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Pakistan Reported Near Atom Arms Production

Acquisition of Weapon Could Halt U.S. Aid

By Bob Woodward
Washington Post Staff Writer

President Reagan certified to Congress last week that Pakistan currently "does not possess a nuclear explosive device," although according to intelligence reports considered reliable inside the administration, the country has recently made dramatic progress toward production of a nuclear weapon.

Presidential certification is required by Congress as a condition of continued U.S. aid to Pakistan, which receives approximately \$600 million a year in military and economic assistance. Pakistan has cooperated with clandestine U.S. aid to Afghan guerrillas fighting the Soviet occupation of their country, and has provided facilities for U.S. intelligence-gathering near the Soviet Union.

According to a classified Defense Intelligence Agency report, Pakistan detonated a high explosive device between Sept. 18 and Sept. 21 as part of its continuing efforts to build an implosion-type nuclear weapon, sources said.

It was Pakistan's second such test this year, according to the sources, who said the Pakistanis have been conducting the tests for years in trying to perfect a nuclear weapons triggering package.

Intelligence reports also show that Pakistan has enriched uranium to 93.5 percent at its atomic plant at Kahuta, according to authoritative sources. A 90-percent level is normally needed to make a bomb. President Reagan in late 1984 told Pakistani President Mohammed Zia ul-Haq in a top-secret letter that 5 percent would be the highest enrichment level acceptable to the United States.

In July, the White House warned Pakistani Prime Minister Mohammed Khan Junejo during his visit here that acquiring a nuclear weapon would result in the end of U.S. economic and military assistance.

Pakistan has repeatedly denied that it is developing nuclear weapons. But a Special National Intelligence Estimate (SNIE) completed earlier this year by U.S. intelligence agencies cited numerous activities totally inconsistent with those assurances, according to sources. The SNIE concluded that Pakistan would have a small nuclear weapon at a future, unspecified date.

Charles E. Redman, the State Department spokesman, said yesterday that Reagan signed the Pakistani certification Oct. 27. He added, however, that the Reagan administration still has "serious concerns" about the future and said the current certification should "not be interpreted as implying any U.S. approval of the Pakistani nuclear program."

He declined to comment on any intelligence reports.

There is disagreement among intelligence and nuclear nonproliferation experts about the exact status of the Pakistani program. One senior Reagan administration official confirmed that the program is advancing aggressively, but said that a new, multibillion-dollar U.S. assistance proposal would provide leverage to deter actual construction of a bomb.

Another official said Pakistan could assemble a bomb within two weeks. Another well-informed source said it could be done in a shorter time and, in practical terms, Pakistan is only "two screwdriver turns" from having a fully assembled bomb.

Despite this evidence, sources said, keeping Pakistan from obtaining a bomb is a low priority on the list of administration foreign policy goals. Said one senior official directly involved in monitoring the program, "This administration wouldn't come down on Pakistan if we found a bomb in Zia's basement."

The reason, the sources said, is Pakistan's willingness to help the administration by acting as the pipeline for the hundreds of millions of dollars in CIA covert assistance that is provided the Afghanistan rebels—a top priority for Reagan and his administration. At the time of Junejo's visit last summer to Washington, Reagan said that Pakistan was a "front line" against "the brutal Soviet occupation of Afghanistan."

Pakistan also cooperates with U.S. intelligence agencies in high-priority electronic intelligence gathering near the Soviet Union and in Southeast Asia, the sources said.

On June 21 the Soviets issued a strongly worded, unusual warning to Zia charging that Pakistan had achieved the capability to build nuclear weapons, which Moscow said it would not tolerate, according to sources.

Within two days, the Reagan administration replied with its own protest, in effect telling Moscow to keep "hands off" Pakistan. This in effect made the administration a protector of the Pakistani program, and two sources said that the Pakistanis may have interpreted the administration's remarks as approval.

A senior administration official disputed this interpretation, however, saying the White House made clear last summer to Junejo that a single bomb would result in termination of all U.S. aid.

The intelligence report that uranium has been enriched at levels in excess of 90 percent has alarmed nuclear weapons experts most. Leonard S. Spector, a nuclear proliferation expert at the Carnegie Endowment for International Peace, said yesterday that, if true, "it would be the last important step in the Pakistani program. It was the one outstanding gap in their program and could be a terrible setback to worldwide efforts to curtail the spread of nuclear weapons."

