

NORWICH BULLETIN (CT)

14 April 1981

Soviets embark on new of anti-American

By WILLIAM PARHAM

Bulletin Staff Writer

The Bulletin has learned that a new Soviet covert action campaign on a series of forgeries of U.S. official documents suggests Europeans that they are facing a new holocaust because of with the U.S.

A Reagan Administration source familiar with such campaign Bulletin, "There is no doubt that if U.S.-Soviet Relations deteriorate further, there will be more anti-U.S. propaganda and covert action of this type."

The Soviet Union already spends several billion dollars a year in anti-U.S. covert action and propaganda — the world's largest such effort. And this does not include Soviet-controlled propaganda and covert action efforts

on the part of Cuba, East Germany, Poland, Czechoslovakia, Hungary and other Soviet bloc intelligence services.

Last year Central Intelligence Agency Deputy Director for Operations John McMahon testified before Congress in closed committee session that the Soviets were spending from \$3 billion to \$4 billion a year on anti-U.S. covert action and propaganda.

"The Soviets have established a worldwide network of agents, organizations, and technical facilities" to implement these programs, McMahon told the House Intelligence Committee.

"That network is second to none in comparison to the major world powers in its size and effectiveness."

According to McMahon and other sources, such covert "active measures", as distinguished from the normal intelligence collection and counterintelligence functions of the KGB, have included:

— Written and oral "disinformation". In May 1978, Soviet Ambassador to Zambia Solodovnikov warned Zambian President Kaunda falsely that Soviet intelligence had learned British and American intelligence services were plotting to overthrow him. Kaunda was advised against making a trip to Britain and the U.S., since his departure was to precipitate the coup.

Solodovnikov said falsely that the U.S. and Britain had used a similar plan to overthrow Nkrumah of Ghana.

— Forgeries and false rumors. A bogus U.S. Army field manual was cited by the Soviets as proof that the CIA was secretly manipulating the terrorist Red Brigades who murdered Italian leader Aldo Moro.

This happened after it was reported that the Red Brigades had received training in Czechoslovakia and had ties with the Soviet Union.

"Whenever the KGB is caught red-handed in an outrageous action that threatens the Soviet Union with serious embarrassment," wrote Reader's Digest Senior Editor John Barron in his book *KGB: the Secret Work of Soviet Secret Agents*, "it hurriedly commences disinformation operations to divert world attention from the event. Frequently the KGB simply accuses others of doing precisely what it has been shown to have done."

The forged field manual used in the Moro case also was used by the Soviets to try to prove that U.S. military and intelligence liaisons abroad are used as cover to penetrate and manipulate friendly foreign governments.

— "Gray" or unattributed propaganda. When the Soviets want to create an aura of authenticity around an otherwise implausible position, they use a system of press placements through non-Soviet journalists recruited to make sure Soviet articles surface in the local foreign press.

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NEW YORK TIMES
29 MARCH 1981

SOVIET AID DISPUTED IN TERRORISM STUDY

A Draft C.I.A. Report, Now Being
Reviewed, Finds Insufficient
Evidence of Direct Role

By JUDITH MILLER
Special to The New York Times

WASHINGTON, March 28 — A draft report produced by the Central Intelligence Agency has concluded that there is insufficient evidence to substantiate Administration charges that the Soviet Union is directly helping to foment international terrorism, Congressional and Administration sources said today.

William J. Casey, Director of Central Intelligence, has asked his analysts, the sources said, to review their conclusions, given the substantial opposition to the report from other agencies.

The draft estimate, produced by the C.I.A.'s National Foreign Assessments Center, has stirred debate within Administration foreign policy circles, as foreign affairs spokesmen have publicly accused the Soviet Union of training, equipping, and financing international terrorist groups.

The review of the draft estimate has once again raised questions about the relationship between intelligence officials and policy makers, with some C.I.A. officials concerned that the agency is coming under pressure to tailor its analysis to fit the policy views of the Administration.

Charges in Last Administration

Similar charges were made during the Carter Administration and resulted in frequently bitter exchanges between policy makers and intelligence officials.

Bruce C. Clark, who heads the agency's assessments, or analysis unit, is retiring from the C.I.A. in April, in what officials said was a personal decision unrelated to the dispute over the intelligence estimate on terrorism.

One official said that a successor had not been named, but another indicated that Mr. Clark's successor would be the current director of the agency's operations unit, John McMahon.

The special national intelligence estimate on terrorism was begun soon after the Administration took office, official said. Secretary of State Alexander M. Haig Jr. said on Jan. 28 in his first new conference that the Soviet Union, as part of a "conscious policy," undertook the "training, funding and equipping" of international terrorists.

The Administration has subsequently said that combatting international terrorism is one of its key foreign policy objectives.

'Ample Evidence' on Soviet Role

In addition, Richard V. Allen, President Reagan's national security adviser said in an interview with ABC News this week that "ample evidence" had been accumulated to demonstrate the Soviet Union's involvement in international terrorism. Mr. Allen also said that the Soviet Union was "probably" supporting the Palestine Liberation Organization, which he said must be identified as a terrorist organization, through financial assistance and through support of its "main aims."

Finally, Mr. Allen concluded that Israeli air raids into southern Lebanon should be generally recognized as a "hot pursuit of a sort and therefore, justified."

Officials said that the draft estimate contained some factual evidence to support charges that the Soviet Union was directly aiding and abetting terrorist groups, but that in many instances the evidence of such involvement was either murky or nonexistent.

The estimate, which was circulated for comment to the State Department, National Security Council, Defense Intelligence Agency, and the National Security Agency, stirred angry debate and response.

commented."

Other Administration and Congressional officials, however, voiced concern that the agency was once again being asked to tailor its views to fit the public pronouncements of senior Administration officials.

"There would not have been a review if the estimate's conclusions had totally supported the Administration's charges," the official said.

January 1981

WASHINGTON SCENE...from the AIAA Washington Office

● CIA Deputy Director John McMahon, in testimony before a House Intelligence Subcommittee, estimated that the Soviet Union had spent \$200 million on propaganda and covert campaigns against NATO deployment of enhanced-radiation (neutron-bomb) weapons and the modernization of theater nuclear weapons.

Enhanced radiation weapons (ERW) increase radiation while greatly reducing blast (tenfold) and heat damage to surrounding areas. Made for use in short-range, tactical nuclear weapons such as the Lance missile and 8-in. howitzer, they would probably be used against large concentrations of Warsaw Pact tanks, a major threat to NATO.

The campaign against the neutron bomb began in the summer of 1977 and was manifested in a series of coordinated diplomatic moves, overt propaganda, and covert political action, said McMahon. It began in the Soviet and East European press and spread to communist international front groups all over the world. "The purpose of this front-group activity was to maintain the campaign's momentum and to draw noncommunists into the campaign, particularly in Western Europe. What had begun as a Soviet effort now appeared to many as a general public reaction to the alleged horrors of the neutron bomb," said McMahon.

By far the most important comments, said McMahon, appeared in the noncommunist press in the political center or on the left. "A segment of this press could be counted on to react almost automatically once the neutron bomb received attention in the Soviet Union and Eastern Europe. Others in this group could be expected to react negatively for various reasons: anti-Americanism, doubts on NATO's viability, hope for maintaining good relations with the Soviet Union, or an honest distaste for the development of new weapons of mass destruction. For the Soviets the real propaganda success lay in the broad, adverse editorial treatment given the bomb by this second journalistic sector."

A second front was formed using direct contacts between politicians and organizations on both sides of the Iron curtain. "In late January 1978," McMahon continued, "every Western government announced that it had received a letter from Brezhnev warning that the production and deployment of the neutron bomb constituted a serious threat to detente....Western parliamentarians received similar letters from members of the Supreme Soviet, and Soviet trade-union officials sent letters to Western union organizations and their leaders." It was clear, the CIA official said, that the Soviets were focusing their attack on our NATO allies, who had to decide whether to accept deployment of the weapons on their soil.

Still other approaches were made at UN disarmament meetings, Soviet front organizations, and European Communist Party-sponsored meetings, said McMahon. One such meeting, the "International Forum Against the Neutron Bomb," organized by the Dutch Communist Party, drew 40,000 people from all over Europe.

While it is difficult to assess the full impact of the anti-neutron-bomb campaign, the Carter Administration in April of 1978 deferred production of the enhanced-radiation element of the warheads indefinitely while proceeding with modifications to the warheads themselves to make them compatible with ER components. In commenting on the results of the Soviet bloc campaign, the CIA testimony quoted the chief of the International Department of the Hungarian Communist Party, Janos Berecz, as saying, "The political campaign against the neutron bomb was one of the most significant and most successful since World War II." McMahon also noted that "the Soviet Ambassador to the Hague (Netherlands) at that time was subsequently decorated by the CPSU (Communist Party of the Soviet Union) in recognition of the success of the Dutch Communist Party, under his direction, in organizing the high point of the anti-neutron bomb campaign."

With the neutron bomb temporarily defused, testified McMahon, the Soviet Bloc turned its efforts against the U.S.-initiated move to modernize the theater nuclear forces (TNF) by deploying the highly accurate ground-launched cruise missile (GLCM) and the Pershing II missile. Scheduled for deployment in late 1983, they will, for the first time, place targets on Soviet soil within range of NATO ground-based missiles. The purpose of the modernization is to minimize the risk that the Soviets might believe they could use their long-range weapons to make or threaten limited strikes against Western Europe without NATO being able to respond in kind.

