

Panel O.K. likely for CIA nominee

By CHARLES W. CORDRY
Washington Bureau of The Sun

Washington—James R. Schlesinger, now chairman of the Atomic Energy Commission, apparently will win Senate Armed Services Committee approval as the new director of the Central Intelligence Agency after assuring the panel that he will be willing to testify before it whenever called.

The Senate Democratic caucus, annoyed about the refusal of some officials to testify before Senate committees, threatened in a resolution adopted Thursday to hold up endorsement of presidential nominees unless they make firm commitments to appear when called.

To come whenever called

Senator John C. Stennis (D., Miss.), chairman of the Armed Services Committee, said after Mr. Schlesinger's confirmation hearing yesterday that the nominee said he is "willing to come before the committee whenever he is called."

"I don't think there is any problem there," Mr. Stennis

said. When he was asked what would happen if the White House refused to let Mr. Schlesinger testify, Senator Stennis said the nominee obviously could not speak for the White House and "we'll handle that when it comes up."

Senator Stennis said the committee had not yet voted on Mr. Schlesinger's appointment but there has been "no opposition" in or out of Congress.

Would succeed Helms

Mr. Schlesinger would succeed Richard Helms at the Central Intelligence Agency. Mr. Helms has been nominated to be ambassador to Iran.

Senator Stennis said Mr. Schlesinger assured the committee "very firmly" in the hearing, which was closed to the public, that his agency would be strictly independent in its appraisals of foreign intelligence information, without yielding to White House, congressional or any other pressures. This is "vitally important," Mr. Stennis said.

Nominee for CIA post delights Senate leader

WASHINGTON (AP) — James R. Schlesinger passed Friday what the chairman of the Senate Armed Services Committee called a "full examination" on his nomination to be director of the Central Intelligence Agency.

Chairman John C. Stennis, D-Miss., said he was impressed with the nominee's "firm answers" to the committee in recognition of an obligation to make his own ultimate conclusions from intelligence data independent of anyone in or out of government.

Stennis said Schlesinger, now chairman of the Atomic Energy Commission, ex-

pressed unequivocal willingness to respond when called upon by the appropriate committees of Congress.

His response at a closed-door hearing to requests to keep tight rein on operating funds and intelligence community manpower needs were "entirely satisfactory," Stennis said.

Schlesinger, former professor at the University of Virginia and former assistant director of the federal Budget Bureau for two years, was named to succeed Richard Helms as CIA director. Helms is being named ambassador to Iran.

Stennis said the committee will vote at its earliest opportunity, possibly next week on the nominations of Schlesinger, Elliot L. Richardson to be secretary of defense and William P. Clements Jr. to be deputy secretary of defense.

Stennis said he is satisfied with arrangements proposed by Clements for handling his financial affairs while in office. The senator said the arrangement would not be made public, but filed for future reference "should anything happen." Clements is founder and board chairman of Sedco, Inc., a Dallas oil drilling firm.



JAMES SCHLESINGER

CIA: Neuer Direktor dirigiert Bombenterror



*James Rodney Schlesinger: Er löste CIA-Chef Helms ab.
Fotos: NBI-Auslandsdienst*

Es geschah am Ende der zweiten Dezemberdekade im Weißen Haus: Präsident Nixon berief einen neuen Direktor für die Dachorganisation des USA-Geheimdienstes CIA - den 44jährigen Dr. phil. James Rodney Schlesinger. Am gleichen Tage befahl der Präsident, den Bombenterror gegen dichtbesiedelte Gebiete der DRV zu verstärken. Beides steht in unmittelbarem Zusammenhang.

Mit Schlesinger übernahm erstmals in der 26jährigen Geschichte der CIA ein profiliertes „Druckknopfkrieger“ deren Leitung. Von 1963 bis 1969 hatte dieser Mann im kalifornischen Santa Monica in der sogenannten Rand Corporation, der „Denkfabrik“ des Geheimdienstzweiges der U.S. Air Force, gearbeitet. In dieser Corporation, die sich mit Kriegsforschung und -entwicklung befaßt, wurden beispielsweise Einsatz und Wir-

kung der in den vergangenen sechs Jahren über Indochina abgeworfenen 7 Millionen Tonnen verschiedenster Bombentypen analysiert. Unter Schlesingers Leitung - er war dort sogar drei Jahre lang Direktor für strategische Studien - entstanden u. a. die Leitfäden über „Effektivitätssteigerung bei Flächenbombardements“ und über „Eskalationsstufen vor Kernwaffeneinsätzen“.

