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Science Adviser Keyworth To Leave White House Job

By Philip J. Hilts
Washington Post Staff Writer

White House science adviser George A. Keyworth II, one of the administration's chief promoters of President Reagan's Strategic Defense Initiative, said yesterday that he will resign and form a company to help corporations build up intelligence-gathering systems.

Keyworth said he has done what he could in four years and thought it wise to leave the job at "a happy point."

He said he believes that the missile defense research program is well under way, that science funding has been boosted and that cooperation between industry and universities has been pushed along.

Keyworth said he was not leaving because of any conflict in the administration.

Asked why he wanted to leave when things were going well, he said, "I have been here pushing five years now. I think the president needs some fresh blood. When I walk into a room everybody knows what I'm going to say.

"Also, I simply want to leave," he said. "I am beginning to be envious. The real action is out there in industries that are trying to find a new competitive spirit, motivated by the hot breath of competition on their necks. That's very exciting." He said he reads with envy of the corporate battles of such companies as IBM against foreign challenges. "I want some," he said.

Keyworth said he plans to start a new business with Herbert Meyer, former special assistant to Central Intelligence Agency Director William J. Casey, and now vice chairman of the National Intelligence Council. The council drafts intelligence estimates from data developed by half a dozen agencies.

Keyworth's new business will offer to set up intelligence-gathering systems for companies to gather information about potential markets. The company will not gather intelligence, but will show clients how to find and analyze political,



DR. GEORGE A. KEYWORTH II
... a leading "Star Wars" advocate economic, cultural and other information for use in foreign markets.

The accomplishments Keyworth, 46, said he was proudest of are his work for the "Star Wars" research program, his work to bring greater cooperation between industry and universities and his role in building science budgets.

Perhaps the two most controversial aspects of Keyworth's tenure have been his strong advocacy of the strategic defense initiative and his reversal of the historical role of the president's science adviser. From the day he took the job, Keyworth said he would not be a conduit into the White House for American science as previous advisers have.

Instead, he would be part of the

White House "team." He also set up the White House Science Council, a low-profile body of scientists offering information to the administration. It was not a forum for debate like the previous body, the Science Advisory Committee.

Keyworth said he did not tell anyone in government of his leaving until Wednesday, when he informed White House chief of staff Donald T. Regan. He will leave office by Dec. 31.

"He is going to be missed," said William Carey, executive officer of the American Association for the Advancement of Science, largest scientific body in the United States. "Keyworth has developed over his five years in the job into an effective and sometimes aggressive advocate of fundamental research."

Other leaders in science have said Keyworth's ability to keep science funding high while other budgets were being cut was his chief accomplishment.

But Carey said Keyworth has recently expressed apprehension about the prospects for keeping up government support for science.

"He has been trying to warn the scientific community that there are dark days ahead," Carey said. "I can't look into his mind, but I think he saw a period of budgetary siege approaching and that he might not be able to see effectively to protection of research.

"Perhaps we could have been helped if Keyworth stayed on," Carey said. He noted that it will be a difficult time for a successor now, just before budget deficits lead to cutting of "discretionary" budgets such as those for basic research.

WASHINGTON TIMES
21 September 1984

CIA says Soviets in 'terminal' phase

By Michael J. Bonafield
THE WASHINGTON TIMES

The Soviet Union is "the world's last empire," which "after 67 years of communism . . . has entered its terminal phase," an analysis prepared for the CIA says.

The document, written for CIA Director William Casey in late June by Herbert E. Meyer, vice chairman of the National Intelligence Council, describes the Soviet Union as a terminally ill giant that, left to its own devices, will collapse unless sweeping reforms are instituted.

The National Intelligence Council, a part of the CIA, is made up of individuals who are experts in a variety of fields. NIC coordinates its research for dissemination to the CIA director and other key government officials. Mr. Meyer's analysis was marked "unclassified."

Citing studies by Marshall Goldman of Harvard University's Russian Research Center, the analysis reports "that food is in short supply outside the Moscow-Leningrad area, and that rationing has been imposed in 12 cities." The document does not name the cities.

"According to recent issues of published Soviet medical literature," Mr. Meyer writes, "five of seven key communicable diseases are now out of control: polio, diphtheria, scarlet fever, whooping cough, measles."

Mr. Meyer cites Georgetown University demographer Murray Feshbach, as reporting that "so high is the incidence of measles that it now stands fractionally below the level at which epidemiologists attribute the problem to mass malnutrition."

Infant mortality in the U.S.S.R., Mr. Meyer says, "is rising and life expectancy is falling."

The analysis describes a deep sense of pessimism that "has taken hold among the Soviet people," a reflection of which is the abortion rate.

Mr. Meyer says the nation's abortion rate "as a whole is between 60 percent and 70 percent, and . . . for Slavs and Balts is 75 percent to 80 percent."

"We simply cannot attribute these staggering rates entirely to the low quality of available birth-control products and to decisions by sensible, practical parents to limit the size of their families," he writes. "Rather, we must view these rates, at least partly, as an indication of the average couple's judgment of life in the Soviet Union."

Referring to remarks by Frank Shakespeare, who supervises Radio Free Europe and Radio Liberty, Mr. Meyer says, "These abortion rates reflect a vision of the future that is bleak and despairing, almost to the point of national suicide."

The CIA report calls the U.S.S.R. "a demographic basket case."

Citing the declining birthrate among Russians, the pre-eminent ethnic group in the country, Mr. Meyer says, "In the coming years, the able-bodied working-age population of the Russian Republic, which contains roughly two-thirds of the Soviet Union's total industrial production capacity, will actually decline."

That means, he says, "High birth rates in the Moslem republics have begun to soak up vast amounts of investment for schools, hospitals, roads and so forth."

As a result, Mr. Meyer adds, "Fewer and fewer Russians must work harder and harder to support more and more non-Russians." Only about half the population, he says, can speak Russian.

The Soviet Union is composed of 15 autonomous republics, of which the Russian Soviet Federated Socialist Republic is the largest and, traditionally, the pool from which the leadership is drawn.

"After 67 years of communist rule," the document says, "the Soviet Union remains a 19th century-style empire, comprised of more than 100 nationality groups and dominated by the Russians. There is not one major nationality group that is content with the present, Russian-controlled

yearn for its political and economic freedom."