The Soviet Bloc campaign used tactics similar to those in the neutron-weapon effort, McMahon said, including contacts with legislators, mass meetings, and a worldwide press and poster campaign. The posters, he testified, "adorned every block and wall in Western Europe." Some of the arguments used against modernization of the TNF were that the transfer of cruise-missile technology was prohibited under SALT II and that the TNF would undermine future arms-control negotiations.

Despite the Soviet Bloc efforts, NATO approved TNF modernization in December 1979, although the Netherlands and Belgium deferred a decision on whether to allow basing these weapons on their soil. The British government strongly supported TNF, but the leaders of its Labor Party have strongly opposed basing cruise missiles on English soil.

Another witness at the hearing described the types of contacts possessed by Soviet Bloc intelligence and their effectiveness in carrying out such campaigns. He was Ladislav Bittman, former deputy chief of the Disinformation Department of the Czechoslovak Intelligence Service. Bittman defected to the West after the Soviet invasion of his country in 1968. He gave an inside view of Soviet Bloc intelligence activities a decade earlier. His Disinformation Department had close contacts with West European media. It put out false stories for Western consumption, including forged documents. Forgeries of documents attributed to President Carter and Vice President Mondale were material at the hearings. Bittman's department also operated "agents-of-influence," high-level westerners who held key positions in foreign governments or media who would aid them in their mission. Bittman said he personally controlled several members of the West German parliament and a director of a national television network in a western European country. He also mentioned that the Czechs had several agents among members of the British Parliament during the mid-Sixties.

In offering advice on how to counteract Soviet propaganda and covert action, Bittman focused on the American phe-

"This situation creates, of course, a great advantage for Soviet Bloc Intelligence. Their officers sent to the United States are always surprised by what they call the political naivete and credulity of many Americans, politicians, and journalists. From the press or accidental contacts they are able to get information for which they would have to pay a high price in any West European country."

Bittman gave as an example the investigation of the CIA several years ago by the Congress and the press. "Sensitive information about CIA operations around the world, for which the KGB used to pay hundreds of thousands of dollars," he said, "was suddenly available in the press. The secretary of the Soviet Embassy in Washington clipped the information from the *New York Times* or the *Washington Post*." He added, "If somebody had at this moment the magic key that would open the Soviet Bloc intelligence safes and looked into the files of secret agents operating in Western countries, he would be surprised....A relatively high percentage of secret agents are journalists. A journalist operating in Great Britain, West Germany, or the United States is a great asset to communist intelligence. He can be investigative and professionally curious. This is particularly true in the United States, with its tradition of an aggressive, adversary press."

Bittman also noted that "there are important newspapers around the world penetrated by communist intelligence services. There are one or two journalists working for a particular paper who are agents and who receive from time to time instructions to publish this story or that story once or twice a year....There are newspapers in the West which are owned by Communist intelligence services. The Czechoslovak service, for example, owns several newspapers in the Western Bloc. There are publishing houses owned by the communist intelligence services."

Bittman concluded, "I am not trying to start a new witch hunt against journalists. I am trying only to explain that journalists are one of the major targets, and journalists play a very important role for Communist Bloc intelligence. That is why they are a highly sought commodity." [Ed.—Like, one would suppose, any well placed military, government, or company employee. Spies will be spies.]

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WILMINGTON SUNDAY NEWS JOURNAL
13 APRIL 1980

'Faceless justice' haunts ex-agent

First of two articles

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By JOE TRENTO
and RICHARD SANDZA
Staff correspondents

BETHESDA, Md. — Bloomingdale's is a strange place to meet a former CIA operative who is threatening his ex-employers with the release of 7,500 agents' names and other state secrets if they don't do what he wants them to do.

Nevertheless at precisely 11 a.m. one day this month, a small bearded man arrived at the fourth floor of the White Flint Mall store, emerging through the stemware department carrying a plastic briefcase.

Donald Eugene Deneselya, 40, and his family have been haunted and hunted by FBI and CIA agents for 16 years, for reasons the former agency operative says he has yet to understand. He doesn't say so but the faceless justice pursuing him sounds like something out of Franz Kafka's novel "The Trial."

Deneselya carries much of his life around in his briefcase, documenting the reasons for his bitterness, his rage and his almost religious belief that the CIA has ruined his life. The feds follow him everywhere, he says.

Recent events have made him a wanted man. Two weeks ago, in an interview with this newspaper, he made public his private threats to those who run and have run the CIA. "Leave me and my friends alone or I will release the names of 7,500 CIA operatives," he has told the CIA and other federal agencies.

The publicity that followed that disclosure forced him to seek the anonymity of a meeting place in a suburban Washington shopping mall.

The friends he sought to protect are two Iranians who on April 3 were convicted of selling and distri-

buting nearly 7 pounds of pure heroin. The outcome of the trial forced him to modify his threat. Now he wants to see that his friends are neither deported to Iran nor sentenced to jail. One friend is the son of the founder of Savak, the Iranian secret police; the other is an Iranian restaurant owner.

Since the publication of his threats, the media, too, has begun stalking Deneselya. Now "60 Minutes" Mike Wallace, CBS' Fred Graham, the Washington Post and the Associated Press call him. Deneselya is stunned by it all.

He does not seem to comprehend that his scheme to "get even" with the U.S. government has attracted worldwide attention and made him a public figure. He feels himself a martyr for an unknown cause. The officials he has called, indeed harassed, for years call him mentally unbalanced and a menace. Yet they have done nothing to put him behind bars.

He turned down "60 Minutes" because he believes the CIA has bought them off with stories, most recently Dan Rather's expedition into Afghanistan. He says he talks to the AP and the Sunday News Journal because he believes the CIA fears both news organizations. He offers no explanation for his feelings.

Deneselya, despite the magnitude of his threat, is not bombastic. He is a man with a mission, a man who wants to get even with an agency he says was out to ruin his life.

Stranger than all of his problems is his unwillingness to tell his personal story. "I don't want my wife and two children brought into this. This is between me and the CIA," he keeps saying.

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He was picked to be the "hand-holder" for "Ladle," the code name of an important Russian defector, Anatoli Golitsin.

He was to work for three months with Golitsin, who had brought several important bits of information to the CIA. In some quarters Golitsin is credited with revealing to Counterintelligence chief James J. Angleton that British agent Kim Philby was a longtime Soviet spy. In 1963 Philby defected to the Soviet Union from Britain.

Golitsin is also credited with detailing plans for a Soviet assassination of Richard Nixon if he had been elected president over Kennedy in 1960.

Not only was Deneselya privy to highly secret briefing papers, he also had to listen patiently to Golitsin's complaints about how little difference he found between the CIA where he had sought refuge and the KGB he had left Russia to escape.

By November 1962, Deneselya says, Golitsin was fed up with the CIA's Soviet Russia division and it with him. He took matters into his own hands. At a luncheon at the agency, he told Allen Dulles, then CIA director, that he would like to meet the president's brother, Robert Kennedy.

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NEW YORK TIMES MAGAZINE
6 APRIL 1980

By Tad Szulc

Room S-407 on the Senate side of the Capitol has more than its share of protective electronic devices inside and armed guards outside. It is designed to keep its secrets.

On Wednesday, Jan. 9, during the Congressional Christmas recess, a small group of Senators was summoned back to Washington to meet in S-407, the most "secure" room in all of Congress, with high officials of the Central Intelligence Agency. The agenda: a presentation by the C.I.A. of its plans for covert, paramilitary operations in Afghanistan.

The Senators included Birch Bayh of Indiana, chairman of the Select Committee on Intelligence; Barry Goldwater of Arizona, vice chairman, and Joseph R. Biden Jr. of Delaware — plus the committee staff director, William G. Miller, and the minority staff director, Earl D. Eisenhower. The C.I.A. was represented by the Deputy Director of Central Intelligence, Frank C. Carlucci, accompanied by John McMahon, Deputy Director for Operations, the top man in clandestine operations.

What Mr. Carlucci spelled out at the session was a new covert aid program for the anti-Soviet Moslem guerrillas of Afghanistan. Since last November, as the Senators knew, the C.I.A. had been secretly providing the rebels with limited assistance — field hospitals and communications equipment. But after the Soviet invasion of Dec. 27, the Carter Administration had decided to escalate that aid program dramatically. The C.I.A. proposed to provide the Afghan rebels with Soviet-made AK-47 assault rifles from American stocks, TOW antitank weapons and SAM-7 surface-to-air missiles and launchers. (The SAM's were for use against an anticipated spring offensive when the weather would permit the Russians greater use of planes and helicopters; the offensive has since begun.)

The Senators listened. They offered no major objections. The next day, Mr. Carlucci advised the White House of the results of the session, and President Carter signed a Presidential Decision (known as a P.D.) setting the program in motion.

PUTTING BACK THE BITE IN THE C.I.A.

For all the secrecy and the high-stakes international gamble involved, that progression from Room S-407 to the signing of the P.D. was fairly routine. It was a standard example of Congressional oversight of American intelligence work as it has developed in the last five years — a balancing of the C.I.A.'s national-security requirements and the Congress's desire to keep a hand in foreign-policy decisions and safeguard Americans' individual rights. According to sources in both camps, the agency has been informing the appropriate Congressional committees of its plans, and the committees have, apparently with few exceptions, gone along.