ACDA Aide Faulted on Security

P. 4 NOV 86 A-1

By Bob Woodward
Washington Post Staff Writer

Administration officials are seeking permanently to lift the security clearances of an employe of the U.S. Arms Control and Disarmament Agency who allegedly mishandled about 500 documents, including some of the U.S. government's most sensitive top-secret intelligence about Pakistan's efforts to build a nuclear bomb.

The employe, Kathleen Strang, improperly removed the documents from a storage vault at the State Department, repeatedly left them overnight in an open safe accessible to dozens of people without security clearances and then ignored several warnings from supervisors over a period of months, according to portions of an internal investigative report filed in a related suit in U.S. District Court here.

Strang said she had committed only a technical infraction of regulations and no harm had resulted, according to sources familiar with the case.

U.S. security officials have no evidence that anyone saw or took any documents from Strang's safe. But the internal investigative file alleges that she gave portions of some sensitive documents to officials of the South Korean government in September 1984, apparently hoping to prove that Pakistan was developing a nuclear bomb and thus discourage the South Koreans from providing any technical assistance that might aid the Pakistanis. Strang said she gave only classified material to the South Koreans, sources said.

In July 1985, U.S. officials
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U.S. Aide Faces Disciplining on Security

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removed Strang's safe from her fourth-floor office at the State Department and then spent months conducting a damage assessment. Inside the safe, sources said, the officials found documents bearing the code-words UMBRA and MORAY—terms used for highly sensitive communications intercepts gathered by the National Security Agency. They also found computer floppy disks with other documents stored on them. The investigative file alleges that Strang used a secretary without a proper security clearance to transcribe classified information onto the disks.

When Lt. Gen. William E. Odom, director of the National Security Agency, heard about the matter, he sent a handwritten letter to ACDA's director, Kenneth L. Adelman, calling what the investigators found one of the worst security violations he had ever seen, according to sources. Odom threatened to cut off ACDA's access to sensitive intelligence unless immediate and severe steps were taken, the sources said.

The case has caused particular concern among U.S. intelligence officials, who said someone with access to the documents could draw a full portrait of the methods and techniques used by U.S. intelligence agencies to monitor nuclear tests and weapons developments in other countries, including the Soviet Union.

"Other than early warning intelligence on a surprise attack, it's the most vital function we perform," said a senior Reagan administration intelligence official.

Disclosure of an allegedly serious breach of internal security inside the ACDA came after several highly publicized efforts by the administration to block leaks of classified information, including a threat by Odom and CIA Director William J. Casey to prosecute news organizations that disclose secret "communications intelligence." Much of the material in Strang's safe was based on communications intercepts, according to sources.

At the time Strang's safe was seized, her security clearances were suspended and she was placed on leave, with pay, from her job in charge of monitoring the Pakistani nuclear program.



LT. GEN. WILLIAM E. ODOM
... threatened to end ACDA's access

An internal ACDA panel recommended that her clearances be revoked permanently. She has appealed that decision to Adelman, and he held a closed-door five-hour hearing on her appeal yesterday but made no final decision, sources said. Strang also filed a lawsuit under the Freedom of Information and Privacy acts, seeking monetary damages and demanding deletions from her personnel file; this lawsuit resulted in the placement of portions of the investigative file in court records.

Strang declined to comment on the case.

ACDA security chief Berne Indahl, who conducted an internal investigation, said in a memorandum that "all the material in her safe, marked or unmarked, was considered by State's [intelligence division] to be compromised. Classified material was taken home, to meetings and overseas. Classified material was provided to foreign governments without proper authorization." Indahl's memo is contained in the court papers.

In response to questions, the ACDA released a brief statement confirming that a safe was "sequestered" on July 1, 1985, as part of a security investigation of an unnamed employe.

Strict regulations govern the use of classified material by federal officials, in part because intelligence officials assume that hostile countries attempt to place agents in janitorial, secretarial or other routine jobs at certain federal agencies.

As the agency that is responsible for all arms control issues, the ACDA receives sensitive information from all over the government: policy papers from the White House, intelligence reports from NSA and the CIA, technical data on nuclear technology from the Department of Energy.