Arguing that the imperial system itself is fatally flawed, the analysis asserts that, "At long last, history seems to be catching up with the world's last surviving empire."

Citing the Kremlin's "over-emphasis" on military production, Mr. Meyer charges that this has "wrecked the country's civilian industrial and technological base."

"The Soviets have failed miserably to generate the kinds of innovations on which modern technologies are increasingly dependent: robotics, micro-electronics, computerized communications and information-processing systems," Mr. Meyer says.

The U.S.S.R. now can produce little but weapons, the intelligence report says. As a result, the economy "has become stagnant and may even be starting to shrink—a trend that already has begun to make even production of weapons more costly and inefficient."

The Kremlin leadership understands these problems and has begun to realize "that something has gone hideously wrong," Mr. Meyer says.

He suggests that the Politburo, which includes the nation's top leaders and wields autocratic power, faces one of three courses: make fundamental reforms, fail to correct the "downward spiral," or choose a high-risk course "to change the correlation of forces"—military jargon for initiating war with the United States.

The CIA document outlines options for the United States during this period. It urges Washington "not to go out of our way to prop up the faltering Soviet regime," yet says the United States and its allies can nudge the Soviet leaders to "turn their considerable skills and energies to reforming their system."

'Zealotry' called CIA crimp

By CLARK T. IRWIN JR.
Staff Writer

American policy in Central America is being decided in an atmosphere where White House "zealotry" and "very strong ideological clamps" prevent full discussion of options, a former Central Intelligence Agency officer said Thursday in Portland.

In his first interview since resigning as Latin American specialist on the National Intelligence Council in May, John R. Horton told the Press Herald that "Where there's a strong political feeling in the administration, there's pressure to skew intelligence estimates."

Horton was interviewed at the home of his son, lawyer Mark Horton, before a talk for the World Affairs Council of Maine.

Despite his resignation, Horton said he has no policy fight with the current administration.

"I think our broad policy in Central America is completely correct," he said, describing that policy as supporting a restoration of democracy and civilian government in El Salvador, resisting rebels supported by Nicaragua and Cuba and "opposing the attempt of the Sandinistas (the Nicaraguan revolutionary junta) to close their society up completely."

His objection, he explained, is to political pressures for intelligence officers to massage their "national intelligence estimates" to conform to political goals and the "inferior quality of discussions" resulting from the squelching of some points of view.

CIA Director William Casey called Horton out of eight years of retirement last year to help prepare intelligence appraisals of Latin American countries for

the National Intelligence Council. The council's members represent the CIA, the State Department, the Defense Intelligence Agency and the armed forces.

As chairman of the team doing Latin American estimates, Horton gave Casey an estimate on the political, economic, military and diplomatic strength and capabilities of a major Latin American country important to U.S. policy concerns.

But the CIA director "wanted the estimate to come out a certain way" to strengthen the case for administration policy, Horton said, "and kept constant pressure on me to redo it."

"I refused to do it, so he finally had the thing rewritten over my dead body, so to speak," at which point Horton resigned.

That experience, he added, is not typical of the estimating process, which he believes is producing more and better readings than during the Carter administration.

The more general concern, he said, is that incomplete discussion of options for carrying out policy could lead to decisions that will eventually harm the country's intelligence services.

For example, he said, "It's no secret" that Cuba and Nicaragua are supplying arms, communications assistance and espionage data to the leftist rebels in El Salvador.

Since "interdiction (military attempts to cut support) hasn't worked and can't work," and since no one is seriously proposing to remove the Sandinista regime in Nicaragua forcibly, Horton argued, it might be prudent to discuss offering Nicaragua a deal of reduced pressure if they stop supporting the Salvadoran revolutionaries.

But Casey's final vote at National Foreign Intelligence Board meetings — this being a group which reviews the National Intelligence Council's estimates — and "constant crunching back and forth" between the administration and "pragmatic people" at the State Department tends to suppress such discussion, Horton said.

On the administration side, he said, there is a group of "very bright people" including U.N. Ambassador Jean Kirkpatrick, Casey and Undersecretary of Defense Fred Ikle, "who are either against any type of compromise with the Sandinistas, or if not against it, suspicious that State can't handle it."

"There's a real distrust of the State Department," Horton said, "this feeling in the administration that 'State's soft.'"

Aside from the risk of the country's being given flawed policy decisions because of unexamined options, Horton said, there's the "institutional risk" that the CIA will be left holding the bag.

"At some point," he continued, "Reagan and Casey are going to be in some other world or retired from public life. If any cans get hung around anyone's neck for Central America, it won't be Reagan's or Casey's — it's going to be the CIA's."

That could lead to a repeat of the post-Watergate, post-Vietnam backlash against the agency and again impair the country's ability to supply its decision-makers with the best intelligence information and analysis possible, Horton fears.

A registered Democrat, Horton also said, "I want to be fair about this thing. . . It's not just this administration."

When the Sandinistas seized power in Nicaragua in 1979, he said, President Carter's National Securi-

Moynihan calls Managua arms role unproven

From Wire Services

WASHINGTON — The Senate Intelligence Committee never has been given "conclusive information" to back up administration's charge that Nicaragua is sending arms to El Salvador, committee vice chairman Daniel Patrick Moynihan (D, N.Y.) said yesterday.

Mr. Moynihan also disclosed that the committee had reached written, formal agreement with the Central Intelligence Agency about when and how the CIA is to notify Congress about covert operations. He said the agency has asked that the agreement be kept secret, but he spoke about its major points.

The existence of an ongoing cross-border flow of arms has been the major justification for the administration's highly controversial three-year-old "secret war" against the Nicaraguan government.

The issue was raised again this week when a former CIA analyst, David MacMichael, said such claims are based on outdated information, and that administration officials are misleading Congress.

Mr. MacMichael, 56, worked on intelligence estimates on Central America for the CIA's National Intelligence Council under a two-year contract through March, 1983.

State Department and CIA officials have rejected Mr. MacMichael's claims but have not released evidence that arms flows are continuing.

Secretary of State George P. Shultz angrily said, "It is inconceivable that an informed, honest person" could deny the arms supply from Nicaragua to the Salvadoran guerrillas.

"The evidence is everywhere. I've looked at a lot of it and I think it is totally and absolutely convincing that the direction and the supply of the guerrillas in El Salvador comes from Nicaragua."