Today, however, that relationship is undergoing dramatic change. The C.I.A. and other intelligence agencies are openly and successfully seeking greater independence of Congressional oversight and of a variety of other restraints, as well. According to its critics, the "unleashing" of the C.I.A. is well under way.

■ A bill that would deprive the Congressional intelligence committees of the right to review all C.I.A. covert operations has been approved by the House Foreign Affairs Committee. It is likely that some such legislation will be passed by Congress this year.

■ A measure, once encouraged by the Carter Administration, which would for the first time have defined the powers of the intelligence agencies, is given little chance in Congress this year.

■ A bill to amend the Freedom of Information Act to protect the agency's secrets is expected to pass the Senate. Further protection has been granted by a Supreme Court ruling.

doing the shouting. In the wake of the Vietnam War, Congress took a long, hard look at the freewheeling ways of the C.I.A. The first concrete result was the Hughes-Ryan Amendment to the Foreign Aid Authorization Act of 1974. According to this measure, no funds could be spent on a covert intelligence operation unless it was reported in a "timely fashion" to the appropriate committees in Congress. Public reports of secret, widespread and illegal C.I.A. moves against political dissenters in the United States (code-named Operation CHAOS) led to the hasty creation of the Select Committee to Study Governmental Operations With Respect to Intelligence Activities, with Senator Frank Church of Idaho as chairman.

Along the way, the committee learned in detail of C.I.A. plans to assassinate Cuba's Fidel Castro and the Congo's Patrice Lumumba, and of the agency's crucial role in establishing a climate in which Chile's President Salvador Allende Gossens, a democratically elected Marxist, could in 1973 be overthrown by the Chilean military. The committee also discovered that the agency had been conducting mind-control experiments, feeding LSD and other drugs to unwitting subjects; covertly passing money to foreign political parties to affect the outcome of elections, and recruiting American journalists, clergymen and academics for secret intelligence work.

Congress demanded a curtailment of the C.I.A.'s ability, in effect, to make

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U.S. NEWS & WORLD REPORT
3 March 1980

Department of Dirty Tricks, Soviet Style

While Russia's diplomats talked peace and reconciliation, her secret agents were busy concocting bogus documents to blacken America's image. A new CIA report spells out what happened.

Now coming to light is the most complete disclosure yet of how the Soviet Union—even when détente was in full flower—systematically staged “dirty tricks” to discredit the U.S. among its allies and other nations.

Details of the secret campaign were made public on February 19 by the House Intelligence Committee. The panel released a report by the Central Intelligence Agency that was sent to lawmakers as congressional debate heated up over proposals to give the CIA a freer hand to conduct covert operations of its own.

The study portrays a clandestine anti-U.S. propaganda drive that started after World War II and reached a peak in intensity and sophistication during 1978 and 1979, the period in which the U.S. and the Soviet Union were wrapping up a new strategic-arms-limitation treaty.

Among other things, Moscow is accused of using forged documents in various attempts to link the U.S. with terrorism around the world, including the 1978 assassination of former Italian Premier Aldo Moro.

U.S. bureaucratise duplicated. The CIA says the Soviets have made near-flawless forgeries of everything from secret U.S. Army field manuals to classified State Department communiqués. Not only have they obtained the proper inks, paper, printing presses and letterheads, but Soviet experts have become masters at duplicating the writing style of American bureaucrats.

In the 105-page report, complete with voluminous documentation, the CIA says the Soviets called a halt to their dirty tricks for four years in the mid-1970s for reasons that remain unclear. But by 1978, the Kremlin had streamlined its foreign-propaganda apparatus into an International Information Department, bankrolled it heavily and, as a mark of its new importance, installed as its boss a longtime crony of President Leonid Brezhnev's.

The agency reports directly to the Politburo and works hand in glove with the KGB, the Soviet spy agency, as it carries out covert “disinformation” operations that rely heavily on forgery. The CIA believes that, as many as 50 KGB technicians are detailed to a forgery squad.

According to the CIA's reckoning, the Soviets in 1979 poured at least 200 million dollars into a variety of special campaigns—using both propaganda and covert operations—to isolate the U.S. from its friends. “Moscow does not see any basic incompatibility between its official policy of expanding bilateral relations with Washington and practicing dirty tricks,” John McMahon, the CIA's deputy director of operations, testified before the panel. “The Soviet Union's willingness to conduct its foreign policy in accor-

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Aldo Moro kidnapping in Italy. Communist with ties to Soviet and Cuban intelligence agencies—published in two Madrid newspapers an article citing the manual as evidence of U.S. involvement with the Italian Red Brigades, the terrorist killers of the Christian Democratic leader.

Excerpts from the forged manual and the article were widely reprinted in Europe, especially in Italy. “Within days of the Moro kidnapping, the Soviet propaganda apparatus had begun a campaign of suggestion and innuendo to falsely link the U.S. to this murder,” says the CIA study. “But Moscow had enjoyed little success without proof to

TOP SECRET

OPERATIONS MEMORANDUM

TO: THE DEPARTMENT OF STATE, WASHINGTON Date: March 28, 1977

FROM: EMBASSY IN CAIRO

SUBJECT: POLITICAL DEVELOPMENTS IN EGYPT


REF: W.O.-C-1935-H-77

With reference to my previous reports and the new guidelines discussed in Washington, I have paid close attention to political developments here with special emphasis on how the Sadat Government is tackling the problems posed by the January disturbances.

As time passes, it becomes clear that two major factors helped trigger the January riots: for the first time over a long period, President Sadat came up against the opposition of his advisers, and the Cabinet displayed a large degree of ineptness.

President Sadat's attempts to stifle the communists and his lesser followers for the January events failed miserably and was poorly conceived even as a propaganda move. The current reshuffle was not carried out, and serious differences persist in the information and of welfare policy and, in particular, domestic political matters.

In January, there have been reports of President Sadat's still in crisis. A massive economic upheaval, corruption, and even by us which



Soviets manufactured a series of authentic-looking State Department memos criticizing Egyptian President Anwar Sadat and suggesting that the U.S. would soon abandon him

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THE WASHINGTON POST
1 March 1980

Five Soviet-Bloc Diplomats in U.S. Ousted for Spying

By Charles R. Babcock
Washington Post Staff Writer

The FBI's retiring counterintelligence chief said yesterday that five communist-bloc diplomats were quietly forced to leave the United States in the past year after they were caught spying.

William Cregar, head of the bureau's intelligence division, said that such expulsions usually are not publicized because the communist nations would feel compelled to retaliate.

Cregar's remarks capped a recent series of exposures by American and allied intelligence officers of Soviet-bloc spy networks in New Zealand, Canada, Spain and Japan.

It has been suggested that the stream of disclosures is part of a U.S. policy decision to change the usual rules of international spying and retaliate against the Soviet Union for its invasion of Afghanistan.

Spokesmen for the State Department and Central Intelligence Agency refused to comment on the matter yesterday. A White House official said he was unaware of any policy change. But it seems clear that at least some of the disclosures were orchestrated.

Last month, for instance, John McMahon, the CIA's deputy director for operations, told a House Intelligence subcommittee in closed session about Soviet forgeries of U.S. government documents. Last week, the testimony was suddenly made public, exposing to public view more than 100 pages of examples of alleged Soviet-bloc propaganda.

The release was to "dramatize" recent increases in such forgeries, a subcommittee spokesman said.

The Chicago Tribune reported on Monday that the CIA has disclosed the names of many Soviet-bloc agents of influence to allied intelligence in recent weeks.

In his testimony, McMahon noted that a forged U.S. Army field manual—purporting to show plans for American interference in allies' domestic affairs—showed up in Spain in 1977 in the hands of a Cuban intelligence officer. The Tribune story said the CIA gave the names of those involved in the fabrication to Spanish intelligence.

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The espionage network occurred in January in New Zealand, where Soviet Ambassador Vsevolod Sofinsky was expelled

after he was accused of funneling money to a socialist political party.

In retaliation, the Soviets expelled the New Zealand ambassador from Moscow a month before the end of his scheduled tour of duty.

In Canada in January, two Soviet embassy officials were expelled after being charged with paying money to an American undercover agent.

In Japan, the army's chief of staff resigned after a Soviet-run spy network was closed down by police.

Intelligence officials refused to say yesterday whether these events were connected.

There has long been a dispute within the intelligence community about how to treat foreign diplomats caught as spies. The traditional theory is the one the FBI's Cregar noted yesterday: expel the person quietly so the other country doesn't feel compelled to respond in kind.

There's another argument against even quietly expelling the discovered spy, intelligence officials note. At least you know who he is and can monitor his activities. If he's kicked out, he'll be replaced by someone your counterintelligence will have to find all over again, they said.

Last fall, in the wake of the controversy over the Soviet brigade of troops in Cuba, columnist Jack Anderson reported that national security affairs adviser Zbigniew Brzezinski was quarreling with Secretary of State Cyrus R. Vance about taking a hard line in generating anti-Soviet propaganda around the world.

In a press conference at the time, Vance took pains to say there was no dispute between State and Brzezinski. He didn't deny the anti-Soviet campaign was being considered, however.