1969, sofort nach seinem Amtsantritt, ließ Präsident Nixon Schlesinger - er ist wie Nixon Mitglied der Republikanischen Partei - als einen seiner engsten Berater nach Washington kommen, zuvor hatte Schlesinger zwei Jahre lang im Budgetbüro, dem Finanzzentrum der USA, den Ton angegeben. Zu dieser Zeit arbeitete er für den Präsidenten persönlich einen Reorganisationsplan für die zivilen und militärischen Geheimdienstzweige aus. 1971 schob Nixon den Mann seines Vertrauens auf den Präsidentenposten der Atomenergie-Kommission der USA. Jetzt übertrug er Schlesinger die Führung der CIA, um u. a. auch „mit allen Mitteln“ die USA-Positionen in Indochina zu sichern. Bei seinem Befehl, Hanoi und Haiphong bombardieren zu lassen, stützte sich Nixon wesentlich auf eine Konzeption Schlesingers. Gleichzeitig will er nun diesen Schlesinger - er ist übrigens der jüngste Chef in der CIA-Geschichte - in den kommenden Jahren im Rahmen der Salt-Gespräche zwischen den USA und der UdSSR wirken lassen.

Dr. Julius Mader

MIDDLETOWN, CONN.

PRESS

DEC 23 1972

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A New CIA Director

The retirement of Richard Helms from the Central Intelligence Agency at 60 years of age represents an end to the era of professionalism in the CIA. His successor James R. Schlesinger is a capable economist and student of strategic studies, but he is not an up through the ranks director of espionage.

Helms dates back to the long regime of Allen Dulles, who himself came out of the fabled Office of Strategic Services of World War II. Thus a long chain is being broken, and we would be hopeful that it does not represent the politicization of the CIA.

Helms retirement appears to be just that because he has often urged that members of the agency retire at 60 and he is doing the same thing.

The new director is considered to be a systems manager which is quite a different thing from one who has a flair for the peculiar business of intelligence, or an individual who by long experience knows when to play a hunch. It will therefore be a different CIA; if it can be as effective under the new director as the old, the nation will be well served.

15 JAN 1973

Washington Whispers®

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James R. Schlesinger, Chairman of the Atomic Energy Commission, who is to succeed Richard Helms as Director of the Central Intelligence Agency, has been told by President Nixon to concentrate on intelligence gathering and evaluation rather than on operations. As a White House insider puts it: "There is to be more cloak and less dagger in the CIA."

Llewellyn King

8 JAN 1973

From AEC to CIA: 'Intellectual Man of Action'

IN HIS 16 months as chairman of the Atomic Energy Commission, James R. Schlesinger Jr., whom Mr. Nixon has nominated to head the CIA, achieved what has seemed to be a minor miracle: He has taken an ailing department overwhelmed by demands and given it a new sense of purpose and vigor. His record should be of some interest to those who are wondering how he will conduct the affairs of the Central Intelligence Agency.

When Schlesinger took over in August 1971, the AEC was gun-shy and exhausted, and the reorganization plan that would have parcelled off some of its functions to the proposed Department of Natural Resources then being considered by the Congress seemed like the only kindly way out.

These were some of the woes then facing the AEC:

The AEC's licensing procedures for nuclear power plants, based on exten-

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sive public hearings and designed to inform the public what it meant to have such a plant in their community, had become a battleground between environmental groups and electric utilities. Utilities themselves were caught between projections of a doubling of electricity demand every 10 years until the end of the century and rising costs of fossil fuels, plus stiffer air quality standards. Environmentalists were reflecting generally a disillusion with technology similar to that which ended the SST project. A large body of opinion among AEC's critics, as well as some in industry, was saying that the AEC was in conflict of interest by being both a regulatory and promotional agency. Then, shortly before Schlesinger's arrival, the Court of Appeals for the District of Columbia ruled that the AEC had been ignoring the provisions of the National Environmental Policy Act in not considering environmental matters in its hearings, and in one stroke the AEC's regulatory workload was doubled.

THERE WERE other problems, too. The AEC was under fire for then-current standards of radioactive effluent releases from power plants. The liquid metal fast breeder demonstration reactor program, on which the government hinges its hopes for meeting the country's mid-term electrical needs, was dragging along in a series of ineffective discussions. The Joint Committee on Atomic Energy was practically at war with the administration over the nation's future capacity to enrich uranium, the process of fuel AEC is committed to supply for the domestic

industry and a large part of the free world's nuclear generating capacity. Congress had authorized and appropriated funds for increasing the capacity of the AEC's three existing uranium enrichment plants, but the Office of Management and Budget had steadfastly refused to spend the money.

And behind these day-to-day problems of atomic energy were the national security issues of the SALT talks and the planned detonation of a nuclear warhead at Amchitka Island.

