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October 5, 1981

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

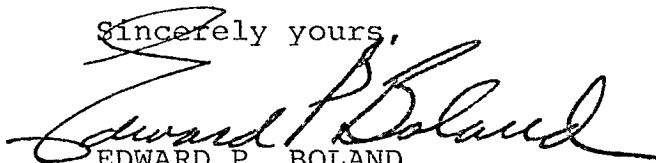
Dear Mr. Casey:

The enclosed correspondence is forwarded for your consideration. Please provide the Committee with any pertinent information so that we may respond to

STAT

With every good wish, I am

Sincerely yours,



EDWARD P. BOLAND  
Chairman

Enclosure

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## NATIONAL AFFAIRS

sell whole peanuts on the domestic market. The compromise passed 51 to 47, but it was clear that the peanut bloc had lost a round.

Stunned by the defeats on milk and peanuts, the farm coalition regrouped to defend sugar and tobacco. The loan-support program for sugar had expired in 1979 and the Administration had agreed not to fight a move to reinstate it, again as a sop to boll weevils. Still, Republican Dan Quayle of Indiana and Democrat Paul Tsongas of Massachusetts tried to scuttle the proposal, arguing that it would fatten the bureaucracy and that each 1 cent rise in the sugar price would cost consumers \$300 million. The threat mobilized senators from sugar states—Hawaii, Florida, North Dakota and Louisiana. "All we ask is the same sympathetic consideration that we seek to provide in the areas of corn, wheat and cotton," pleaded Russell Long of Louisiana. The Senate tabled the Quayle-Tsongas amendment, clearing the way for the new sugar loans.

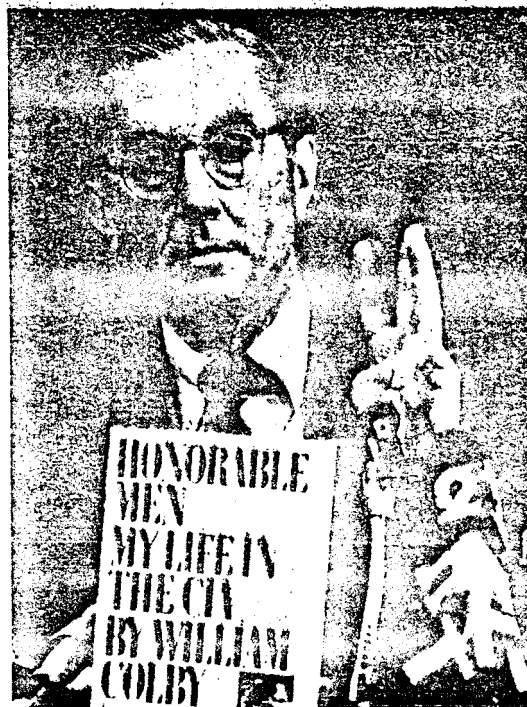
**Chastened:** The fiercest battle came, predictably, on tobacco. Oregon's Mark Hatfield proposed scrapping the allotment, quota and price-support system, calling it "a travesty" for the government to subsidize tobacco growers while spending millions to discourage smoking. Helms countered that ending the tobacco program would throw thousands of farmers out of work, creating a "lollapalooza of a welfare program." Huddleston argued that farmers' tobacco earnings had sent more Kentucky youths to college than "all other Federal programs combined." The Senate tabled Hatfield's proposal and as Helms went into uncharacteristic retreat to diffuse any personal resentment, the farm coalition held together to narrowly defeat two more modest proposals. The experience was still chastening: the 48-to-45 vote against a measure to reduce loan levels was the closest in memory on an issue dear to the tobacco lobby.

Late Friday the remnants of the farm bloc beat back another Lugar amendment to wipe out the entire target-price system for commodities, but the Senate accepted a compromise—at Kansas Republican Robert Dole's urging—that trimmed the proposed increases in price levels for wheat, rice, corn and cotton. "I'll be criticized by some in my wheat-growing state for this," Dole conceded. "But the farmers want us to stop spending and they are willing to make some sacrifices." The Senate then approved the scaled-back \$7.4 billion farm bill 49 to 32 and sent it to the House, where farm-state representatives had watched the assault on the farm bloc with trepidation. How much effect the compromises will have on prices is uncertain, but the lesson of the week was clear: budgetary imperatives had upset old Congressional alliances, and not even the Republican-led farm coalition was immune.

MELINDA BECK with HOWARD FINEMAN  
in Washington

## The U.S. Vs. William Colby

Early this month, Attorney General William French Smith revoked Carter Administration guidelines that limited legal recourse against current or former government employees who publish information about intelligence work without clearing it with the government first. Smith obviously meant business. NEWSWEEK learned last week that the Justice Department plans to sue former CIA director William E. Colby for publishing his memoir, "Honorable Men," without clearing all editions with his former employer. Justice officials said the Colby case did not portend a barrage of lawsuits against leakers of sensitive infor-



Colby: His loyalty to the CIA isn't at issue

mation; the idea was to send a message that the Administration would not tolerate breaches of the legal contracts between government workers and their employer.

The Colby case was also designed to "get at the heart of the question of whether we deal only with the little fish," said a senior Administration official. Colby's alleged breach of security occurred in 1978 when galley proofs of his book reached a French publisher before the CIA could demand that its former chief delete certain passages. In those passages, Colby revealed that the CIA spy ship Glomar Explorer had failed in its attempt to recover nuclear missiles, steering and transmission devices and codes from a Russian submarine three miles below the surface of the Pacific Ocean.

**Consent:** There was no question that Colby's book was entirely loyal to the CIA—but according to Smith, that isn't the issue. "Neither the political views of the author nor the fact that the writing is favor-

able to or critical of the intelligence agency involved will be a factor in deciding whether to sue," he said. Colby's case, government sources said, probably would be settled with a consent agreement—perhaps forcing the former CIA director to turn over some profits from his book to the government.

The Colby case is the latest example of the Reagan Administration's effort to stop leaks of information it regards as sensitive. It was learned that the Administration has ordered several investigations of possible national-security breaches: the disappearance of State Department policy papers on southern Africa, the removal of MX-missile studies from the Pentagon and the acquisition by NBC's Marvin Kalb of position papers on Pakistan. Similarly, CIA director William J. Casey has asked for a special FBI team to conduct an internal investigation of agency leaks—a request the bureau has rejected because its top officials do not believe that the FBI should be working for the agency.

**Irritated:** Less sensitive leaks are "more of an annoyance," says Presidential Counselor Edwin Meese, but the White House is tracking them as well. After The New York Times suggested in June that Reagan was willing to compromise on his tax bill, irritated aides checked Secret Service computer logs to learn which officials the reporter had seen. The leak was traced to budget director David Stockman. Stockman's job isn't in danger, but it is the chilling prospect of being found out—and possibly fired—that keeps most potential leakers in line.

Intimidation may be the best weapon against leakers simply because it is so difficult to prosecute them. Federal

law prohibits the unauthorized dissemination of national-security information, but the statutes are "so vague as to be virtually worthless," says a former CIA official. Defendants also can resort to "graymail," forcing the government to disclose even more sensitive information so that a jury can decide the relative importance of the leaked material.

Given the legal and practical pitfalls, the Administration is searching for more effective ways to stop leaks: not passing some information to leak-prone departments and routinely collecting important briefing books after meetings. Attorney General Smith's new edict on unauthorized publication of sensitive information may help to keep such information in the files—but leaks of less sensitive material may simply be beyond control.

JERROLD K. FOOTLICK with ELAINE SHANNON,  
JOHN WALCOTT and THOMAS M. DeFRANK  
in Washington