The last publicized expulsion of a Soviet diplomat from the United States occurred in 1978. Vladimir P. Zinyakin, an official at the Soviet mission to the United Nations, was forced to leave for his role in a spy case.

The case involved two Soviet employees who didn't have diplomatic immunity and were prosecuted for buying U.S. defense secrets from a Navy officer cooperating with the FBI.

Attorney General Griffin B. Bell decided to press the case to show the United States wouldn't tolerate spying by non-diplomats at all.

The FBI's Cregar said yesterday that he feels the FBI has made excellent progress in its silent counterintelligence battle with communist-bloc spies.

"We know more about their methods of operation. We have a better appreciation of who their intelligence officers are and of the equipment and techniques they use against us," he said.

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THE BALTIMORE SUN
26 February 1980

CIA, allies change policy, begin openly exposing Soviet intelligence

Washington (KNT)—The Central Intelligence Agency and allied intelligence agencies have declared open season on their KGB counterparts, exposing Soviet intelligence operations throughout the world.

In the weeks following the Soviet invasion of Afghanistan, there have been major exposures of Soviet spy networks in New Zealand, Spain, Canada and Japan. Agents have been exposed and, in some cases, expelled.

Intelligence veterans note that this flurry of "rollbacks" is in marked contrast to the days of detente when the tight little world of spy versus spy simmered clandestinely.

In addition, the CIA has given reporters and friendly intelligence agencies hundreds of pages of previously secret documents about the KGB's activities. They detail recent plots to discredit United States peace moves in the Mideast and to derail nuclear arms policy talks between the U.S. and Western European allies.

"There are always a lot of spy cases on the back burner," said a former U.S. counterespionage official, who kept tabs on the KGB during the Cold War. "Sometimes word comes down to bring them in. It's like deciding when to play your trump in a card game."

Perhaps most damaging to the KGB was a hearing on Capitol Hill earlier this month. For the first time in the CIA's history, testimony by the agency's chief spy-master, the director of covert operations, was handed to reporters. Until then, John McMahon's identity as deputy director for operations was itself a secret.

Mr. McMahon's testimony disclosed a mass of sensitive data. It included copies of what Mr. McMahon called KGB forgeries of American diplomatic documents, which were part of an apparent scheme to undermine relations between the U.S. and Egyptian President Anwar el Sadat.

Mr. McMahon told the House Oversight Subcommittee on Intelligence that the KGB forged a letter over the fabricated signature of Hermann F. Eilts, ambassa-

dor to Egypt, stating that the U.S. was planning to dump Mr. Sadat.

"We must repudiate him [Mr. Sadat] and get rid of him without hesitation," said the falsified letter, which was addressed to Adm. Stansfield Turner, director of central intelligence. Mr. McMahon said the letter was planted in a Syrian newspaper October 1, and was the KGB's third forgery involving Mr. Eilts's "signature."

In his testimony, Mr. McMahon said, "The KGB exercises day-to-day operation responsibility for forgery efforts, but its annual and five-to-seven-year work plans are approved by the highest levels of the Soviet political authority."

In all, Mr. McMahon gave the subcommittee 16 documents he called KGB forgeries. They show the Soviet spy agency writing nonexistent press conferences for President Carter in which he made insulting remarks about Greece, an Army field manual urging subversion of host countries and many falsified diplomatic cables.

Mr. McMahon also disclosed a CIA estimate of how much the KGB spends a year — "our rough estimate of \$3 billion a year is probably a conservative figure."

The CIA estimated that the KGB spent \$200 million last year for support to guerrilla groups, \$100 million on clandestine radio stations and another \$200 million for "special campaigns"—including an effort to stop American plans to build the neutron bomb and place nuclear missiles in Europe.

A spokesman for the House subcommittee said Mr. McMahon's testimony, delivered in secret session February 6, was released last week to "dramatize" recent increases in Soviet forgery schemes. Mr. McMahon said the KGB had been using forgeries since the 1950s.

"The new bogus documents include high-quality, technically sophisticated falsifications of a caliber which the Soviet and bloc intelligence services were evidently incapable of producing in the 1950s and even the 1960s," Mr. McMahon said.

"Furthermore, in two cases Soviet

forgers directly attributed false and misleading statements to the president and vice president of the United States, something they have refrained from doing in the past."

A House source said the CIA had provided allied intelligence agencies with additional details.

For example, he said, the CIA gave to Spanish intelligence the names of a member of the Spanish Communist Party and a Cuban emigrant allegedly involved in faking a U.S. Army training manual. Names of scores of other such "agents of influence" were disclosed to intelligence agencies around the globe in recent weeks, the sources said.

The clandestine game of tag has been played out from the South Pacific to Canada.

In New Zealand, the government expelled Soviet Ambassador Vsevolod Sofinski in mid-January for supplying cash to a Socialist political party. The case had been developed several years ago, intelligence sources said, but only closed in January.

In Spain, last week, the manager of the Soviet airline Aeroflot, Oleg Shuranov, was expelled after he was caught carrying "documents related to Spanish security." Government sources said Spanish intelligence had been suspicious of him for months.

In Ottawa, Canadian authorities expelled two Soviet embassy officials and a chauffeur January 21. All were charged with paying money to an American undercover agent to buy U.S. secrets. The Canadians knew about the case for 16 months but made the arrests in the wake of the Afghanistan invasion.

In Japan, the nation's army chief of staff resigned January 28 after police there closed down a Soviet-operated spy network which had been discovered in 1976. The case, a sensation in Japan's media, was the first espionage scandal since the army was formed in 1954 after being outlawed following World War II.

ARTICLE APPROVED
ON PAGE 6

CHICAGO TRIBUNE

24 February 1980

Canada to Japan

West exposes Soviet spy plots

By James Coates
and John Maclean

Chicago Tribune Press Service

WASHINGTON — The Central Intelligence Agency and allied intelligence agencies have declared open season on their KGB counterparts, exposing Soviet intelligence operations throughout the world.

In the weeks following the Soviet invasion of Afghanistan, there have been major exposures of Soviet spy networks in New Zealand, Spain, Canada, and Japan. Agents have been exposed and, in some cases, expelled.

Intelligence veterans note that this flurry of "rollbacks" is in marked contrast to the days of detente when the tight little world of spy versus spy simmered clandestinely.

In addition, the CIA has given reporters and friendly intelligence agencies hundreds of pages of previously secret documents about the KGB's activities. They detail recent plots to discredit U.S. peace moves in the Mideast and to derail nuclear arms policy talks between the U.S. and Western European allies.

"There are always a lot of spy cases on the back burner," said a former U.S. counterespionage official, who kept tabs on the KGB during the Cold War. "Sometimes word comes down to bring them in. It's like deciding when to play your trump in a card game."

In Moscow, Tass news agency announced Friday that Afghanistan's secret police had arrested an American, Robert Lee, in Kabul. Tass said Lee was "known for his links with the Central Intelligence Agency."

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AT THE White House an official familiar with U.S. intelligence activities denied that Washington engineered these various crackdowns against the KGB. However, he added, "without anybody orchestrating anything, you cannot rule out the idea there has been a change in how many countries perceive the world today and how they perceive the Soviet

"It is well-known the Soviets do abuse diplomatic immunity and do use it to carry on clandestine activities."

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THE NEWS WORLD
17 January 1980

KGB led siege

Carter ignored CIA report

Hostage holders follow Soviets

By Ted Agres

NEWS WORLD WASHINGTON BUREAU

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WASHINGTON—President Carter ignored evidence obtained by the CIA that the Soviet Union had been substantially involved in the takeover of the U.S. Embassy in Iran and in the seizing of American hostages there last November.

The evidence, consisting of photographs and written reports, was supplied to the CIA by French intelligence officers in Paris who had received the information from their agents in Tehran at the time the embassy was seized on Nov. 4, 1979.

Carter was briefed on the Iranian situation during a meeting of the National Security Council and other top aides at the White House on Tuesday, Nov. 6. CIA Director Stansfield Turner and his deputy director for operations presented the evidence of Soviet involvement to Carter, who chose not to make it public.

The News World reported in a copyrighted story Nov. 8, 1979, that known Soviet KGB agents had been identified in photographs of the embassy takeover and that the materials were shown to Carter at the NSC meeting. Details, however, of how the information was provided, have only recently been obtained.

While the administration has chosen not to reveal the extent of Soviet involvement in Iran, it has since made clear its frustration over failures to negotiate the release of 50 Americans still held hostage in the embassy.

The problem, according to intelligence and administration sources, is that the militants holding the hostages are not taking instruction from Ayatollah Khomeini or Iran's Revolutionary Council, but rather, are acting in response to what they perceive as the best interest of the Soviet Union.

State Department officials say that successful release of the hostages ultimately depends on how effectively the administration and the United Nations can persuade those governing Iran that the continued holding of the hostages is not in that country's best interests. To do so, however, may require the recognition of Soviet involvement—a recognition that the White House, so far, has declined to make public.

According to well-placed sources, details of the Soviet involvement were provided by French intelligence agents in Tehran. These agents were not French nationals, but Iranians on the French payroll.

According to the sources, the agents spotted known Soviet operatives—again, not Soviet nationals but Iranians or Persians—playing a leading role in the attack on the U.S. Embassy on Nov. 4.