Presiding over the AEC was Glenn Seaborg, a respected scientist and internationalist who was a lot happier discussing the long-term benefits to mankind world-wide than he was with the daily hassle of running the AEC, a problem that he appeared to have solved by leaving the daily troubles to his division heads while contemplating the big picture himself. His attitude to the public was patronizing and is summed up by what the critics of the AEC call "papa-knows-best." Some evidence of this is provided by his relegation of a minor role to the AEC public information function.

THEN CAME Schlesinger, a tall, boyish 43-year-old with an omnipresent pipe in his mouth and a twinkle in his eye. A man who put in 16-hour days, Schlesinger found time to introduce some humanizing innovations, as well as to restructure the AEC. Wine appeared in the executive dining room, and alcohol was served for the first time ever at AEC receptions. Substantive innovations occurred. The two aspects of the AEC, the regulatory and promotional branches of the agency, were overhauled. Teams of consultants were set up for major reorganization of the agency. New departments and new department heads were introduced. A new policy of running an "open" agency was introduced.

In a major speech six weeks after taking office, Schlesinger said that the cozy, incestuous relationship between the industry and the AEC was over. He called environmental critics of the AEC into meetings and "jawboned" with them.

One of his division chiefs said, "He seems to be that amazing combination, an intellectual man of action." There is evidence that it was a good analysis of the man. He was a defense analyst for the Rand Corp. and was for a little over a year an assistant director of the Office of Management and Budget, where he prepared a study for President Nixon on overhauling the intelligence establishment that he is now to head. He had no administrative background, but seems to have tapped a great latent talent for administration. He is now in charge of the Defense

Department's "critical path analysis" computer profiling system for AEC licensing. The system allows the entire state of the licensing program to be seen at a glance on a computer readout. He is a voracious reader of English history and is fond of quoting Burke and Haslitt.

On paper Schlesinger reads like a second Robert McNamara. He has a facility to grasp a complicated problem at a glance, and his computer-like qualities are modified by unexpected personal charm and a very human warmth.

ONE OF THE MOST encouraging things that Schlesinger has done is to reduce some of the more sinister aspects of the AEC that resulted from its weapons producing role. When a reporter told Schlesinger that the agency's civilian regulatory building in Bethesda, Md., was still subject to Pentagon-type security, he said: "Christ, is that still going on?" and turning to an aide, he added: "That is going to stop now." It did.

When Nucleonics Week, the trade publication for the atomic energy industry, published an article about AEC scientists who feared they would be the victims of reprisals for their views on the controversial subject of nuclear safety, he was incensed. Schlesinger berated the reporter who wrote the report. But when the reporter insisted on the veracity of the story, Schlesinger demanded more facts. Then he said: "I know who it is (naming the head of one of the AEC's divisions). It is not going to happen any more."

And to all appearances it hasn't. The agency now has a small band of in-house critics who speak out against what it is doing. Although often doing this off the record, they are well known inside the agency, but they do not appear to have been silenced in any way. At the time of the incident, Schlesinger said, with considerable emotion: "While I am chairman here there are not going to be any reprisals. We are not going to have that kind of — here." He is no stranger to pertinent epithets.

On several subsequent occasions he has inquired whether there has been any new word of reprisals.

In the personnel area, he encouraged many old AEC hands to seek early retirements and brought in highly qualified new individuals, including a new director of licensing.

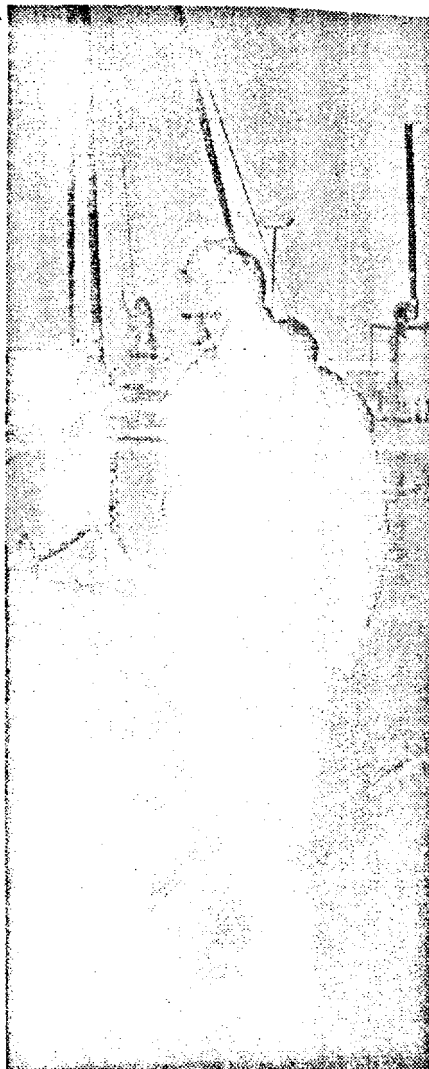
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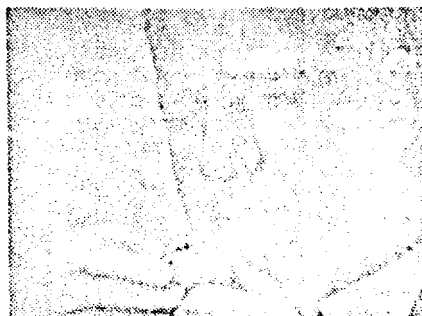
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At an AEC reception recently, as several stragglers approached the bar for another round, the bartender replied politely that the party was over. "The hell it is," said the chairman of the AEC, extending his glass for a refill. Those who know him believe that the CIA is in for a shot of change, and they feel pretty good about it.