CIA Director William J. Casey said Mr. MacMichael's charges were "just one man's opinion."

Mr. Moynihan said his committee, which oversees intelligence operations, "has not been presented with any conclusive information" to document the arms flow.

Mr. Moynihan, a consistent supporter of aid to the anti-Sandinista rebels, predicted that disclosures challenging the administration's

"I think it is totally and absolutely convincing that the direction and the supply of the guerrillas in El Salvador comes from Nicaragua."

GEORGE P. SHULTZ

repeated assertions that Nicaragua is "exporting revolution" will prompt Congress to halt aid to the "contra" guerrillas.

Senate and House leaders have been trying to work out a compromise on funding that will at least give \$6 million to \$8 million more to the contras to help them wind down their operations. But House leaders have said that recent disclosures about the lack of proof about Nicaraguan involvement in the Salvadoran civil war mean no new aid will be voted by the Democratic-controlled chamber.

The Senate and House intelligence committees monitor the activities of the country's intelligence agencies. Moynihan almost resigned his vice chairmanship over a flap with the CIA last April, when he accused agency officials of withholding information about their role in the mining of Nicaragua's harbors.

That incident led to a new oversight agreement that he said was signed last Thursday by Mr. Casey, committee Chairman Barry Goldwater (R, Ariz.) and Mr. Moynihan.

The new secrecy agreement requires that Congress be informed of "significant anticipated activity" in spy operations, Mr. Moynihan said.

FAR EASTERN ECONOMIC REVIEW
21 June 1984

How Britain fell for the Peking game-plan

By Derek Davies in Hongkong

The most recent of many Western attempts to analyse Chinese bargaining techniques is a confidential study produced for the United States National Intelligence Council by the Rand Corp. It is based on the experience of senior US officials who negotiated with the Chinese throughout the 1970s in an effort to normalise Sino-US relations. The paper, privately circulated last year, was written by Richard Solomon, a China specialist involved in negotiations with Peking between 1971 and 1976 as a member of the US National Security Council and who today heads Rand's research programme on international security policies.

Among its main points:

- ▶ Chinese officials are single-minded



Thatcher: Initial error.

and disciplined in pursuit of Chinese interests, but distrustful of impersonal, legalistic negotiations. They always attempt to cultivate foreign officials sympathetic to their cause, manipulating personal relationships (guanxi) and feelings of friendship, obligation or guilt in an interplay between superior and dependent.

Plenty of material for China to work on here with the British, ranging from Prime Minister Margaret Thatcher's initial legalistic approach — based on the "unequal treaties" — to the natural desire of British Embassy officials to boost Sino-British relations, plus guilt about the past, in particular the Opium Wars, which led to the foundation of Hongkong.

▶ The Chinese always seek to establish their own ground rules by pressing their foreign counterparts to agree to certain general "principles," which are later constantly invoked. Such principles, however, can be set aside in order to reach a desired agreement — which may in fact clearly contravene the principles earlier insisted on.

After the agreement with Thatcher in September 1982 to open the talks, no progress whatsoever was made until the British had accepted two "principles." The first was that sovereignty over Hongkong would revert to Peking on 1 July 1997 (a concession made — conditional to the conclusion of a satisfactory agreement — in a letter from Thatcher to Chinese Premier Zhao Ziyang in spring 1983). The second was that responsibility for the administration of Hongkong would also revert (this was also conditionally conceded, in another Thatcher message to Zhao in the autumn of 1983). The British have yet to push hard enough to ascertain whether these "principles" are flexible or non-negotiable.

▶ Peking's negotiating positions are highly sensitive to the play of China's own political factionalism: a strong leader can promote a policy which a collective leadership would be unable to support, or a negotiating position may be withdrawn or hardened as a result of factional conflict. The more rigid and posturing a negotiator, or the more "irrational" the posture, the more internal factional pressures are influencing the negotiations.

In this context, Solomon notes the Chinese use of symbols (from ping-pong to pandas) and oblique hints. In 1971, during Henry Kissinger's secret trip to Peking to arrange former US president Richard Nixon's 1972 visit, the late Chinese premier Zhou Enlai hinted at conflict with the Chinese leadership by omitting the name of then defence minister Lin Biao from an official list. In 1973, the late chairman Mao Zedong indicated to US visitors

that he deprecated the political ambitions of his wife, Jiang Qing, by telling Kissinger that China's women were too numerous and caused "disasters."

Obviously, the terms under which China recovers part of its territory from colonial rule is a highly sensitive issue on which those wishing to compromise for China's economic benefit are vulnerable to dogmatists and nationalistic elements within the party. In June 1983, elder statesman Deng Xiaoping appeared to have reasserted himself against elements which opposed his pragmatic line. However, little or no progress was reportedly made at the most recent session — the 15th — of the Sino-British talks, held shortly after Deng had brusquely contradicted assurances on Hongkong given by fellow Chinese leaders, including a former defence minister. This occurred during a session of the National People's Congress at which Hongkong evidently became a bone of contention between elements of the party and the army.

▶ The Chinese prefer to negotiate on their own territory for being at home aids internal communications, decision-making and their orchestration of the ambience of negotiations — from banquet toasts to the manipulation of the press.

The 1997 talks are being held in Peking, where the British bravely claim that there is no significance in the changes in the relatively lowly venues allocated for the meetings. While the British remain stiffly uncommunicative to the press (in line with the "confidentiality" imposed by Thatcher), the Chinese give press conferences and briefings and arrange leaks — all gobbled up by the Hongkong media.

▶ The Chinese often use a trusted intermediary to convey their pre-negotiating position to a foreign government in a deniable or face-saving manner in order to "load" the agenda of their foreign counterpart. Thus they used the Pakistani Government in 1971 to communicate their stance to the Nixon administration prior to Kissinger's secret visit.

Peking evidently used former Bri-

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NEW YORK TIMES
6 DECEMBER 1982

WASHINGTON TALK

Briefing

Opening at State

The designation of Paul D. Wolfowitz as Assistant Secretary of State for East Asian and Pacific Affairs has touched off a lively competition for his old post, director of the department's policy planning staff. Henry S. Rowen, a ranking official of the Central Intelligence Agency, is one of the leading candidates, Administration officials report.