The most sensitive data is code-worded and is supposed to be available only to those with a need to know. At the State Department, such code-word material is kept in a sixth-floor vault where authorized officials can read it, but not remove it.

One of Strang's coworkers, who was not identified by name, was quoted in the investigative file as saying: "During mid-1984 to mid-1985 she had almost total contempt for routine security procedures. I was usually the first one in the office in the mornings. Many times I would find her safe not only unlocked but wide open . . . I asked her about this situation. Her response was to the effect that if I wanted her safe locked I should do it myself."

The investigative file also outlined the circumstances surrounding the South Korean incident. Carlton B. Stoiber, a former ACDA official, said that during a September 1984 arms control meeting in Seoul, Strang "gave classified information to the Korean government that was not cleared. It was very unsettling . . . I was shocked and upset at her conduct. I swore I would never send or have her on a delegation again."

Another person at the same meeting said, "I was amazed she passed out the classified information to the Koreans. I was wondering how much damage this may have caused and whether or not I should rudely take from the Koreans the papers she had just passed out."

Stoiber reported the incident by cable to the State Department when it occurred, one official said.

According to sources, Strang and her attorney have said that some of her fellow workers have a personal grudge against her and this accounts, in part, for the allegations.

Staff researchers Ferman Patterson and Barbara Feinman contributed to this report.

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THE NEW YORK TIMES, WEDNESDAY, OCTOBER 15, 1986

A14

Summit Aftermath: The Futuristic Weapons

Experts Say Soviet Has Conducted Space Tests on Anti-Missile Weapons

By WILLIAM J. BROAD

Experts on Soviet technology said yesterday that the Soviet Union had apparently conducted weapon tests in space of the type that would be restricted by the 10-year ban on "Star Wars" testing proposed by the Russians in Iceland.

The American experts said a laser being developed as an antimissile weapon has been fired from a research station at Sary Shagan in Kazakhstan at a manned Soviet spacecraft, with Soviet astronauts wearing special goggles to protect them from the beam.

The overall Soviet program, however, is seen as crude compared to the American "Star Wars" program, known officially as the Strategic Defense Initiative.

This relative backwardness, experts say, is a primary reason why the Soviet Union wants a ban on further testing outside of laboratories. The Soviet Union, although about even with the United States in basic antimissile research, lags badly behind America in advanced technologies needed to turn lasers, particle beams and other devices into effective weapons. The key deficiencies include less powerful computers and a huge lag in the miniaturization of arms.

Pentagon View of Soviet Effort

This view is sharply at odds with that of the Pentagon, which has maintained that antimissile systems the Russians already have in place represent a real threat to the West.

The issue arose last weekend when Soviet officials proposed at the Iceland summit talks that all but laboratory research, testing and development of antimissile systems be halted for 10 years.

Dr. Simon Kassel, a senior scientist with the Rand Corporation who has written several reports for the Pentagon on Soviet beam weaponry, said yesterday that in Iceland, the Russians were basically trying to buy time to catch up with the West.

"It's one thing to do basic research, and have a lot of different concepts going, and another to translate it into weapons," he said in an interview. "In that they face considerable difficulties."

He continued: "Their technology base is not as rich as ours. People don't

realize how bad it is. We tend to put them in the same class with us. They're not. The only reason we talk to them is that they have nuclear weapons."

Changes in Strategic Doctrine

Dr. Kassel said the Russians were frightened by the sweeping changes in strategic doctrine that lie at the heart of President Reagan's antimissile plan. "What was suggested in Iceland is that we shift the competition from building nuclear weapons, which they have mastered, to a competition in exotic technologies," he said. "They're playing for time. So far, the technological lag has been tolerable for them because it was confined to traditional technologies that they have mastered."

He added that an example of a key technology in which the Soviet Union lags is computers, which are considered critical for a "Star Wars" system. "Their situation in the computer field is very bad," Dr. Kassel said.

In contrast to such views, the Pentagon says Russian antimissile work has a very long history and is very aggressive and threatening. "Soviet efforts in most phases of strategic defense have long been far more extensive than those of the United States," according to "Soviet Strategic Defense Programs," a publication of the Defense Department. It said the Soviet Union is conducting advanced work in lasers, particle beams and kinetic-energy weapons.