James R. Schlesinger Jr. at Amchitka

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18 DEC 1972

AEC's Chief Denies Offer Of CIA Post

Atomic Energy Commission Chairman James R. Schlesinger said yesterday he has not been offered the position of director of the Central Intelligence Agency by President Nixon.

Schlesinger was mentioned as a possible successor to Director Richard Helms when it was disclosed Dec. 2 that Helms would resign to take a new job in Mr. Nixon's second administration.

Helms has headed the CIA since 1966 when he was promoted by President Johnson.

In an interview yesterday on "Meet the Press" (NBC, WRC), Schlesinger was asked if he had been offered the CIA job. "No," he replied. He also said that there is no White House decision to transfer AEC authority over civilian development of atomic power to the Interior Department.

Asked if there are effective safeguards to keep atomic material safe from hijackers and terrorists, Schlesinger said that current nuclear plants can withstand the impact of a 200,000-pound plane flying at 150 miles an hour. But he said "they may not be adequate for a larger aircraft."

Three hijackers who commandeered a Southern Airways jet on Nov. 11 threatened to crash into the AEC facility at Oak Ridge, Tenn.

SEATTLE, WASH.

TIMES

DEC 22 1972

E - 244,776

S - 310,357

Spy shake-up due

THE man named by President Nixon yesterday to head the Central Intelligence Agency was directly responsible last year for the largest and most controversial earth tremor ever produced by man.

In his capacity as chairman of the Atomic Energy Commission, Dr. James R. Schlesinger waved aside the dire warnings and fierce objections of environmentalist groups here and abroad, and gave the go-ahead for the underground explosion of a five-megaton nuclear device on Alaska's Amchitka Island. Schlesinger, his wife and two of his children were on the island during the test.

The Aleutian Islands are not the only place where Schlesinger has produced shock waves during his 16 months as A. E. C. chief.

He has thoroughly shaken up both the military and non-military sides of the A. E. C., with his principal target being, as he put it, "the development of technology purely for the sake of technology or the technologists."

Schlesinger is certain to take the same approach to his new job at the intelligence agency. The handwriting is on the wall for the game-playing, paper-shuffling end of the spook business. The C. I. A. will become more result-oriented. And there will be less spying for the sake of spying or the spies.

—Dwight Schear

Llewellyn King

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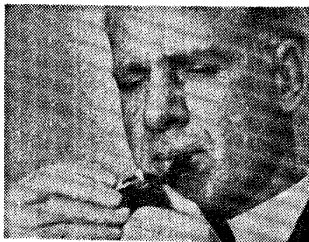
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U. S. NEWS & WORLD REPORT, Jan. 15, 1973

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HS/HC-862

Tom Braden THE WASHINGTON POST, SAT., 6 JAN 1973

CIA Housecleaning: The Cold War Is Over

HISTORY has a way of punctuating itself without benefit of manifesto. Neither White House nor Kremlin has proclaimed that the cold war is over. Yet the departure of Richard Helms as director of the Central Intelligence Agency and the appointment of James R. Schlesinger to succeed him is a kind of period, ending an era as clearly as though Winston Churchill had come back to Fulton to revise his famous speech about the Iron Curtain.

Helms is the last of the bright young men whom Allen Dulles assembled from wartime OSS and from Wall Street law offices to help him turn the CIA into the citadel of the cold war.

Dulles is dead. So is Frank Wisner, his hard-driving and inventive assistant. So is the one-time number-three man, Tracy Barnes, tall, blond, handsome and having about him the aura of mystique as the man whom Dulles had personally chosen to parachute into Italy with surrender terms for Kesselring. So is that charming young man of feline intelligence, Desmond Fitzgerald, who once had the courage and foresight to tell Robert McNamara that the army would fail in Vietnam.