The C.I.A. man, a former president of the Rand Corporation, is backed by conservative foreign policy specialists in the Administration, but some influential State Department leaders say that the post should go to a Foreign Service officer. Their candidate is understood to be Stephen W. Bosworth, Deputy Assistant Secretary of State for Inter-American Affairs and a former Ambassador to Tunisia.

Mr. Rowen was president of Rand, the national security planning group, from 1966 to 1971, resigning in part over Government dissatisfaction with Rand security arrangements involving the Pentagon papers. For the past 18 months, he has headed the National Intelligence Council at the C.I.A., a new unit organized to improve the speed and reliability of national intelligence estimates.

Phil Gailey

Warren Weaver Jr.

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THE NEW YORK TIMES
22 August 1982

SHULTZ DISCUSSES POLICY ON SOVIET WITH KEY EXPERTS

LONG-TERM PLANS STUDIED

Secretary Said to Stress Need to Review Political, Arms and Economic Issues

By **BERNARD GWERTZMAN**

Special to The New York Times

WASHINGTON, Aug. 21 — Secretary of State George P. Shultz held an all-day meeting today with experts on Soviet affairs and senior Reagan Administration officials to discuss United States policy toward the Soviet Union.

With the crisis in west Beirut apparently ending, Mr. Shultz has decided it is time to pay more attention to international issues other than the Middle East, his aides said, and has given priority to a review of long-term political, economic and military policy toward the Russians.

Mr. Shultz, who has no particular expertise in Soviet affairs, patterned today's session after an all-day meeting he had with former Secretary of State Henry A. Kissinger and others on Middle East policy on July 17, the day after he was sworn in as Secretary.

Brezhnev's Ill Health Cited

According to State Department officials there is a need for a fresh look at policy toward the Soviet Union, given major developments already apparent. They said that in view of the precarious state of Leonid I. Brezhnev's health there is always a chance of a shift in the Soviet leadership, which would necessitate a careful handling of relations during the initial post-Brezhnev period.

In the economic field, the Administration has become involved in a serious dispute with its Western European allies over sanctions against the Soviet Union as a result of the imposition of

martial law in Poland. The Europeans have refused to go along with President Reagan's efforts to prevent organizations with licenses from American companies from producing components for a natural gas pipeline from Siberia to Western Europe. The Administration is considering what steps to take against companies that defy the American sanction.

Moreover, the Administration, in deference to pressure from the farm belt, has allowed sales of grain to the Soviet Union to continue, at the same time that it is trying to curb the transfer of technology. This has prompted additional criticism from Europeans who have charged Washington with trying to limit their trade with Moscow while continuing its own agricultural trade.

Relations between the Reagan Administration and the Soviet Union have been strained, but the two Governments have begun separate negotiations on limiting medium-range nuclear missiles in Europe and on seeking reductions in each side's strategic nuclear weapons. No progress has been reported from either set of negotiations.

Haig Stressed Contacts

Secretary of State Alexander M. Haig Jr. had stressed the importance of maintaining contact with the Russians, and at one point even seemed to advocate an early meeting between Mr. Reagan and Mr. Brezhnev, an idea that seems to have been put aside by the White House.

Mr. Haig held three rounds of meetings with Foreign Minister Andrei A. Gromyko of the Soviet Union, the last on June 18 and 19, in New York, just a week before Mr. Haig resigned. Mr. Shultz is planning to attend the regular United Nations General Assembly session in New York next month and would normally meet with Mr. Gromyko there, but no firm plans have been set.

Several of the outside experts who took part in today's session with Mr. Shultz served as senior officials in previous administrations and Mr. Shultz knows some of them from his days as Treasury Secretary for President Nixon from 1972 to 1974.

Former Kissinger Aides Present

They included William G. Hyland and Helmut Sonnenfeldt, who were Mr. Kissinger's chief Soviet affairs advisers, and Brent Scowcroft, who served as Mr. Kissinger's deputy on the National Security Council and later became national security adviser to President Ford.

Also participating were Donald Rumsfeld, who was Mr. Ford's Defense Secretary, and Harold Brown, who was President Carter's Defense Secretary, as well as the present Defense Secretary, Caspar W. Weinberger.

Mr. Shultz's willingness to consult with Mr. Kissinger has aroused considerable attention, since many of Mr. Reagan's supporters have been critical of Mr. Kissinger's policies. At his news conference on Friday Mr. Shultz was asked about the increased attention being given to Mr. Kissinger and his former aides, and whether it was true that Mr. Kissinger was now becoming "the primary foreign policy adviser of this Administration."

Praise for Ex-Secretary

In response Mr. Shultz said that he himself was the principal foreign policy adviser. But he then went out of his way to praise Mr. Kissinger.

"Dr. Kissinger is a wonderful person and a great friend, a person who has tremendous knowledge and comprehension of what is going on," he said. "I have enjoyed the benefit of his friendship and his ideas over many years, and I expect to continue to have that."

"I'll continue to benefit from his advice," he said. "But it's my job to be the principal foreign policy adviser to the President."

Peter G. Peterson, who as Mr. Nixon's Commerce Secretary, negotiated the trade package with the Soviet Union that was signed in 1972, also attended the meeting. That trade package marked the high point of what became known as détente but was renounced by the Russians in 1974 when Congress linked credits and tariff reductions to the rate of Jewish emigration from the Soviet Union.

W. Allen Wallis, who has been designated as the Under Secretary of State for Economic Affairs, was another who took part in today's session, along with Walter J. Stoessel Jr., the outgoing Deputy Secretary.

Norman Podhoretz, the editor of Commentary magazine, and a leading neo-conservative critic of the Reagan Administration's foreign policy for not being consistently firm enough against the Russians, was another participant.

Others from the Administration who took part included: Henry S. Rowen, head of the National Intelligence Council of the Central Intelligence Agency, which deals with producing estimates on other countries; Robert C. McFarlane, deputy director of the National Security Council staff; James Buckley, counselor-designate of the State Department; Richard Burt, Assistant Secretary of State-designate for European affairs; Jonathan Howe, director of political-military affairs at the department, and Paul D. Wolfowitz, director of the department's Policy Planning staff.

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4 OCTOBER 1981

ESSAY

The Reagan Corollary

By William Safire

WASHINGTON — In the acronym-ridden lingo of the national security types, a Special National Intelligence Estimate — SNIE — is pronounced "snee."

When a high Government official or intelligence officer believes that dangerous trends are showing up in a foreign country, he demands an analysis from Henry Rowen's shop at the C.I.A. This column draws on that 12-page "snee" on north Yemen, "parallel documents" and interviews.