At Sary Shagan in Kazakhstan, it said, the Soviet Union has set up a large ground-based laser that today can fire at satellites and in the future could "possibly" play a role in an antimissile system. It also noted that Moscow has the world's only operational antisatellite weapon.

'Beyond Technical Research'

"Unlike the U.S.," it said, "the U.S.S.R. had now progressed in some cases beyond technical research. It already has ground-based lasers that could be used to interfere with U.S. satellites, and could have prototype space-based antisatellite laser weapons by the end of the decade."

Some experts outside the Government said the Soviet Union has already apparently conducted weapon tests in space.

"In 1982 Soviet cosmonauts were:

asked if they had on their goggles on as they went over Sary Shagan," said James E. Oberg, an expert on the Soviet space program who is author of "Red Star in Orbit." "The implication is that their spacecraft was a target for a ground-based laser."

Dr. Gerold Yonas, former chief scientist of the Pentagon's Strategic Defense Initiative program and now vice president of Titan Corporation in La Jolla, Calif., said that Moscow made up for backwardness in some areas of antimissile technology by sheer pragmatism.

"They get their equipment out in the field and learn by doing," he said. "In some cases they are able to deploy devices even before we do, even though we had the technology first." An example in the area of antimissile systems, he said, was the Soviet rocket-interceptor system that rings Moscow. "I don't think you can over-emphasize the importance of a warm production line in terms of operational experience," he said.

Dr. Roy D. Woodruff, a senior scientist at the Lawrence Livermore National Laboratory in California who has studied Soviet antimissile work, said the Russians had gone far beyond "laboratory" testing, as defined in Iceland.

"Sary Shagan is an enormous facility," Dr. Woodruff said. "You have to ask questions about what they're doing there. Before any agreement is signed, they're going to have to be much more open about this stuff. It's a closed society. Even with all the classified information, we still don't have a very good idea of what's going on. We don't know what the quality is. My guess is that it isn't very good. But who knows?"

Jeffrey T. Richelson, a aerospace expert at American University in Washington, D.C., said the Pentagon had a tendency to make overly bold assertions about Soviet antimissile advances. An example, he said, was the repeated Pentagon assertion that 10,000 Soviet scientists are working on antimissile weaponry. "Their estimates are often more confident than they should be" and sometimes based on "dubious methodology," he said. "Uncertain estimates are all too often taken as literal truth."

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The Washington Post

WEDNESDAY, NOVEMBER 26, 1986

Iran Arms Profits Were Diverted to Contras; Poindexter Resigns, NSC's North Is Fired

By David Hoffman
Washington Post Staff Writer

President Reagan yesterday announced the resignation of national security adviser Vice Adm. John M. Poindexter and the firing of a key deputy, Lt. Col. Oliver L. North, following the disclosure of a clandestine web of financial transactions in which profits from the sale of American weapons to Iran were diverted to help rebels fighting the Nicaraguan government.

A shaken and grim-faced Reagan, confronting the most serious crisis of his presidency, told reporters "I was not fully informed" about "one of the activities undertaken" in the secret weapons shipments to Iran. "This action raises serious questions of propriety," he said.

Attorney General Edwin Meese III announced that \$10 million to \$30 million in profits from weapons shipped to Israel and subsequently sold to Iran were deposited in

Swiss bank accounts and "made available to the forces in Central America" fighting the Sandinista government of Nicaragua. The money was diverted during a period in which Congress had cut off U.S. military aid and prohibited American officials from helping the rebels.

Administration sources said that Justice Department officials discovered the diverted funds late last week when they were attempting to piece together a chronology of events in the Iran arms shipments. According to an administration account of the discovery, a secret intelligence "intercept" quoted Iranians and perhaps others discussing the price of the weapons in amounts that appeared to be far greater than their actual value, triggering a search for the profits and the reason they were diverted, the sources said.

The departures of Poindexter and North occurred on a day of deepening contradictions and disappointment at the White

House, where officials were reeling from three weeks of disclosures about the secret Iran operation that have seriously damaged Reagan's credibility and set the stage for renewed confrontation with Congress.