SO THE BRILLIANT and the best are gone. It is said that now the President wants someone to clean house over at "the firm," as the cold warriors from Wall St. once referred to their place of business. It is a worthwhile project. Like all bureaucracies, the one that Dulles built tended to go on doing whatever he had given it permission to do long after the need was a memory.

The 1966 "scandal" about CIA's infiltration of student and cultural groups and its use of labor unions, for example, was only a "scandal" because the activities then being conducted seemed so out of date. It was a tough Americans had awakened in 1955 to the startling news that some World War II division left on say the Moselle River in inexplicable ignorance of lime suddenly attacked eastward.

There were so many CIA projects at the height of the cold war that it was almost impossible for a man to keep

them in balance. The dollars were numerous, too, and so were the people who could be hired.

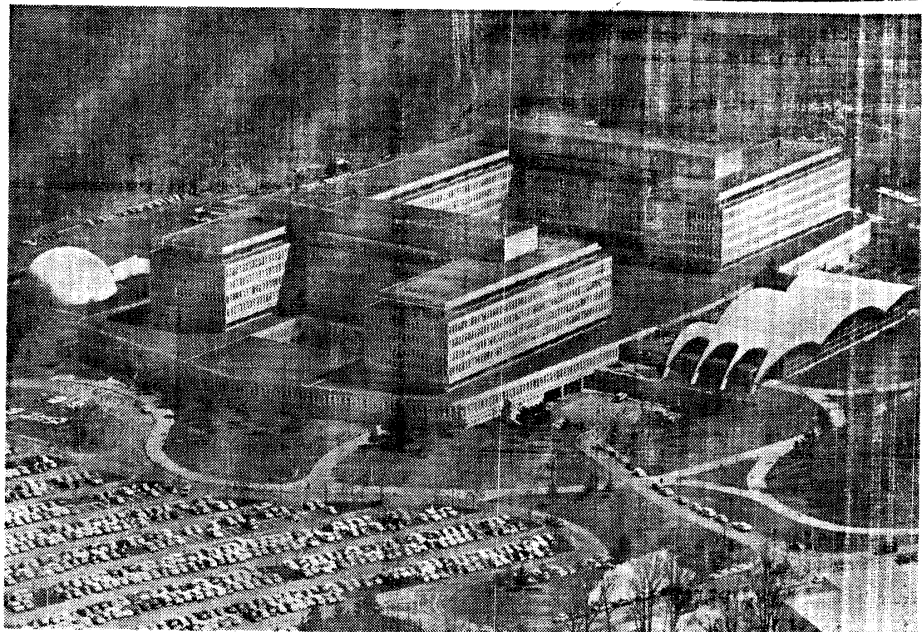
People in government tend to stay on, and CIA had its fair share of stayers left over from some forgotten project or deserted by a bureau chief who didn't get what he wanted and left his recruits to founder for other desks.

There were all those college boys whom the agency hired during Korea, trained as paratroops and guerrillas and then shoved into tents because Gen. MacArthur wouldn't let them into his theater. The same morale problem existed for them as did later for the Cuban exiles awaiting the Bay of Pigs. Some of them departed in

peace, but some are still around, like the Bay of Pigs men who so embarrassed Richard Nixon during the last campaign.

So I am not against a housecleaning. The times have changed, and in some ways they now more nearly approximate the time when CIA was born. The need then was for intelligence only. Josef Stalin's decision to attempt conquest of Western Europe by manipulation, the use of fronts and the purchasing of loyalty turned the agency into a house of dirty tricks. It was necessary. Absolutely necessary, in my view. But it lasted long after the necessity was gone.

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A Discreet Nominee James Rodney Schlesinger

By LINDA CHARLTON
Special to The New York Times

WASHINGTON, Dec. 21— James Rodney Schlesinger, whose expected nomination as the new head of the Central Intelligence Agency was announced by the White House today, received considerable public attention as the Atomic Energy Commission chairman who took his wife and two of his children along to witness the controversial detonation of a hydrogen bomb in the Aleu-

Man
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News

tion Islands. to broaden its concern to take in the entire energy area.

Before heading the commission, Mr. Schlesinger was assistant director of the Office of Management and Budget. He joined the Nixon Administration in 1969 after working for the Rand Corporation as director of strategic studies. During his years at Rand, he was a consultant on atomic energy to the Budget Bureau and directed a nuclear-proliferation study commissioned by the Federal Government.

Born in New York

Mr. Schlesinger was born in New York on Feb. 15, 1929. He graduated summa cum laude and was elected to Phi Beta Kappa.

He also won a prize of \$2,400 that underwrote a year's travel in western Europe and parts of Africa and Asia. "I learned that the world was a very complicated place," he said, "and that the narrow discipline of economics gave a narrow insight into the social life of man."

