

26 September 1986

Senate Endorses Helms Measure Directing C.I.A.

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Special to The New York Times

WASHINGTON, Sept. 25 — The Senate passed secret legislation Wednesday that legislators and Administration officials say undercuts the authority of the Central Intelligence Agency to manage its own affairs.

Senator Jesse Helms, the conservative Republican from North Carolina, proposed the new requirements as part of an amendment to the annual bill establishing and extending program and setting spending limits on the C.I.A. and other intelligence agencies. He said they would give direction to an agency that had become a "loose cannon."

Details Are Classified

The maneuvering this week over the amendments, which will now go to a secret conference committee to work out differences between the Senate and House versions, prompted a confrontation between Senator Helms and William J. Casey, the Director of Central Intelligence.

The Senate passed one amendment on a voice vote; its details, as well as nearly all the other provisions affecting the intelligence agencies, were contained in a classified appendix available only to senators. Another Helms amendment, demanding that the C.I.A. look into allegations of human rights violations and drug dealing by the Government of Panama, passed by a vote of 53 to 47.

Senator Helms said the votes reflected broad support in the Senate for more explicit direction of the C.I.A. But, some Administration officials said the vote suggested that the Senate accepted the amendments as Senator Helms's price for letting an intelligence authorization bill pass unimpeded before the end of this session of Congress.

In recounting his dealings with Mr. Casey on the amendments, Senator Helms said the Director told him over the phone late Tuesday that he would agree to the changes. The Senator said they had been previously worked out in negotiations between his staff, the Senate Intelligence Committee staff, and C.I.A. officials.

Within hours, Senator Helms said, Mr. Casey reversed himself and began lobbying to derail the amendments.

In an interview today, Mr. Casey said he changed his mind after seeing the wording of the legislation. "We had a long talk," said Mr. Casey. "When the papers came over, they were a little different than I understood."

Senator Helms and Mr. Casey spoke again Wednesday morning. Both men agree that the tone was heated.

"I told him it was micromanagement of the agency, that's why I objected," said Mr. Casey.

"He was not pleased," recalled Mr. Helms. "He kept saying, 'take out this, take out that. I said: 'It's too late. You're asking me to unscramble an egg.'" I told him I just couldn't change it, and I didn't want to."

The conversation ended abruptly. Initially, Senator Helms said that Mr. Casey had hung up the phone. Later today, after questions were raised about the incident, Mr. Casey insisted that he had not hung up on Mr. Helms, who said in turn that he accepted this account of events.

"The phone went blank," Mr. Helms said. "I said 'hello, hello' and realized the line was dead. I accept his version that he thought the conversation was over. I've talked with him about this, and I've got no adversarial relationship with Bill Casey."

Helms Not on Panel

The bill, worked out in months of closed hearings by the Intelligence Committee in cooperation with the C.I.A. and other agencies, already contained a variety of restrictions and policy directives. Senator Helms, who is not a member of the committee,

added his amendments when the bill came to the floor.

Mr. Casey attributed the chain of events that ended with Senate passage of the Helms amendments to a decision by Senator Dave Durenberger, the Minnesota Republican who is chairman of the Intelligence Committee, to move the bill in the waning days of the Congress.

"There was pressure and Durenberger figured this was the quickest way to get an authorization bill," said Mr. Casey. "Then they made that deal with Helms. I didn't have anything to do with it."

According to Senate aides, the C.I.A.'s office of Congressional liaison had agreed to the amendments on Tuesday, before Mr. Casey had a chance to review their language.

The Senate passed two sets of amendments proposed by Senator Helms.

The first, offered in public session, demanded that the C.I.A. prepare a report to Congress on whether the military forces of Panama engage in drug trafficking, human rights violations and gun running.

Another amendment, the provisions of which were classified, contained a package of Senator Helms's proposals

for the C.I.A. One of the most notable of these seeks to enhance the independence of the Defense Intelligence Agency, the Pentagon's intelligence service. According to intelligence sources, the amendment demands that the D.I.A. become the focal point for all intelligence on military affairs. Part of this includes prohibiting the agency from coordinating its annual publication on "Soviet Military Power" with the C.I.A.

Closer Cooperation Recently

In recent years, the Defense Intelligence Agency and the C.I.A. have begun working in closer cooperation on intelligence estimates, and some conservative critics of the C.I.A. are unhappy with this trend. The critics believe the D.I.A. takes a more hard-line — and in their opinion, realistic — view of Soviet military prowess. Others in the intelligence field, including former Director of Central Intelligence Stansfield Turner, have argued that the D.I.A. consistently overstates the Soviet threat in an effort to serve its chief constituency, the Pentagon.

Another provision of this amendment would set up a team of 15 experts from outside the Government that would spend a year reviewing some of the basic intelligence findings of the C.I.A. Their report would be delivered to the President and Congress at the end of this year.

The panel would answer a list of more than two dozen specific questions, including such issues as the effect of Soviet deception on arms control, the accuracy of American estimates of Soviet missile capabilities, and the C.I.A.'s purported failure to call attention to violations of conventions on chemical and biological warfare. Many of the issues raised are frequent items of criticism of the agency by conservatives in Congress.

The approach of calling on a team of outside experts was used in 1976, when a group that came to be called the "B Team" offered a view of Soviet intentions that was much starker than that of the C.I.A.

Mr. Helms said he believed the C.I.A. resisted his amendments because the agency bristles at taking any direction from Congress.

Some Congressional and Administration officials have said the amendments were initially intended to retaliate against Senator Durenberger.

These sources suggested that Senator Helms was angered when the Minnesotan asked the Justice Department to investigate whether Mr. Helms or anyone on his staff had provided

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classified information to Chile.

Senator Helms denies this account, and has said his amendments grew out of his longstanding concerns about the C.I.A.

On Tuesday, Senator Helms said, he described the amendments to Mr. Casey over the phone and got his approval for them.

At a dinner for President Reagan hours later, Senator Helms said he learned that Mr. Casey had changed his mind and had asked Senator Paul Laxalt, Republican of Nevada, to block the bill. Mr Casey said the request to delay the bill was made by the White House.

The next day, Senator Helms and Mr. Casey had their stormy conversation.

At the same time, according to Administration and congressional sources, Mr. Casey had been calling White House officials and others in Congress in his effort to derail the measure.

He was also calling Senator Bob Dole, the Senate Majority leader, but Senate sources said that Mr. Dole would not take the call.

"He did not want to be the one to give Casey the bad news, which was that his thing was going through," said one Senate aide.