The storming of the embassy took place around mid-day in Tehran and several hundred "students"—many of them armed—were involved. According to intelligence sources, those leading the attack were members of a Palestinian terrorist group known as the PFLP: Popular Front for the Liberation of Palestine. The PFLP has been identified as the Soviet-backed faction of the terrorist Palestine Liberation Organization (PLO) headed by Yasser Arafat.

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ON PAGE 24-35

THE WASHINGTON POST MAGAZINE
9 December 1979

How Spy on Russia

We look down from space, listen underwater, track with radar and infrared, and put agents in the field to monitor Soviet compliance with SALT

BY NICHOLAS DANILOFF

The view from CIA headquarters in Langley, Va., is superficially serene. The director's private elevator whisks the visitor to the top floor, where a corridor runs along the north face to his quarters. The passageway is warmly carpeted; the tan walls are hung with abstract paintings in elegant gold-leafed frames. By the elevator door hangs a display of medals the CIA awards its officers for especially meritorious or valorous service.

To the left is the airy office of deputy director Frank Carlucci, who made a name for himself as U.S. ambassador in revolutionary Portugal. To the right is the office of the director of the Central Intelligence Agency, Retired Admiral

1979
Approved For Release 2005/11/28 : CIA-RDP91-00901R000600210056-1

Stanley Turner, who occasionally invites journalists to "background"

CONTINUED

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THE NEW YORK TIMES MAGAZINE
29 July 1979

SHAKING UP THE C.I.A.

By Tad Szulc

Jimmy Carter was furious. He sat in the Oval Office on this chill November day, staring at the note paper before him. Riots were sweeping Iran. The Shah had just been forced to impose a military government on his nation. And the President of the United States hadn't even known a revolution was coming — had, in fact, been assured all along by the American intelligence community that there was no such danger. Mr. Carter lifted his pen and wrote: "I am not satisfied with the quality of political intelligence." The notes were addressed to "Cy," "Stan" and "Zbig" — Secretary of State Cyrus R. Vance, Director of Central Intelligence Stansfield Turner and National Security Adviser Zbigniew Brzezinski.

Those handwritten messages of last Nov. 11 were not the President's first expression of concern over the state of American intelligence, but they were by all odds his strongest. They removed any doubts of White House determination to force change upon the intelligence apparatus. It had failed him in a most astonishing manner.

A nation Jimmy Carter considered America's linchpin of stability in the Middle East, a nation in which the United States had essential strategic and economic stakes, was in the midst of a profound crisis. By February, Mr. Carter would see Shah Mohammed Riza Pahlevi's government replaced by a radical Islamic re-

Tad Szulc is a Washington writer who specializes in international affairs.

7 MAY 1979

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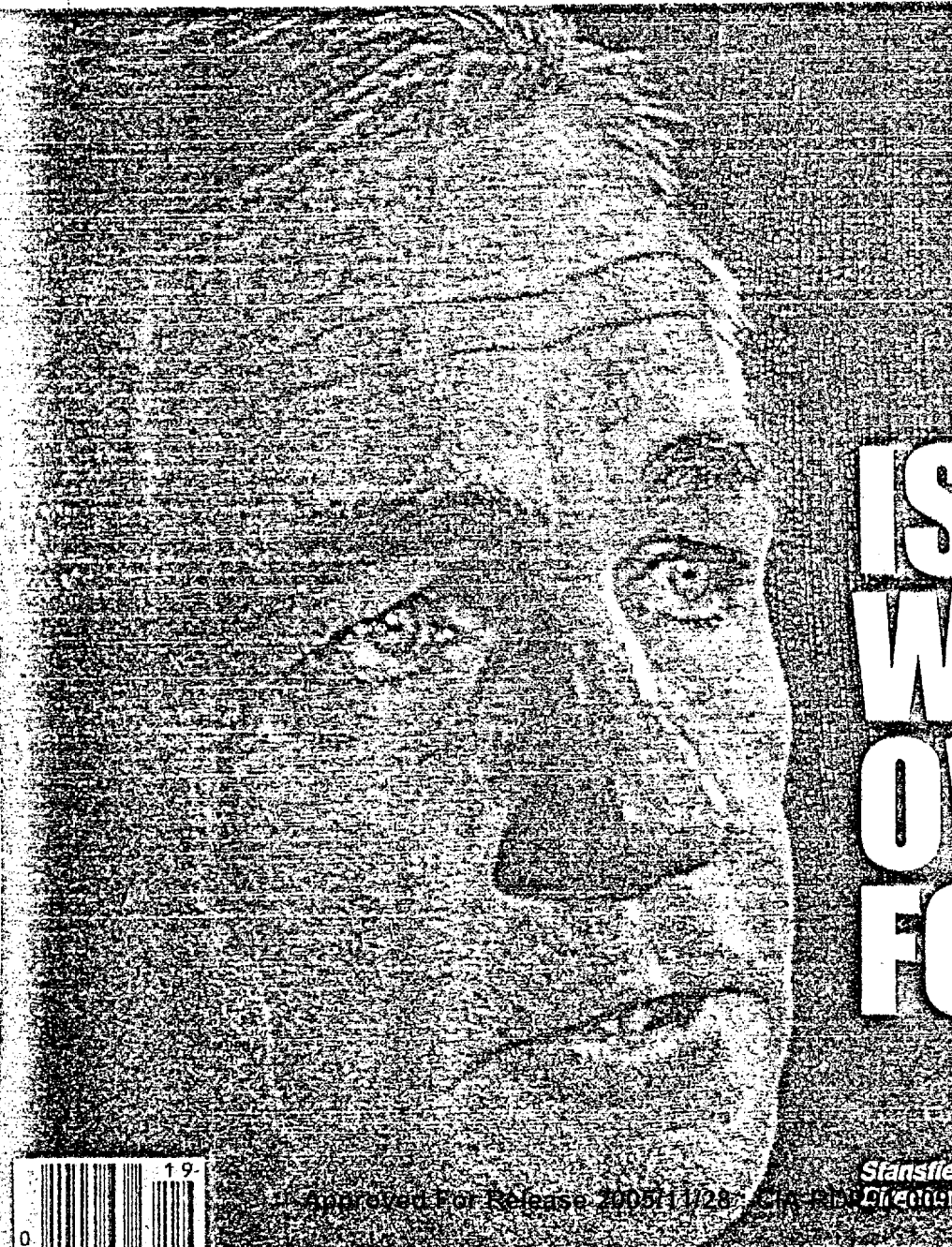
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U.S. NEWS & WORLD

MAY 7 1979 \$5.00

How to Get Yourself Organized

America's Oil Lobby—the Way It Works



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Stanfield Turner
Director Central Intelligence Agency

Approved For Release 2005/11/28 : CIA-RDP91-00901R000600210056-1



Article appeared
on page D-1, D-5

THE WASHINGTON POST
8 April 1979

The Intelligence Community Against Turner

By Benjamin F. Schmitter

THE AMERICAN intelligence community has been suffering from a prolonged, critical illness. Now CIA Director Stansfield Turner may be administering the *coup de grace*.

Stansfield Turner became director of central intelligence with broad, bipartisan congressional support. At the time of his appointment, it generally was thought that the reforms of American intelligence begun under President Ford would receive even more impetus from President Carter. Carter's 1976 campaign themes of excellence and reform, and his sensitivity to the Third World, aroused expectations of even greater progress.

In only two years, Turner and the Carter administration have dashed those hopes. Turner has emerged as concerned mainly with advancing his own authority and acquiring influence with the president. His preference for technology over people, his willingness to politicize intelligence and his single-minded focus on centralizing control of the intelligence budget and collection activities have destroyed morale within the CIA, led hundreds of key CIA personnel to resign and prompted far more to "retire in place."

Turner has gravely damaged the quality of the intelligence community's product. Administration sources admit that more than 250 CIA professionals put in their retirement or resignation papers in the first pay period of 1979. The departures of concern now do not involve the "cold warriors," special or "black" operations executives and counterintelligence officers affected by Turner's 1977 Halloween purge of 820 surplus CIA personnel (a purge which William Colby had planned to be even more drastic.) The men who are leaving now are career professionals — the intellectual cadre, the very brain of American intelligence.

Recent losses include such experts as Sayre Stevens, deputy director of the National Foreign Assessments Center; Vince Heyman, chief of CIA's Operations Center; Dick Christenson, chief of CIA's Office of Regional and Political Analysis; John Blake, the deputy director for administration; Ernie Oney, the agency's chief Iranian analyst, and Anthony Lapham, CIA's general counsel. Several national intelligence officers for key regions like the Middle East have resigned or are now seeking other jobs.

Retirement incentives and limitations on future employability resulting from the new Ethics in Government Act have helped stimulate resignations. But CIA's mass exodus reflects the despair of intelligence professionals that Turner and the Carter administration ever will provide effective leadership and reform. Several of the departing officials told Turner candidly that they were leaving because

the Russians, Russians and Russians. His intelligence analysis tailored to their policies of the moment on Vietnam, SALT, Angola and Iran.

CIA's professionals stuck it out through investigation after investigation, and director after director who twisted their reporting to produce "intelligence to please." They kept silent as post-mortem after post-mortem blamed "intelligence" for policymakers' unwillingness to hear the facts in crisis after crisis. By guilt through association, they shared the blame for the excesses of other CIA branches in special operations, drug experimentation and U.S. "internal security."

But Stansfield Turner's mismanagement of American intelligence has proved more than they could take.