He returned to Harvard for his master's and doctorate degrees and in 1954 married Rachel Mellinger, who was then at Radcliffe. They have four sons and four daughters and live in Alexandria, Va.

They moved on to the University of Virginia, where Mr. Schlesinger taught economics for six years except for a six-month leave of absence to teach at the Naval War College in Newport, R. I. He wrote a book, "The Political Economy of National Security" and it was this that attracted the attention of, and a job offer from the Rand Corporation.

Mr. Schlesinger is described as an unpretentious, plain-living man who wears off-the-bargain-rack suits, drives a retirement-age car, enjoys bird-watching and reading Lutheran Theology and writes his own policy speeches.

For all his articulateness, the normally frank Mr. Schlesinger has demonstrated recently that he can keep his mouth shut. Speculation that he would be named to the intelligence agency has been swirling through Washington since the beginning of the month, but he has been as discreet as any C.I.A.

But that incident, in November, 1971, about four months after he became chairman of the commission, was one of the less startling actions of his tenure.

Faced with trying to reconcile the opposing interests of conservationists and advocates of nuclear energy, Mr. Schlesinger began by indicating that he was no longer going to take the traditional A.E.C. position of championing the rights of nuclear energy above all others, including those of citizens.

This he did by deciding, on taking office, not to appeal a Federal court decision requiring the commission to be responsive to questions on the location of nuclear power plants and their effects on the environment.

Public Interest Stressed

Not long after this, he told representatives of the nuclear industry that the commission "exists to serve the public interest," not that of the industry.

During his 17 months as chairman of the commission, he has also undertaken a drastic reorganization of its structure—cutting back on high-level staff and creating a new "assistant general manager for environmental and safety affairs."

While the 43-year-old Mr. Schlesinger has made no secret of his advocacy of nuclear energy as a power source, he says that the skeptics have a right to be heard.

In a magazine interview, he urged "getting away from the attitude, to wit, that atoms are beautiful.

"Historically, this attitude is understandable," he said. "But, in fact, atoms may or may not be useful, depending on the circumstances."

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A.E.C. Chief to Replace Helms as C.I.A. Director

Schlesinger, 43, Chosen —Intelligence Official to Be Envoy to Iran

By JACK ROSENTHAL
Special to The New York Times

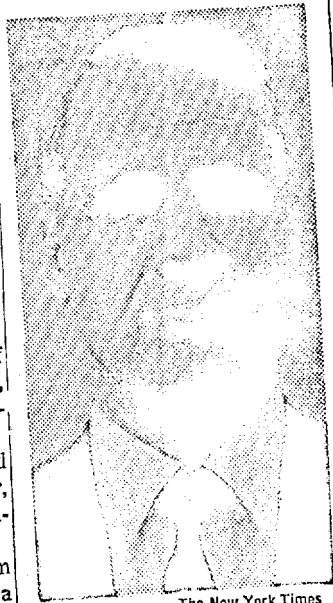
KEY BISCAWAYNE, Fla., Dec. 21 —President Nixon said today that he would nominate James R. Schlesinger, who is chairman of the Atomic Energy Commission, to be Director of Central Intelligence.

He said also that he would nominate the current director, Richard Helms, to be Ambassador to Iran.

Mr. Helms's departure from the C.I.A. was described as a retirement, consistent with his feeling that he, like other C.I.A. officials, should retire at age 60. He will be 60 in March. There had been rumors that Mr. Helms was being forced out of his job.

The White House took pains to affirm the President's appreciation for Mr. Helms's 30 years of public service and for the fact that it will continue. At the same time, the departure from the C.I.A. is touched with symbolic overtones.

In the opinion of knowledgeable officials, it means the end of an era of professional intelligence operatives and the beginning of an era of systems management. Mr. Helms, who



The New York Times
James R. Schlesinger

once interviewed Hitler, as a reporter, epitomizes a generation that developed its expertise during World War II and subsequently helped to create the C.I.A. When appointed in June, 1966, he was the first careerist to become D.C.I.—Director of Central Intelligence.

Mr. Schlesinger, by contrast, is a 43-year-old economist and political scientist schooled in strategic studies, systems analysis, and defense spending. The author of a detailed report on the intelligence community for

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A.E.C. Chairman Will Replace Helms as Intelligence Director

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Mr. Nixon last year, he is expected to take over at the C.I.A. as soon as he is confirmed by the Senate.

Both the Helms and Schlesinger appointments had been forecast.

No successor was named to the A.E.C. chairmanship, which Mr. Schlesinger has held since August, 1971. Before that he had been with the Office of Management and Budget, concentrating on national security and international affairs.