Six weeks ago, it became apparent that new trouble was taking place in north Yemen, the official name of which is Yemen, but is referred to here as "north Yemer" to differentiate it from Southern Yemen, its Communist neighbor mainly to the west. (That's right, to the west; they call it "Southern" to confuse us.)

Trouble in north Yemen sets off alarms at C.I.A. because that impoverished nation of five or six million Arabs is on the border of Saudi Arabia. Under the Reagan Corollary to the Carter Doctrine, the U.S. has guaranteed both the territorial integrity and internal stability of Saudi Arabia. The most direct threats come from potential subversion by the million Yemeni who now work in the world's oil center, and from the strong Communist army now in Southern Yemen.

Three years ago, the Soviet clients in Southern Yemen attacked the Saudi client in north Yemen, which beat off the attack until the Arab League called a halt. The Communists learned a lesson: the smartest way to take control of uptown Yemen was not by direct attack, but by wooing dissident tribes and sponsoring civil war.

Accordingly, a "National Democratic Front" was set up in north Yemen and supplied with arms. The Saudi princes could not decide whether to support the Government of Ali Saleh in north Yemen strongly — they worried if he became too strong, he might merge with Southern Yemen and then go for the oil up north. So the Saudis helped a little; Ali Saleh, the Sihanouk of the Middle East, got aid from the Russians as well, but is now turning again to us.

This summer, after a visit to Aden, Southern Yemen's capital, by Soviet generals, downtown Yemen signed a treaty with Cuban-run Ethiopia and Libya. Col. Qaddafi appeared in Southern Yemen, and a Soviet naval task force called; now the combined Communists are building military facilities on nearby Perim Island, blocking the Red Sea.

At the same time, the Communist-sponsored National Democratic Front got busy in north Yemen. In the city of Ibb, a Government force was ambushed; Ali Saleh, pretending no challenge was under way, ran "training flights" of his American and Russian jets to bomb and strafe the insurgents. Dependents of U.S. aid officials in Ibb were told to get ready to withdraw.

That is when the "snee" was ordered. Our intelligence reported that the N.D.F. had significantly improved its position; that it was gaining considerable political support among the Yemenis; that there was reason for concern about Ali Saleh moving closer to the Russians; and that "a lack of internal cohesion ensures regular upheavals."

That means that a half-billion dollars worth of U.S. planes, tanks and other military hardware shipped to Yemen by President Carter — using an emergency arms-control loophole — is in jeopardy of takeover by local Communists, or by Southern Yemen's possible seduction of Ali Saleh.

More important, the growing strength of the Communist force in north Yemen poses a direct threat to the Saudis. That was one of the reasons why White House aides prepared an answer to a news conference question that was soon to establish the Reagan Corollary: nobody is going to grab the oil from the Royal Family.

Soviet jets striking across the Persian Gulf. To answer what he sees as an expensive hardware threat, Mr. Reagan offers our expensive hardware answer.

But the threat that is developing is from millions of hungry, angry Yemenis, now working in the Saudi oilfields or being urged on by agitators at home.

Russian military strategists must be smiling at the debate raging here over the Awacs. The troops that may ultimately move on the Saudis will be on trucks, horses and even camels; all moving at far less than 80 miles per hour. And the million-man force that will form the fifth column is already in place inside the Saudi kingdom.

Let's come down to earth. If the Reagan Corollary is to be carried out; we will have to come to grips with the attempted Communist subversion of north Yemen, or later to organize Jordanian and Egyptian foot soldiers to repel a seizure of the oilfields.

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THE NEWS WORLD (NY)
23 JULY 1981

CIA appointee tied to Ellsberg, Pentagon Papers

By Robert Morton
NEWSWORLD STAFF

The controversy surrounding CIA Director William Casey intensified yesterday when another of his high-level appointees became the object of critical questioning.

On July 7, the administration announced that Henry S. Rowen had been chosen to head the National Intelligence Council — a group responsible for preparing national intelligence estimates for the CIA. Rowen resigned under pressure as president of the Rand Corp. in 1971, reportedly because he collaborated with Daniel Ellsberg in the release of the "Pentagon Papers."

Casey yesterday refused to comment about the selection of Rowen and a spokeswoman told The News World that Casey was "unwilling to make any statements about why he appointed him to that position."

Admiral Bobby R. Inman, CIA deputy director, also declined comment.

'Lax about security'

"I think that the biggest worry is that here is a man who is pretty lax about security — sufficiently lax that he lost his job at Rand," said retired Lt. Gen. Daniel O. Graham, former director of the Defense Intelligence Agency.

"As the boss out there at Rand, he was ultimately responsible for the safeguarding of classified papers," Graham said in a telephone interview from his office at the American Security Council in Washington.

"I do recall that he testified essentially for Ellsberg at the trial. That's a very strange background for a guy



William J. Casey
UPI

to get the job that he's getting."

Last week Max Hugel, Casey's deputy in charge of CIA's covert operation section, resigned as a result of what he called "unfounded, unproven, and untrue" allegations in a Washington Post article that he had engaged in "improper" stock market practices in the 1970s.

Intelligence sources said Hugel was the victim of either a personal vendetta from his two former business associates (one of whom — Samuel McNell — is reported missing) or of "an inside hatchet job at the company."

Although President Reagan has defended Casey, some intelligence specialists are more alarmed by the CIA director's appointment of Rowen than by the apparent shortcomings of the background investigation that preceded Hugel's appointment.

A White House spokesman declined comment on Rowen's selection, saying only that Casey was responsible for the appointment and that "there is no change in this administration's support of Casey."

Rowen, who is (or reportedly was) a close friend of radical leftist Daniel Ellsberg, resigned his posi-

tion, then assistant secretary of defense for international security affairs, and two of his top assistants, Leslie Gelb and Morton Halperin.

Halperin is now director of the Center for National Security Studies which was founded in 1974 by the radical left-wing think tank, the Institute for Policy Studies.

The CNSS publishes the Covert Action Information Bulletin which exposes the activities of American intelligence agencies and specializes in identifying agents by name.

Warnke headed the Arms Control and Disarmament Agency under the Carter administration. Both he and Gelb, now a New York Times reporter, are known as advocates of a weakened U.S. strategic and military posture.