Lots of Data, Little Analysis

TURNER has ignored analytic personnel needs to buy more technical collection assets — in spite of the fact that the intelligence community has long lacked the analysts needed to process its existing "take."

He has systematically hamstrung or ignored human intelligence sources and resources. Human intelligence doesn't mean a cadre of clandestine operators, "hit men" or CIA burglars; simply put, it is intelligence produced by people, not machines — information based on personal contacts and observations, and even such mundane but vital work as a careful reading of the local and regional press.

We now have little real human intelligence capability in Turkey, a country that is economically and politically fragile, yet whose importance to NATO and the Mideast is pivotal and whose array of U.S. technical collection assets is second to none. At a crucial role in verifying Russia's compliance with a new strategic arms limitation agreement, human intelligence resources are

INQUIRY IS ANYBODY WATCHING?

By DAVID WISE

IF VARIOUS INTELLIGENCE specialists in Washington—at the White House, the CIA, the Pentagon, and on Capitol Hill—are correct, a man named John McMahon has almost nothing to do these days. McMahon is the CIA's Deputy Director for Operations, known around the shop as the DDO.

As such, he is Jimmy Carter's Richard Helms, the man in charge of such matters as overthrowing governments and rigging elections; in former days his responsibilities might have included assassinating Fidel Castro or making his beard fall off. Mr. McMahon is relatively new on the job, having replaced William W. "Wild Willy" Wells, the previous chief of dirty tricks, who was caught up in the Great Purge of the clandestine services that CIA director Stansfield Turner initiated on Halloween, 1977.

Wherever one goes in Washington amid the "intelligence community" (a homey phrase that conjures up visions of neatly trimmed lawns and outdoor barbecues), one hears the same story: the CIA is not doing very much in the way of covert operations these days. Mr. McMahon, a stocky, white-haired man whose name is only whispered in Washington, can of course occupy his time with other pursuits; he is also the official in charge of CIA spying.

But exploding cigars, poison pills, amphibious invasions, that sort of thing, the covert operators insist, just isn't going on—very much. And the reason, the intelligence types confide in the next breath, is not merely the bad publicity generated by the Church committee and by all the disclosures in the press. The real reason, they say, is the laws and rules requiring the CIA to report any secret operations to eight committees of the House and Senate. This, the intelligence agents assert, makes it very difficult to keep secret operations secret. The Hughes-Ryan Amendment, a law enacted in 1974, requires that six committees be notified of covert operations; the Senate and House intelligence committees

A first-hand examination of the congressional oversight committees raises a disturbing question: Does *oversee* now mean *overlook*?

were added to the list when they were established after 1974.

On the face of it, then, it might appear that the mere existence of congressional machinery to monitor the CIA and the other intelligence agencies has had a salutary if unanticipated effect: The spooks, we are to believe, have put away their cloaks and daggers because they don't like the bother.

In fact it would be naive to assume that the CIA has altogether stopped doing what comes naturally. No doubt there are fewer covert operations today than in the swashbuckling fifties and sixties. But Senator Gary Hart, a member of the Senate Intelligence Committee, is on record as saying the White House notified the committee of six covert operations in the panel's first year. Since the committee is now more than two years old, the mathematical likelihood is that at least a dozen secret CIA operations have been reported to its members.

Both the Senate and House committees are worried, however, about what they are *not* being told. It is clear, for example, that the CIA did not tell Congress the truth about covert operations in Angola. There is a good deal of backstage pulling and hauling going on right now between the intelligence agencies and the committees over the reporting procedures for covert operations. The agencies are being conducted in the greatest secrecy, and the details are rather murky. But the silent

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Mondale's office. At age 50 he retains the same quality of boyish sincerity, and almost the same youthful appearance, that helped him defeat Homer Capehart back in 1962.

"It's a quantum leap over what there was before," Bayh continues, "but that isn't saying very much because there wasn't much oversight." Bayh is right about that. In the old days, the Senate's idea of watchdogging the CIA was epitomized by Georgia's Richard Brevard Russell, who once observed that some of the secret things he had been told "chill the marrow of a man to hear about," and who suggested it would be better to close up the CIA than let Congress know the details of its operations.

Bayh chooses his words carefully. "We've achieved, perhaps the best word is a respectable relationship between the committee and the agencies." But he agreed there is a danger "that we will inadvertently become compromised so that we are no longer overseers but yes-sayers."

How many covert operations have been reported to the committee since Bayh took over as chairman from Senator Daniel K. Inouye of Hawaii last January?

"I won't give numbers. But they have not been voluminous."

Was he satisfied he was being told all?

"Yes. If there is a question, it is over how much detail is given to us, some of the specifics. Admiral Turner did call me over Labor Day weekend about this. He wanted to come up to the office. We talked on a

DAVID WISE is the author of *The American Police State* and other books about the intelligence agencies. He is an associate of the Center for the Study of Intelligence and lectures in political science at the University of California, Santa Barbara.

NEW YORK
13 February 1978

Politics/Tad Szulc **GOOD-BYE, JAMES BOND**



Turner and Carter: Replacing brawn with brain in our intelligence operations.

In From the Cold War

Admiral Stansfield Turner's dismissal of hundreds of clandestine operatives in the CIA Directorate of Operations has made him—without question—one of the most controversial directors in the agency's history. Late last year, Turner summarily removed 820 officers of the clandestine services (some 400 more are to go next month) including the deputy director of operations, William Wells. This 8 percent reduction in the CIA's 15,000 employees shattered CIA morale even more than the Senate investigation by the Church committee two years ago.

The resentment of the victims and the fears of those who may go next should not be surprising. CIA officers are the only U.S. government employees who have neither job tenure nor the right to appeal dismissal—no matter how many years they have worked for the agency.

But all the bloody screams from the CIA's decimated undercover rank and file have obscured the real news behind the Turner slaughter: The intelligence community is making a major shift in policy.

Among the hundreds of purged agents are many Ivy League veterans from the elitist Office of Strategic Services and the CIA's cold-war years. These are the folks who spent far too much time and money figur-

ing out elaborate espionage games, like how to deprive Fidel Castro of his beard, running weird behavior-modification experiments with LSD, or conducting subversive activities against unfriendly governments.

In their stead, there is a new breed of superspook who is rated more for his ability to understand and interpret—rather than manipulate—world events.

What is emerging, finally, under Carter and Turner is the age of the analyst of intelligence—something sadly neglected in the past in favor of clandestine political and paramilitary operations.

When Jimmy Carter took office thirteen months ago, he discovered he had the worst of both worlds: The Central Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation, and their fellow sleuths had been cavalierly violating American rights as well as interfering thoughtlessly in the affairs of other countries (assassination plots, "destabilization" of governments, and so on) and only rarely coming up with a decent intelligence product.

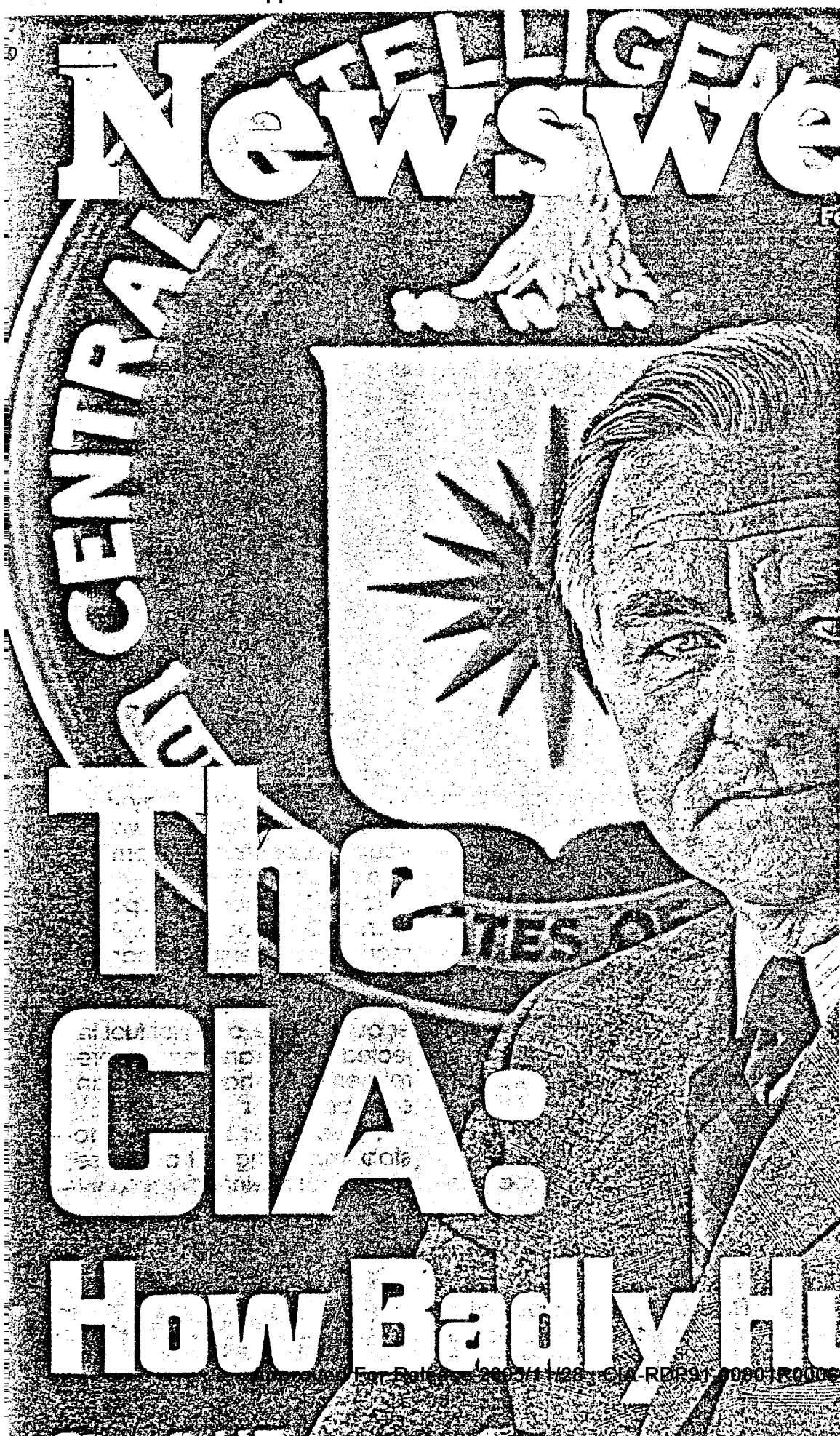
To present the president with a rational foreign policy today, national-security adviser Zbigniew Brzezinski and Secretary of State Cyrus Vance must know, for example, why French Communist-party boss Georges Marchais suddenly started referring to his social-