Congressional leaders said they would conduct their own investigations into the Iran and Nicaraguan operations, and some said Reagan's foreign policy is in "total disarray." Meese said he would also pursue his investigation, and Reagan announced he would create a special review board to examine the role and procedures of the National Security Council staff. Sources said former Senate Armed Services Committee chairman John Tower (R-Tex.) would be named today to chair the panel.

The statements by Meese and others rekindled questions about how aware Reagan was of the activities of his administration's senior officials. Meese repeatedly said Reagan knew nothing about the oper-

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Iran Funds were Diverted;

Poindexter, North Out

PRESIDENT, From A1

ation. Meese said North was the only person in the U.S. government who "knew precisely" of the transactions, but added that Poindexter "did know that something of this nature was occurring, but he did not look into it further." Meese said later that "there may have been others who may have been working in some capacity" with North. Meese also said that Poindexter acknowledged to him on Monday that he knew some aspects of the Nicaraguan operation and told Meese then that he intended to resign.

Meese said former national security adviser Robert C. McFarlane, Poindexter's predecessor, also knew of the operation.

In London, where he was making a speech, McFarlane said in a statement that, "in May of this year in connection with a mission to Iran I was advised by Col. North in general terms that such a [transfer] had taken place after my departure from government. Based upon the summary account I took it to have been a matter of approved policy sanctioned by higher authority. These transfers were reported to have taken place this year. At no time was it raised or considered during my service in government."

Many others inside the administration and outside questioned Meese's statement that the Nicaraguan operation was kept secret from other senior policymakers in the government and from the U.S. intelligence community. In an interview with NBC News last night, former secretary of state Henry A. Kissinger said, "I cannot imagine a lieutenant colonel or even an admiral like Poindexter doing this without somebody knowing."

The administration sources said a leading candidate to replace Poindexter is Navy Secretary John F. Lehman Jr. Other candidates are said to include former NATO ambassador David Abshire; former United Nations ambassador Jeane J. Kirkpatrick and Undersecretary of State for Political Affairs Michael J. Armacost.

Reagan pledged that "future foreign and national security policy initiatives will proceed only in accordance with my authorization." His decision to create the special review board appeared to be a response to growing questions from senior State Department officials and members of Congress about whether the White House had overstepped the proper function of the National Security Council by running covert operations out of its basement offices in the West Wing.

Shortly after Reagan's announcements, State Department spokesman Charles E. Redman announced that Secretary of State George P. Shultz had prevailed in his effort to gain control of future U.S. policy toward Iran. Shultz designated Armacost to take charge of the department's effort to revamp the Iran initiative and seek release of Americans held in Lebanon.

Shultz has been the subject of intense speculation that he would leave the administration because of his opposition to the covert Iran arms sales, but yesterday he declared his support for Reagan's policy to reach out to factions in Iran, and said he intended to be "very much a part of the effort to bring them to fruition."

Reagan promised to make public the results of the administration investigation, and continued to insist that his basic policy toward Iran was not flawed.

"I'm deeply troubled that the implementation of a policy aimed at

resolving a truly tragic situation in the Middle East has resulted in such controversy," Reagan said. "As I've stated previously, I believe our policy goals toward Iran were well-founded. However, the information brought to my attention yesterday convinced me that in one aspect, implementation of that policy was seriously flawed."

After first saying that North "has been relieved of his duties" on the National Security Council staff, Reagan then said that "no one was let go; they chose to go." Meese said North may retire from the Marine Corps. According to one source who was present, when the congressional leaders were told that North was returning to the Marines, Secretary of Defense Caspar W. Weinberger announced immediately that he was not.

Meese announced that Poindexter's deputy, Alton G. Keel Jr., would assume the post of acting national security adviser until a successor is chosen. Keel immediately took over the duties, presiding yesterday over a high-level meeting on arms control.

According to the account provided yesterday by administration sources, Justice Department aides on Thursday were going over documents on the Iran arms sales in

Administration officials said that Justice Department officials discovered the diverted funds late last week when they were attempting to piece together a chronology of events in the Iran arms shipment.

preparation for testimony to congressional intelligence panels by Director of Central Intelligence William J. Casey. After they found the intelligence intercepts indicating that money was diverted from the arms sales—which went through Israel—Meese went to Reagan on Friday and said he was concerned about the controversy. Reagan told Meese to pursue it, and the attorney general and other Justice Department aides interviewed North extensively over the weekend, officials said.

knowing of the operation and not telling the president, and he told Meese he would probably have to resign. Meese then reported what he had found to Reagan and Vice President Bush, sources said.