"For a long time, Rand was turning out papers on strategy and military matters in support of policies that are from our point of view failures," Gen. Graham said.

"Unless Mr. Rowen has changed his mind, and according to some of his statements about the unduly optimistic estimates by the CIA, he may have changed his stripes, that worries me a little bit," he added.

Rowen, who had worked with Ellsberg in Rand's economic division as early as 1959, criticized his friend's disclosure of the Pentagon Papers. Nevertheless his resignation from Rand in 1971 apparently resulted from a breakdown in trust between Rowen and the Department of Defense.

Pentagon officials reportedly feared that he was attracting people to his staff who were antimilitary.

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THE WASHINGTON POST
9 July 1981

EXECUTIVE NOTES

A GUMSHOE'S GUMSHOE ... Henry S. Rowen, former president of the Rand Corp. research center, who quit in the wake of the Pentagon Papers controversy, has been named chairman of a new National Intelligence Council at the CIA. The CIA didn't elaborate on his duties, but reportedly he will coordinate CIA agents' reports and help prepare national intelligence analyses for the White House.

Rowen, deputy defense secretary for national security affairs under Robert S. McNamara in the early 1960s, left Rand in 1971, after Daniel Ellsberg, another Rand official, leaked the documents that became known as the Pentagon Papers. He has taught public management at Stanford University and kept his hand in defense matters, recently serving on an MX review panel.

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THE PHILADELPHIA INQUIRER

9 July 1981

National and International News in Brief

International

A U.S. group is ordered to close its office in Panama.

Sixteen Americans who work for the Summer Institute of Linguistics were ordered yesterday to leave the country for possessing unregistered communications equipment, and the organization was told to close its office on the outskirts of Panama City. Police said they found radio transmitting equipment, a Teletype machine and a telephone switchboard, all unregistered. The institute, which translates the Bible into tribal dialects, gained international attention in March when one of its teachers, Chester Bitterman of Lancaster, Pa., was kidnapped and killed by leftist guerrillas in Colombia. The abductors accused the institute of being a front for the U.S. Central Intelligence Agency.

National

The CIA creates a council to assess foreign developments.

With Henry S. Rowen, a former president of Rand Corp., at its helm, the National Intelligence Council was created by CIA director William Casey to pull together a dozen officials specializing in particular geographic areas to draft government-wide assessments of foreign developments. Casey's predecessor, Stansfield Turner, put the officials into the same structure as the CIA's intelligence analysts. Turner's move was criticized by conservatives, who said it resulted in less attention paid to views which dissented from CIA positions. The new council will report directly to Casey.

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LOS ANGELES TIMES
9 July 1981

Former Rand Official to Head New CIA Unit

WASHINGTON (UPI)—Henry S. Rowen, a former president of the Rand Corp. who resigned during the Pentagon Papers controversy, has been appointed chairman of the CIA's new National Intelligence Council, the agency said Wednesday.

Rowen will report directly to CIA director William J. Casey and deputy director Bobby Ray Inman.

The agency gave no details of Rowen's duties, but it was understood that he will coordinate the work of CIA officers, particularly the preparation of critical national intelligence estimates for the White House.

Rowen was president of Rand Corp., a defense research center at Santa Monica, Calif., from 1967 to 1971 when he resigned during the controversy over publication of the Vietnam War's Pentagon papers.

The secret documents, copies of which were in the Rand files, were given to the media by Daniel Ellsberg, then an official at Rand. Both Rowen and Rand directors denied any responsibility on Rowen's part for the release.

From 1972 until recently, Rowen taught graduate courses in public management at Stanford University. During that period, he also was a member of the Pentagon's Defense Science Board. He recently served on a review panel on the MX mobile missile.

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NEW YORK TIMES
8 JULY 1981

Ex-Rand President Chosen To Head New C.I.A. Panel

By JUDITH MILLER

Special to The New York Times

WASHINGTON, July 7.— The Reagan Administration has selected Henry S. Rowen to head a newly created National Intelligence Council at the Central Intelligence Agency, Administration officials said today.

Mr. Rowen, a former president of the Rand Corporation who resigned in 1971, partly because of Pentagon dissatisfaction with Rand's security arrangements for the Pentagon papers, has until recently been a professor at Stanford University's Graduate School of Business. He has already begun working at the C.I.A., but his appointment has not been announced.

According to Administration officials, William J. Casey, the Director of Central Intelligence, chose Mr. Rowen for the post and decided to create the council to upgrade the system under which national intelligence estimates are produced.

Preparation of national intelligence estimates, which are supposed to be comprehensive studies of an issue or subject that reflect the views of the entire intelligence apparatus, has been a source of bitterness with intelligence officials for nearly eight years. Mr. Casey recently told C.I.A. officials in an agency newsletter that the system had become "slow, cumbersome and inconsistent with providing the policy maker with a timely, crisp forecast that incorporates clearly defined alternative views."

Critics of the process have also charged that the estimates have predominantly reflected C.I.A. views, with important dissents from other intelligence agencies relegated to footnotes. Stansfield Turner, Director of Central

Intelligence in the Carter Administration, was accused by some intelligence officials of distorting estimates to make them dovetail with the Carter Administration's foreign policy, an allegation that Mr. Turner denied, although he acknowledged that he had personally rewritten estimate papers.

Mr. Rowen himself has been a vocal critic of the intelligence estimates system, especially of what he has characterized as the C.I.A.'s optimistic assessments of Soviet military strength in the past. Mr. Rowen, an Oxford-trained economist, served as Deputy Assistant Secretary of Defense under Robert S. McNamara from 1961 to 1965, and became president of Rand in 1966.

Separate Views Encouraged

Under the new system, the council will be composed of those national intelligence officers charged with producing the estimates. They will report directly to Mr. Casey and to Bobby R. Inman, the C.I.A.'s Deputy Director.

Senate critics of the agency, such as Daniel Patrick Moynihan, Democrat of New York, and Malcolm Wallop, Republican of Wyoming, have urged Mr. Casey to encourage the intelligence agencies to offer separate views and estimates. Several officials who follow intelligence matters closely said that they doubted that the new council would lead to such a debate about the estimates.

"I fear that this means business as usual," one Administration official observed.

