence and give the president a one-sided analysis of the world situation.