Cost Issue Noted

That experience, coupled with the Administration's apparent interest in the cost and redundancy of intelligence programs, led a close student of C.I.A. to suggest today that what Mr. Nixon now wanted was "more cloak for the buck."

Details about "the agency," as the C.I.A. is known in the Government, are classified. But it is thought to have a budget of more than \$750-million a year and more than 10,000 employees. Most are involved in intelligence—technical assessment, analysis and estimates.

A "plans division" conducts clandestine operations, such as the abortive Bay of Pigs invasion of Cuba in 1961. Mr. Helms once directed this division, but not at the time of the Cuban invasion.

His new assignment is to a country whose leader was strongly assisted, according to wide belief, by a clandestine C.I.A. operation in 1953. The agency was reputed to have had a role in the overthrow of Mohammed Mossadegh, then premier, permitting the Shah of Iran to reassert his control.

If confirmed by the Senate, Mr. Helms will succeed Joseph S. Farland, who has been Ambassador to Iran since May. The White House said today

that he would return to Washington and be reassigned to another post.

According to a private source, the outgoing Deputy Secretary of State, John N. Irwin, is Mr. Nixon's choice to become Ambassador to France. The position has been vacant since the departure in early November of Arthur K. Watson, who is Mr. Irwin's brother-in-law.

In the first news briefing of the President's week-long Christmas trip here, Ronald L. Ziegler, the White House press secretary, also dealt with the following appointments topics:

Mr. Nixon has accepted "with very special regret" the resignation of David M. Abshire as Assistant Secretary of State for Congressional Relations. Mr. Abshire will become chairman of the Georgetown University Center for Strategic and International Studies on Jan. 9.

Speculation about the directorship of the Federal Bureau of Investigation should be discounted for the time being Mr. Ziegler said. One newspaper has reported that Acting Director L. Patrick Gray will be formally nominated, another has said he would not be, and a third has been in between, Mr. Ziegler said. The fact is, he continued, that no decision has been made.

Another vacancy arose in Washington today with the resignation of John P. Olsson after 20 months as deputy under secretary of transportation to return to private business.

Mr. Helms's new position comes after 30 years in intelligence work. After graduation from Williams College, he became a United Press correspondent in Germany from 1935 to 1937. Until 1942, when he was commissioned as a Navy officer, he was in newspaper advertising.

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The Free Lance-Star, Fredericksburg, Virginia
Friday, December 22, 1972

Lewis Gulick

CIA fund cuts seen under Schlesinger

WASHINGTON (AP) — A firm administrative hand and probable fund-cutting are in store for the big Central Intelligence Agency under its new chief, James R. Schlesinger.

This is the opinion of a number of well-placed U.S. officials outside of the CIA, which is sticking to its tradition as the silent service.

President Nixon intends to put Schlesinger, Atomic Energy Commission chairman and former assistant budget director, in the CIA post to replace Richard M. Helms, the Florida White House announced Thursday.

Helms, the career intelligence officer who has headed the espionage agency since 1966, is to become U.S. ambassador to Iran.

Press Secretary Ronald L. Ziegler relayed Nixon's praise for Helms' "dedicated service" and denied the intelligence director was being ousted for faulty reporting on foreign developments.

Helms was instrumental in installing a policy of retirement at age 60 at CIA, aides said. With his own 60th birthday coming in March, Helms is said to have told both the President and colleagues he too should abide by the rule.

The choice Teheran post, in the same pay range as the CIA director's \$42,500 a year, is one of the few ambassadorships Nixon could have secured for Helms because of the CIA's unwelcome image in most countries.

CIA is generally credited with helping the 1953 overthrow of Iran's anti-Western premier, Mohammed Mossadegh, which restored the present shah to his throne.

Unlike Helms, who rose through three decades of duty starting

with the U.S. Navy in World War II, Schlesinger, 43, is a former economics professor with no announced experience in cloak-and-dagger operations.

At the AEC since August 1971, he has been rated by colleagues as a strong manager with a firm grip on the budget as well as being well-versed in nuclear affairs.

Nixon has served notice he intends to cut back federal agencies during his second term. Many officials rate the U.S. intelligence community as the ripest for fat-removal in the foreign affairs area.

CIA's exact size is secret, but is reported unofficially to be around double the 7,200 employees at the AEC.

Helms last year was given enlarged duties by Nixon for coordination over the sprawling intelligence establishment, which includes also the Pentagon's Defense Intelligence Agency and the code-breaking National Security Agency.

Some officials suggested that Schlesinger will be able to cut deeper than Helms, who as a careerist would be chopping at longtime fellow professionals and friends.