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ARTICLE APPROVED For Release 2006/01/03 : CIA-RDP90-01137R000100080001-0
ON PAGE A-5 WASHINGTON STAR (GREEN LINE)
8 JULY 1981

Ex-Rand Corp. Chief To Head CIA Panel

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New York Times Service

NEW YORK TIMES

7 July 1981

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HENRY S. ROSEN TO HEAD CIA'S NEW NATIONAL INTELLIGENCE COUNCIL

BY JUDITH MILLER

7/7/81 N.Y. TIMES NEWS SERVICE

WASHINGTON - The Reagan administration has selected Henry S. Rosen to head a newly created National Intelligence Council at the Central Intelligence Agency, administration officials said Tuesday.

Rosen, a former president of the Ford Corp. who resigned in 1971, partly because of Pentagon dissatisfaction with Ford's security arrangements for the Pentagon papers, has until recently been a professor at Stanford University's Graduate School of Business. He had already begun working at the CIA, but his appointment had not been announced.

According to administration officials, William J. Casey, the director of Central Intelligence, chose Rosen for the post and decided to create the council to upgrade the system under which national intelligence estimates are produced.

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THE WASHINGTON POST
30 June 1981

CIA Is Lowering the Closing More Shut

By George Lardner Jr.
Washington Post Staff Writer

The CIA has decided to go underground again.

It is no longer necessary, CIA Director William J. Casey announced in a newsletter circulated in the agency last week, to spend much time justifying the agency's activities or defending the quality of its work. In his view, "the difficulties of the past decade are behind us."

As a result, contacts with the press and public, which have already been cut back, will be reduced still further. The CIA's office of public affairs will be closed and its work assigned to a new section that will also take over legislative liaison.

Both assignments have had high-level status since disclosures of CIA domestic spying and other misdeeds prompted a series of executive branch and congressional investigations in the mid-70s. That was a time, Casey noted, when the agency "was still encountering considerable criticism in the media and the Congress and when it was important to expend considerable effort explaining and defending the agency's work."

Apparently confident that a "trust us" atmosphere has returned, the CIA director said he feels "the time has come for CIA to return to its more traditional, low public profile and a leaner, but no less effective presence on Capitol Hill."

The head of the office of public affairs since 1977, former Navy cap-

tain Herbert E. Hetu, reportedly disagreed with the decision to downgrade the work and will be leaving the agency as a result of the shuffle.

The reorganization comes on the heels of Casey's March orders to halt the occasional background briefings that the CIA had been providing reporters since the days of Allen Dulles. Casey took that step on the grounds that the briefings took up a lot of time and were not a proper undertaking for an intelligence agency.

The CIA's office of legislative counsel, headed by Fred Hitz, also will be downgraded. Its legislative liaison duties, along with the public affairs work of Hetu's staff, will be taken over by branches of a new office of policy and planning under CIA veteran Robert M. Gates. The work of drafting legislative proposals and analyses will be turned over to the CIA general counsel's office.

Gates will report directly to Casey and CIA Deputy Director Bobby Inman. He will also retain his present duties as their executive staff director for the intelligence community.

The change will take effect tomorrow and could result in a reduction in the issuance of public reports and studies under the CIA imprimatur. Inman, who formerly headed the supersecret National Security Agency, is known to feel strongly that

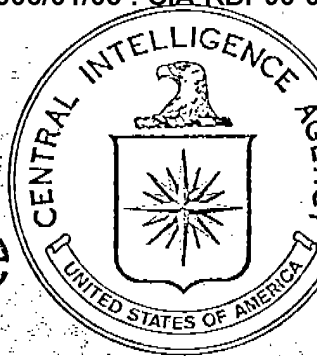
some and inconsistent with providing the policymaker with a timely, crisp forecast that incorporates clearly defined alternative views."

For years there has been some bitterness in the intelligence community because the national intelligence estimates have been predominantly CIA products, with dissents from other agencies usually relegated to footnotes.

Casey said he had decided to organize the cadre of national intelligence officers, who are in charge of drawing up the estimates, into a formal National Intelligence Council. The council will report directly to Casey and Inman and the council's chairman, who has yet to be named, will serve as a chief of staff over the other officers.

Staff writer Michael Getler contributed to this report.

from the



Number 3

This week I have made two organizational changes which will bear importantly on the improvement of national estimates, on the administration of CIA and on our relationships with the media, Congress and other elements of the government.

THE NATIONAL INTELLIGENCE COUNCIL (NIC)

For intelligence to play its crucial role as policy is formulated, our work must be relevant to the issues at hand and it must be timely. There have been shortcomings for some time in this relating of intelligence efforts and activities to the policy process. Moreover, the process of preparing national intelligence estimates has become slow, cumbersome and inconsistent with providing the policymaker with a timely, crisp forecast that incorporates clearly defined alternative views.

To correct this situation, I am restructuring the role of the National Intelligence Officers (NIOs) and the procedures for having the National Foreign Intelligence Board and its members make their inputs to national estimates. The NIOs, constituting jointly the National Intelligence Council, henceforth will report directly to the DCI and DDCI. The Chairman of the NIC will function as chief of staff in directing and coordinating the work of the NIOs. The NIOs will continue to be the DCI's principal representatives in policy forums, and will continue to support the DCI in his role as member of the the NSC and the DDCI as Intelligence Community representative to the Senior Interdepartmental Groups (SIGs)—working through the Director of NFAC for analytical support and assistance.

The National Foreign Assessment Center (NFAC) will continue to be the analytical arm of CIA and the DCI and carry primary responsibility for the production of finished foreign intelligence.

OFFICE OF POLICY AND PLANNING

I have decided that organizational changes are needed to improve Agency-wide administration and to shift direction in certain areas now that the difficulties of the past decade are behind us. These changes will reduce staff positions and return a number of intelligence officers to the collection and production of intelligence.

I am establishing the Office of Policy and Planning to ensure that plans and policies submitted for DCI/DDCI consideration are consistent with Agency-wide objectives and priorities and that they are reviewed in the context of overall Agency needs. The Office will further develop and coordinate CIA's long-range planning effort, review materials submitted to the DCI/DDCI that concern Agency administration, personnel, analytical operations and external affairs policies, and coordinate preparation of briefing papers for the DCI and DDCI for MSC and SIG meetings as well as meetings with heads of other agencies. The Office of Policy and Planning also will centralize in the immediate office of the DCI/DDCI responsibility for all external affairs, including interdepartmental relations, liaison with the Congress and public affairs.