ist rivals as "comrades" in mid-January, or what Iraqi leaders had in mind when they strangely decided last week to boycott a summit meeting of hard-line Arabs. And it is vital to know for what long-range purpose the Soviets flew 2,000 Cuban troops to Ethiopia in recent months and whether Japan is likely to stop buying beef from the United States.

And Carter is not the first to view the CIA with great skepticism. So little did Nixon think of intelligence analysts that the invasions of Cambodia and Laos in 1970 and 1971 were ordered without a systematic study—what's called a Special National Intelligence Estimate (SNIE)—and no attention was paid by the CIA command to the assessments on Chile by in-house analysts (who themselves were never told that the covert side was busily undermining the Allende regime).

The U.S. intelligence community not only failed to predict the energy crisis triggered by the 1973 Arab oil embargo but was unable to provide the Nixon administration with a clear picture of available world energy resources. So contemptuous were Nixon and Kissinger of our spy network, they even failed to believe the one good piece of information passed forward to them that year—that the Arabs were planning a massive attack on Israel. Espionage credibility had been seriously damaged the previous year when it turned out U.S. intelligence officers had no idea that the 1972 Soviet grain harvest was a disaster. Nixon, accordingly, had no timely warning that the Russians were about to engage in massive purchases in the United States, badly damaging our own markets. But if he had wanted to, Nixon could have read the less-than-world-shaking study of how the Peruvian fish-meal industry was being affected in 1972 by Pacific Ocean currents that had removed schools of anchovies far away from traditional fish-breeding grounds.

Why is our political-military estimative capability so poor? Surprisingly, it suffers less from lack of information than it does from the disagreement among agencies about what the information means. Studies the agencies provide are so riddled with dissenting opinions that they are reduced to gibberish. Quite early on, Henry Kissinger decided to disregard the political



The CIA:

How Badly Hurt?



LONDON SUNDAY TIMES
15 January 1978



Curbing the spook machine

THE Central Intelligence Agency is undergoing dramatic internal changes that are bound to affect the ways in which America's espionage system has been operating until now. The outward sign of what some call a "purge" and others a "coup" is the dismissal of 820 members of the clandestine services, including some of the most experienced hands.

It is a "purge" for those who believe that the drastic change is all to the good in view of the incompetent assassination attempts, irresponsible experiments with mind-bending drugs, efforts to subvert governments and other ill-conceived covert operations. And it is a "coup" for those who see, in the decapitation of the clandestine services, President Jimmy Carter's purposeful destruction of the Eastern establishment's last bastion left in government. Whichever way one looks at it, for Admiral Stansfield Turner, Carter's choice as CIA director, it was a command from the president to chop off the tail that has been wagging the dog.

From the start the Directorate of operations (DDO) as the clandestine services are officially called, has been the CIA's dynamo. Its size is secret but has been estimated to amount to some 5,000 employees. If that is correct, then the cut — which includes most of its senior officials — would amount to more than 20 per cent. "Turner sees the DDO as the enemy the way Carter views Washington," a long-time observer of the agency remarked to me. "He does not



CIA's Turner: goodbye to the James Bond era

understand its language or its esprit."

But Senator Frank Church, whose special committee on intelligence (now disbanded) detailed a long history of illegal and improper acts by intelligence agencies, defends Turner by saying: "He is creating a leaner, better-controlled, more coherently 'tasked' agency and I don't see anything thus far that would impair its capacity to collect clandestine intelligence."

Turner has created a national foreign assessment centre, run

by Robert Bowie, who was once John Foster Dulles's key adviser and more recently a professor at Harvard, and staffed by 1,200 intelligence analysts from the CIA. He has also set up a national intelligence tasking centre "under the command of Lieutenant General Frank A. Camm, which assigns tasks to the various intelligence-collecting agencies — the CIA, the Defence Department, the National Security Agency, which is responsible for signal monitoring and decoding, and the National Reconnaissance Office, which operates spy satellites.

continued

WASHINGTON POST

29 December 1977

CIA Author of 212 Dismissal Notes Is Ousted as Operations Branch Chief

By Bill Richards
Washington Post Staff Writer

Two months after touching off the Central Intelligence Agency's tumultuous reorganization effort with a curtly worded dismissal notice to 212 senior members of the agency's clandestine operations branch, the CIA's top operations official has been notified that he is also being replaced.

A CIA spokesman confirmed yesterday that William W. Wells, the CIA's deputy director for operations, will retire at the end of December. Knowledgeable sources said Wells and his top deputy, Theodore Shackley, were dismissed from their operations posts shortly before Christmas after a falling out with CIA Director Stansfield Turner.

Turner announced Wells' retirement at a meeting Tuesday of senior CIA officials at headquarters in Langley, Va. The CIA's spokesman yesterday denied that Shackley had been fired by Turner. "As far as I know he's staying but we don't yet know in what capacity," the spokesman said.

The removal of the two senior operations officials was seen by some top CIA officials as part of Turner's announced top-to-bottom housecleaning of the clandestine arm and an attempt to break up remnants of the "old boy" network of senior operations agents in

favor of more science and technologically oriented intelligence-gathering.

Turner has formally announced that he plans to cut the operations directorate, which has been sharply criticized in recent years for its covert foreign activities, by more than 800 persons, including many of the directorate's most senior officials.

The CIA's spokesman said Wells will be replaced by John N. McMahon, the current acting deputy to Turner for intelligence. McMahon is a 26-year CIA veteran whose specialty in the past has been in the area of science and technology.

Wells and Shackley were generally considered two of the CIA's top clandestine operators. Wells was a station chief for the intelligence agency in Tokyo and Hong Kong and gained the nickname "Wild Willy" among some of his colleagues. He also headed the CIA's European operations division. Shackley directed the CIA's secret war in Laos and was actively involved in CIA operations during the Cuban missile crisis and in Berlin.

Wells' dismissal is particularly ironic since he signed the controversial two-sentence memo sent Oct. 31 to senior operations officials notifying them of their firing.

His memo said: "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 ordered by the DCI [Director of Central Intelligence]. I or my designee will first review your case with the Director of Personnel or his designee."

A number of those who received the hand-delivered memos have angrily broken the CIA's traditional cloak of silence and complained—although anonymously—about the cold tone of the dismissal.

Several of those who received the notes said yesterday that it is possible Wells may have drawn them up and sent them out without first clearing their tone and language with Turner.

But one high-ranking CIA official on the dismissal list said, "Turner went to Harvard Business School. He knows that he's the one who's responsible for those memos no matter who actually sent them out."

Under the provisions of the 1947 National Security Act, Turner, as CIA director, has the authority to fire anyone on the CIA payroll without review or appeal.

Some CIA officials, who asked yesterday not to be identified, said they were still unclear as to whether the shift at the top of the operations branch signified a full-scale downgrading of its traditional cloak-and-dagger method of gathering intelligence.

"Some people are going to read this as, bring an outsider into the operations directorate when there are people already there who were capable of taking the job," said a veteran CIA clandestine official.

On the other hand, the CIA official and others in the intelligence agency noted that so much bitterness had been raised over Wells' dismissal memos that his effectiveness may have been wiped out as operations director.

According to another CIA official, Shackley and Turner had several angry confrontations over management policy recently. After one such flare-ups two weeks ago, Shackley stalked out of Turner's seventh-floor office and Shackley's secretary began calling the CIA's logistics arm to prepare for the removal of communications equipment from Shackley's home.

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DAILY PRESS
(NEWPORT NEWS-HAMPTON, VA.)
1 August 1977

JACK ANDERSON And LES WHITTEN

THE WASHINGTON MERRY-GO-ROUND

—The CIA's new acting deputy intelligence director is a man to watch. He's a capable administrator who should be making his influence felt in the intelligence community. But he's also a fast man with an electronic device. Old CIA hands recall that John McMahon handled a prominent Soviet defector, who used the code name AELADLE. McMahon had the defector's telephone, bedroom and every hotel room he was in bugged.