On the other hand, some voiced wariness lest zeal for tighter management over the intelligence community impair the flow of differing opinions to the President.

The Free Lance-Star, Fredericksburg, Virginia

Friday, December 22, 1972



AP wirephoto

CIA switch

Richard Helms (left) is leaving his post as director of the Central Intelligence Agency, and his successor will be James Schlesinger, the White House announced Thursday. It said President Nixon will nominate Helms as ambassador to Iran. Schlesinger has been AEC chairman since August, 1971.

Schlesinger to Get Helms' Post at CIA

By Carroll Kilpatrick
Washington Post Staff Writer

KEY BISCAVAYNE, Fla., Dec. 21—President Nixon today confirmed reports that he will nominate James R. Schlesinger, chairman of the Atomic Energy Commission, to be the next director of the Central Intelligence Agency. Richard M. Helms, who has been director since 1966 and an official of the agency since 1947, will be nominated ambassador to Iran.

The President worked at his residence here today and conferred with aides, including national security adviser Henry A. Kissinger, by telephone, White House press secretary Ronald L. Ziegler said.

In Washington, it was learned that Mr. Nixon is expected to nominate Under Secretary Joseph N. Irwin, the No. 2 man at the State Department, as ambassador to France.

It was understood that nomination of the 59-year-old Irwin will be made this week. He would replace Arthur K. Watson, former IBM executive who has resigned.

The White House already has announced that Irwin—previously described as slated for “a high-level ambassadorial post”—will be succeeded at State by Kenneth Rush, who now is deputy defense secretary.

Early Friday the President and Kissinger will meet here with Gen. Alexander M. Haig Jr., deputy national security adviser and designated to be vice chief of staff of the Army, who will report on his brief trip this week to South Vietnam, Cambodia, Laos, and Thailand.

Ziegler refused to comment on reports from Saigon that the President had in effect delivered an ultimatum to both Saigon and Hanoi.

The reports said that the President warned Hanoi it could expect continued and intensified bombing if it refused to accept a negotiated settlement and told Saigon to stop making peace proposals that make it more difficult to reach a settlement.

Significantly, Ziegler did not deny the reports. Rather, he branded them a “rumor” and said he would not comment on rumors.

When a reporter asked if it was the word “ultimatum” that bothered him, he again declined to comment. If the reports had been entirely without foundation he almost certainly would have said so.

Haig left Bangkok today. Kissinger flew here with the President on Wednesday and is scheduled to leave sometime this weekend to spend Christmas with his children.

Reporters have repeatedly asked Ziegler this week why the President has not delivered a report to the nation on the breakdown of the peace negotiations. The report Kissinger gave last Saturday is said about the failure at Paris, Ziegler said.

There have been no public

hints, predictions or speculations from White House officials on what may happen in the future. However, Ziegler has repeated almost daily that the United States is prepared to resume the talks at any time. The United States believes a settlement can be reached if Hanoi adopts a constructive attitude, he has said.

The administration is pursuing “every avenue” to reach an accord, Ziegler said.

In other announcements, Ziegler said that the President had accepted the resignation of David M. Abshire as assistant secretary of state for congressional relations. He resigned to return to Georgetown University as director of its Center for International Studies, Ziegler said.

Ziegler said no decision had been made as to whether acting FBI Director L. Patrick Gray III would be nominated to be director. He also said no decision had been made on a replacement for Schlesinger at the Atomic Energy Commission.

Ziegler vigorously denied published reports that Helms was leaving under pressure and that the White House was dissatisfied with some of Helms' work.

Helms informed the President Nov. 20 that CIA required all senior officials to retire at age 60 and that he believed no exception should be made for him, Ziegler said. Helms will be 60 on March 30.

Mr. Nixon is “totally satisfied” with Helms' work, Ziegler said.

The President requested Helms to stay in the government and offered him the ambassadorship to Iran, Ziegler said. Joseph S. Farland, who has been ambassador to Iran since May, will be reassigned to “another important post,” Ziegler said.

Helms is a native of St. Davids, Pa., and a graduate of Williams College. After a brief time in newspapers, he entered the Navy shortly after Pearl Harbor and served with the wartime predecessor of CIA, the Office of Strategic Services. President Johnson promoted him from CIA's deputy directorship to director in 1966.

Schlesinger, who will be 44 in February, is regarded as one of the more able administrators in the government. He is a native of New York City and was graduated from Harvard in 1950 summa cum laude. He also received his master's and doctorate degrees from Harvard.

He taught for eight years at the University of Virginia and then joined the Rand Corp. as director of strategic studies.

Schlesinger is a Republican. Schlesinger Jr., who served in the White House during the Kennedy Administration,

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	AEC	Assignment		1972
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ABSTRACT

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