With respect to external affairs, the Office of Legislative Counsel and the Office of Public Affairs were created at a time when the Agency was still encountering considerable criticism in the media and in the Congress and when it was important to expend considerable effort to explain the Agency's mission, to justify our activities and to defend the quality of our work. The magnitude of effort devoted to these purposes has significantly decreased, and I believe the time has come for CIA to return to its more traditional low public profile and a leaner—but no less effective—presence on Capitol Hill. Our emphasis from now on should be to maintain and

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NEWSWEEK
11 May 1981

FOREIGN POLICY

A Tempest Over Terrorism

Terrorism seems to have supplanted human rights as Washington's most emotional foreign-policy preoccupation. Alexander Haig regularly portrays the Soviet Union as a wet nurse to international terrorism. And Ronald Reagan hinted last week that the United States would not talk to the Soviet Union about limiting nuclear weapons until the Soviets stop providing more conventional weapons to terrorists. The difficulty all along has been that one man's terrorist is another man's freedom fighter. Hard facts on terrorism are scarcer than honest men in a KGB safehouse. And the Administration's own anti-terrorism campaign has posed a disquieting question: is the crisis as bad as the President and Haig have presented it, or has the Administration's rhetoric outstripped sound intelligence—and good ideas for coping with the problem?

Few doubt that the Soviets have given aid and comfort to terrorists. The real question is whether they are actively recruiting, training and dispatching them around the world. "You'd be able to play a tougher game if you could really pinpoint the fact that this was being done by the Soviets," says one State Department officer. If the Soviet connection proves more nebulous, a more complex approach may be required: assisting friendly countries to stamp out individual terrorist groups and using whatever limited economic and diplomatic pressure can be brought to bear on countries such as Libya, South Yemen and Syria, which openly support terrorism.

In confronting the problem, the Administration has directed the CIA to draw up a Special National Intelligence Estimate (SNIE) of Soviet involvement in terrorism. Haig asked for the report only after he had publicly voiced his own view that the Soviets were indeed "training, funding and equipping" international terrorism. The CIA's first draft of the study drew protests from the Defense Intelligence Agency and some political appointees at the State Department, who didn't think it was tough enough. So the next draft was prepared by the DIA. The DIA's version was rejected by career analysts at State and the CIA as being too "polemical" and "a visceral version of events." Now a third draft is being written by an interagency body called the National Intelligence Council.

It is not clear that, under the circumstances, any such study can be objective. "It's always a problem when the particular policy line is already known," admits a knowledgeable source. The CIA defines terrorism as a part of a class including the

a political objective and says that last terrorist activities were worse than in of the twelve years it has kept records (attacks, 642 deaths, 1,078 injuries). those figures can change. Citing a new computer formula, the agency added about 2,500 cases to its twelve-year data base. The key issue is that the inferences drawn from data have led to some "major substantive disagreements." "Ultimately one can argue that all of this has nothing to do with terrorism and has everything to do with the posture one wants to strike in the East-West relationship," says a source. "It's a classic case of 'What is it that I want to make out of the same set of facts?'"

Training: The basic facts about Soviet involvement have not changed much since the CIA's first public report on terrorism in 1976. As Claire Sterling, an expert on terrorists, says in her new book, "The Terror Network": "The case rests on evidence that everyone can see, long since exposed to the light of day." The 1976 CIA report said the Soviets had been aiding the Palestinians since 1969. It cited evidence linking the Soviets with terrorists in Western Europe and connecting other Warsaw Pact members to the Baader-Meinhof gang and the Provisional wing of the Irish Republican Army (though it is also true that most of the IRA's funding comes from Irish Americans). It noted, too, the Kremlin's program of bringing Third World revolutionaries to the Soviet Union for training and indoctrination. Among them: Carlos, the world's most notorious terrorist, who masterminded a number of brutal attacks including the kidnapping of eleven OPEC oil ministers in Vienna in 1975.

The most obvious Soviet tie remains with the PLO. There is plenty of evidence that Palestinians have traveled to the Soviet Union for training in everything from ideology to making bombs. Captured Palestinians now in Israeli prisons have confessed to such schooling—and the Soviet Union scarcely bothers to make a secret of it. Previous administrations have stopped short of calling the PLO a terrorist organization on grounds that it represents a people trying to regain its homeland and that only some factions have resorted to terrorism. But Richard Allen, the President's national-security adviser, now says, "We must identify the PLO as a terrorist organization . . . The Soviet involvement is organic, and I don't want to just isolate it with respect to the PLO. You need to amplify the context here to talk about train-

ing of a group of crazies, the net effect is the same." But the problem is more subtle than that. No one knows, for example, whether Carlos works on his own—or with a KGB case officer. If he is a freelancer, Washington would be hard-pressed to draw a moral distinction between him and some of the Cuban exiles whom the CIA once trained and controlled. (Cuban exiles were responsible for as many terrorist attacks as Palestinians in 1976, according to the CIA.)

Kaddafi: To what extent is the Soviet Union responsible for the terrorism supported by countries like Libya, Syria and South Yemen? Allen calls them Soviet "subcontracting stations." But Douglas Heck, who was head of the interagency Working Group on Terrorism during the Ford Administration, doubts that even the Soviets could persuade Libya's Muammar Kaddafi to abandon terrorism.

On occasion, the Russians have helped to thwart terrorism. Heck recalls that when he was ambassador to Nepal, the Russian ambassador warned him that four Arabs had entered the country to kidnap him. East Germany has provided safe houses for members of the Baader-Meinhof gang. But according to the CIA, the Bulgarians, clearly with Soviet approval, allowed a West German police team to arrest Till Meyer, a member of the Baader-Meinhof's Red Army Faction in 1978.

No change in Soviet behavior could remove the vast array of economic, social, religious and racial causes that prompt most terrorist groups to spring into existence. Most terrorists now have the expertise to survive without Soviet support. But if nothing else, Reagan's rhetoric promises to keep the Soviets on the defensive. "They really were completely unprepared for the charge they were connected and associated with international terrorism," says Anthony Quanton, head of the current Working Group On Terrorism. He hopes that the rhetorical lashing will mobilize public opinion and "over time have the effect of making the Soviet Union more circumspect in the kinds of support they give to political violence." If the strategy puts even a small damper on terrorism, the effort will have been worth it.