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THE ATLANTA CONSTITUTION
14 JULY 1977

No. 2 CIA Man Resigns Amid Purge Rumors

From Press Dispatches

WASHINGTON — The No. 2 man at the Central Intelligence Agency has resigned amid reports he was forced out by President Carter's new CIA director.

Adm. Stansfield Turner gave no reason for the resignation of E. Henry "Hank" Knoche.

But informed sources said Wednesday that Turner forced his 52-year-old deputy into early retirement and had the same fate in mind for at least 20 members of the agency's clandestine operations branch.

Turner denied he was forcing top agency officials into retirement.

But Turner confirmed through a spokesman that Knoche had submitted his resignation to President Carter on July 5. The resignation is effective August 1.

An official statement attempted to discount the reports that a major wave of firings was imminent at the agency.

"There are no plans for forced retirements or removals of any top CIA officials. There are no plans for major changes in the CIA organization at this time," the statement said.

Intelligence sources said Knoche's replacement will be John McMahon, a former member of the CIA's clandestine operations

team who now works in the administrative section.

In a statement to CIA employees issued late Wednesday afternoon, Knoche called his resignation "a most difficult decision." And he referred to changes to come at the CIA.

"I concluded that it would be in the best interests of the agency and the nation's intelligence effort if I stepped aside now to facilitate the director's task as he prepares to make decisions about new organizational forms and the kind of new leadership that he will need to carry out his future plans," his statement said.

In January, Carter presented Knoche the highest civilian award for distinguished civil service.

Knoche was named to the second spot at the CIA by then-President Gerald Ford in 1976. Under an executive order issued by Ford, Knoche was in charge of the CIA's day-to-day operations.

Sources said Turner is seeking early retirement of some members of the operations directorate, which handles clandestine activities, including the directorate's two top men

— William Wells and Theodore Shackley.

Senior intelligence officers were puzzled at Knoche's ouster since, they said, he apparently got along well with Turner. There was speculation, however, that Knoche opposed Turner's moves against the clandestine operations branch, which one source described as "wholesale purge."

The source said the clandestine operations men Turner is seeking to retire comprise "about the whole headquarters command of that section, which is not large and 'almost all are senior officers.'"

At a February 1977 news conference, Carter said that Knoche was "very competent." Knoche was acting director of the CIA at the time, filling in between the resignation of George Bush as CIA chief and Turner's confirmation.

White House Press Secretary Jody Powell said Turner "has discussed his plans with the President, (but) not with regard to even specific change."

And Powell said, "My understanding from the CIA is that those reports (on changes) are somewhat exaggerated."

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NEW YORK DAILY NEWS
14 JULY 1977

Purge Hits CIA; See Some Spies Going Into the Cold

By FRANK VAN RIPER

Washington (News Bureau)—Acting with the approval of President Carter, CIA Director Adm. Stansfield Turner is conducting a high-level purge of the spy agency, forcing his top deputy into early retirement and targeting the CIA's much-criticized clandestine operations division for a major house-cleaning.

Career intelligence executive E. Henry (Hank) Knoche, CIA deputy director, reportedly was forced to quit by Turner. The agency, however, denied in a written statement that there are any plans "for major changes in the CIA organization at this time."

But no sooner was the official statement released than Knoche himself, in a message to fellow employees, declared that "major change looms on the horizon, and properly so."

Knoche said that he decided to "step aside now to facilitate the director's task as he prepares to make decisions about new organization forms and the new kind of leadership that he will need to carry out future plans."

Turner's action appeared aimed at consolidating his position against internal sniping from agency veterans, resentful of Turner's Navy background and "hard right rudder" manner.

The last Navy man to head the intelligence agency, Adm. William Raborn, a Lyndon Johnson appointee, was the target of widespread agency backbiting throughout his brief tenure as CIA chief.

An informed source told The News: "O

One informed source told The News: "Obviously, Turner does not want to happen to him what happened to Raborn, so he has made the first move."

Yesterday afternoon, in a rare public statement, the CIA confirmed that Knoche — who last January received the highest civilian award for distinguished service — had submitted his resignation last week, effective Aug. 1.

Knoche is 52. Mandatory retirement age in the CIA is 65.

Retirement Reports Denied

In response to questions, CIA spokesman Dennis Berend denied a report that Turner has requested the early retirement of the two top men in the division, William Wells and Theodore Shackley.

Berend would neither confirm nor deny that John McMahon, now in the administrative section of CIA but who has experience in the clandestine operations division, has been tapped to replace Knoche.

There were indications that Turner's actions ultimately could effect the top management of the clandestine operations division and result in the early retirement of as many as 20 CIA veterans.

Knoche, who served as interim CIA director until Turner took over from relations with his boss, but may have objected to Turner's plan for an apparently sweeping house-cleaning of the clandestine operations division.

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CHICAGO TRIBUNE
14 JULY 1977

Turner begins CIA housecleaning

WASHINGTON [UPI]—CIA Director Stansfield Turner has forced his No. 1 deputy to retire and has demanded the retirement of the top command of the agency's clandestine operations department, sources said Wednesday.

The sources said Turner had requested the early retirement of E. Henry Knoche, 52, his deputy director decorated by President Carter in January for distinguished civilian service.

Turner released a statement that said:

"The director of central intelligence confirms that the deputy director of central intelligence, E. Henry Knoche, submitted his resignation to the President on July 5, effective on Aug. 11, 1977. The President has not yet nominated a successor. There are no plans for forced retirements or removals of any top CIA officials. There are no plans for major changes in the CIA organization at this time."

The sources said Knoche sent his letter to the White House, a necessary formality because he was appointed by the President and confirmed by the Senate.

WHITE HOUSE Press Secretary Jody Powell said Turner "has discussed his plans with the President, [but] not with regard to every specific change." Powell said he did not know whether Carter had received Knoche's letter.

A request for early retirement is the CIA euphemism for a demand for resignation.

The sources said Turner also asked for the early retirement of at least 20 men running the CIA's department responsible for covert operations, "dirty tricks," and undercover gathering of intelligence, including the director and his deputy. One source called it a "whole-sale purge."

"This comprises about the whole headquarters command of that section, which is not large," the source said. "Almost all are senior officers."

KNOCHE, A FORMER navy veteran of World War II and Korea, joined the CIA in 1953 and was confirmed as deputy to CIA Director George Bush on June 30, 1976. Bush, an appointee of President

Gerald Ford, resigned after Carter was elected.

Before Turner took over in February, Knoche ran the CIA as acting director.

The sources said John Mahon, now in the CIA's administrative section and a former member of the clandestine directorate, has been selected by Turner to replace Knoche.

The exact reasons for Knoche's forced early retirement were not clear, but a pattern was evident in the intended sweep by Turner of the Clandestine Operations Directorate.

HE REQUESTED the early retirement of William Wells and Theodore Shackley, the two top men in the Deputy Directorate of Operations—the CIA branch handling clandestine operations. Both are agency veterans and one unconfirmed report said they are resisting the pressure to retire.

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THE WASHINGTON STAR (RED LINE)
13 July 1977

Turner Reported Shaking Up CIA

By Daniel F. Gilmore
United Press International

Director Stansfield Turner has requested the early retirement of his No. 2 and is moving against some members of the agency's clandestine operations department, sources said today.

There was no official confirmation from the CIA itself.

Sources said that Adm. Stansfield Turner, in what appeared to be a reshuffle, had requested the resignation of Deputy Director (Hank) Knoche, his 52-year-old deputy, who only in January was named President Carter's highest award for distinguished civil service.

Adm. Turner, a former navy veteran of World War II and Korea, joined the CIA in 1953 and was confirmed as CIA Director George Bush

June 30 of last year. Bush, an appointee of former President Gerald R. Ford, resigned after Carter was elected.

KNOCHE RAN the CIA as acting director in the interim before Turner took over in February.

The sources said Knoche has already tendered his resignation to Carter, a formality required since the post of deputy CIA director is by presidential nomination and also requires Senate approval.

The sources said that John McMahon, now in the administrative section of CIA but who also formerly was in the clandestine directorate, has been selected by Turner to replace Knoche.

The exact reasons for Knoche's forced early retirement were not clear but a pattern was evident in the

intended sweep by Turner of the Clandestine Operations Directorate.

He requested the early retirement of William Wells and Theodore Schakley, the two top men in the Deputy Directorate of Operations — the CIA branch that handles clandestine operations. Both are agency veterans and one unconfirmed report said they are resisting the pressure to retire.

In addition some 20 members of the directorate were in effect asked to resign via the early retirement route.

IF CONFIRMED, the scope of the move would be reminiscent of wholesale "early retirements" ordered by James R. Schlesinger when he served for a few months as CIA director in 1973 after Richard M. Helms was removed in the first wave

of exposures of questionable activities by the agency both at home and abroad.

Until Knoche is formally replaced, Turner will be without a chief deputy.

Adm. Daniel J. Murphy, who had been a deputy director since March 1976, was recently transferred to the Pentagon as staff adviser on intelligence to Defense Secretary Harold Brown.

Turner, a former Naval Academy classmate of Carter, insisted on and succeeded in retaining his admiral's rank when he accepted the President's nomination as intelligence chief.

Until the current changes, Turner had moved cautiously in reorganizing the CIA.