Yesterday, Meese arrived in the White House West Wing for an early meeting with Reagan, chief of staff Donald T. Regan and Bush. Shortly thereafter word that "this is resignation day," as one aide put it, spread through the building because the president's scheduled meetings were suddenly canceled.

After receiving Poindexter's resignation, Reagan summoned congressional leaders to inform them, and described Poindexter as "like the captain of a ship who is not at the helm when the ship hits the sand bar—he still assumes responsibility."

Meese portrayed the president yesterday as having not been informed of key aspects in the Iran operation. Meese said the president "knew nothing" about the transfer of funds to Nicaragua. He said Reagan "didn't have complete information" about one arms shipment by Israel to Iran in November 1985. He said Reagan was informed "after the fact" that Israel had shipped weapons to Iran in August 1985, just before the release of the Rev. Benjamin Weir, who was being held in Lebanon.

Meese also raised as many questions as he answered about the precise nature of the transactions in which the Nicaraguan rebels, also known as contras, benefited. He suggested that the weapons were taken from U.S. stockpiles and shipped to Israel, where some Israelis, whom he did not identify, then sold them to Iran at an inflated cost.

The U.S. government was then reimbursed by Israel through the Central Intelligence Agency for the real cost of the weapons, while the profit was diverted to the Swiss bank accounts. Administration officials have said previously that about \$12 million in TOW antitank missiles and Hawk anti-aircraft missile parts were transferred to Iran, and Meese reiterated that estimate yesterday.

Three weeks after the secret Iran arms shipments were first disclosed by a pro-Syrian Lebanese magazine, Meese offered a picture of the administration still struggling to find out what had occurred in the operation.

As officials... there appeared to be more facts out there than we had already put together," he said. "And it was a matter, then, of the president requesting me to talk with everyone who had any participation at all, because one agency was doing one thing, another agency was doing another thing, there was very little paper work

Meese was vague in responding to questions about the Iran and Nicaragua operations, stating frequently who was not told and what was not known, but skirting details about what his investigators had uncovered in interrogating North over the weekend.

A senior White House official said Meese got involved last Thursday because he had provided the original legal advice about the Iran operation, which Casey would be questioned about at the congressional hearings Friday. Meese yesterday gingerly answered some questions that could figure in future legal proceedings such as congressional and criminal probes.

For example, referring to the profits that were apparently used to help the Nicaraguans rebels, Meese said, "We have no control over that money. It was never United States funds, it was never the property of United States officials, so we have no control over that whatsoever."

Meese said his review would attempt to determine whether the secret transfer of funds to the Nicaraguan rebels had violated the congressional ban on aiding the contras, which was recently lifted when Congress approved \$100 million in military and other aid. Whether the law was violated "depends on two things," he said, "precisely what was done and precisely who did it, in terms of what people are United States officials, or United States citizens, actually participated, and what their conduct was. That's what we're still looking at."

Asked how the administration would try to restore its credibility with Congress, Meese said it would "tell them exactly what happened" and added, "I don't think anyone can be responsible if someone on the lower echelons of government does something that we don't feel... or that objectively viewed is not correct." He called the Nicaraguan connection an "aberration" from the policy Reagan had set toward Iran, "not an inherent part of anything having to do with the policy itself."

White House officials said they were surprised by yesterday's disclosures. "Flabbergasted," one aide said. "What a mess," another sighed.

Chief of staff Regan, who sought to exert control over most aspects of White House operations during the entire time that the Iran and Nicaraguan operations unfolded, remained out of the limelight yesterday.

Poindexter could not be reached for comment yesterday.

THE WASHINGTON POST

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TRANSCRIPT OF ATTORNEY GENERAL MEESE'S NEWS CONFERENCE

How did it come to your attention?

♦ In the course of a thorough review of a number of intercepts, and other materials, this—the hint of a possibility that there was some monies being made available for some other purpose came to our attention, and then we pursued that with the individuals involved.

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