

ARTICLE APPEARED  
PAGE A-12BALTIMORE SUN  
30 April 1984

## Time to Mend Fences

President Reagan's top priority when he returns from his China trip late this week should be a major fence-mending effort on Capitol Hill. His Central American policy has been blown all over the Washington landscape in a stormy clash between the legislative and executive branches. Mutterings about bad faith and a loss of credibility are louder than at any time since Mr. Reagan took office. Administration hardliners may be advising the president to hang tough by threatening to hold congressional critics — especially Democrats — responsible for any Communist advances in the Caribbean. But Mr. Reagan should be savvy enough to reject such tactics.

Even CIA director William J. Casey, a quintessential hardliner, has found it prudent to apologize to the Senate Intelligence Committee for providing inadequate briefings on the mining of Nicaraguan harbors. The committee was also at fault in not pursuing details on covert activities that were widely reported in the press. But Mr. Casey, a key player in Mr. Reagan's 1980 campaign, saw that the politics of the situation required the soothing of ruffled senatorial feathers. To have balked would have killed what little chance is left of getting appropriations to fund Contra forces fighting

the Sandinista government.

Just what the president thinks of Managua's Marxist regime was made clear, just before his China trip, when he accused it of "savagely" murdering Indian tribes, persecuting Christians, driving Jews into exile, censoring the press and restricting business and labor organizations. This is the kind of rhetoric that is supposed to rally the people around the president out of a fear of Communism in the U.S. backyard. But it also is the kind of talk that stirs fears of U.S. military intervention in Central America — a prospect that scores poorly in the opinion polls.

Barring an economic downturn, which seems unlikely, Mr. Reagan's greatest re-election liability is the perception that he is too belligerent — too inclined to seek military solutions.

We would not want Mr. Reagan to minimize what he considers a threat to U.S. national security. But if he is to get the funding he needs to sustain war-racked El Salvador and to keep pressure on Nicaragua, he will have to improve his administration's liaison with Capitol Hill. Congress as a whole does not wish to pull the plug on Central America, and Mr. Reagan has to take care not to goad his critics into just such a course.

# CIA's 'covert war' leaves battle scars

By Terry Atlas  
 Chicago Tribune

WASHINGTON—Although CIA Director William Casey made his peace with angry senators last week, their new accord left unsettled the administration's controversial request for more money to support Nicaraguan rebels.

What happens next depends heavily on the outcome of the May 6 presidential runoff election in El Salvador, and the amount of lasting political damage in Congress done by disclosures of the CIA's not-so-secret war against Nicaragua.

But it's clear that the Reagan administration faces a difficult battle to get the \$21 million it says is needed to continue the "covert war" against Nicaragua.

Aid to anti-Sandinista rebels, overwhelmingly passed by the Republican-controlled Senate before the public flap over the CIA's role in mining Nicaraguan harbors, is strongly opposed in the House, where Speaker Thomas O'Neill [D., Mass.] has led the Democratic opposition to the administration's Central American policies.

HOUSE MAJORITY Leader James Wright [D., Tex.], who supports the administration's request for more military aid for El Salvador, said last week that he doubts that a majority of the House is willing to approve even \$7 million for the so-called contras, who oppose Nicaragua's Marxist-oriented government.

And Senate sources said that because of the controversy, a vote there on covert aid would, at best, pass by only a slim margin.

The administration, prohibited by Congress from trying to topple the Sandinistas, said aid to the anti-Sandinista insurgents is necessary to pressure the Marxist-oriented Nicaraguan government to stop supporting leftist guerrillas in nearby El Salvador. Money for the U.S.-backed insurgents will begin running out by the end of this month.

But Wright said that public disclosures of CIA activities, which include directing last fall's attack on Nicaragua's oil supplies, and the resulting controversy have left the operation "too thoroughly discredited" to be continued.

THE SENATE last month passed an emergency appropriations bill that included \$21 million for the Nicaraguan rebels, along with \$61.7 million in military and medical aid for El Salvador, after rejecting by a 2-to-1 margin an amendment by Sen. Edward Kennedy [D., Mass.] to end funding for the rebels. The House cut the Senate's figure for El Salvador to \$32.5 million, and provided no money for the Nicaraguan rebels.

A Senate Republican leadership aide said that continuation of the covert aid is "in trouble," with support in the Senate undercut by the recent controversy. But he added that "there may be some way of salvaging it" in the House-Senate conference committee.

As a practical matter, congressional sources said members of the conference committee are likely to delay action on the two versions of the bill until they see who wins the May 6 presidential runoff in El Salvador.

Administration officials believe that if moderate candidate Jose Napoleon Duarte wins, as expected, much of the congressional opposition to President Reagan's aid package for Central America will vanish.

"Duarte's election will probably set the stage for the administration to get funding for El Salvador in full," said a senior State Department official who asked not to be identified.

HE CALLED AID to the Nicaraguan rebels less certain. He said the administration may get less money than it has asked for, but "will squeeze out something to keep it going."

In its meeting with Casey, the Senate Intelligence Committee didn't address in detail the future of the CIA's support for the contras, several committee members said.

"That's for another day," said Sen. Daniel Patrick Moynihan [D., N.Y.], who withdrew his resignation as vice chairman after Casey apologized to the committee for failing to adequately inform it of CIA activities in Central America.

Senate sources said Casey's apology headed off the likelihood that the Intelligence Committee would reverse course and vote to pull the plug on the contras, which would have doomed the administration's request.

"I support the covert aid," Sen. Lloyd Bensten [D., Tex.] said after the Intelligence Committee meeting. "And I think it can pass the Senate."

THE SENATORS, embarrassed to have been caught unprepared by disclosures of the CIA's involvement in the mining, said their first priority was to get a pledge from Casey that he will better inform them in the future.

More than a little senatorial ego was involved in the matter. The senators, particularly the Republicans, were angered that House Democrats, who were more aggressive in their pursuit of Casey during his briefings, apparently knew far more about the covert activities. One House member said the information was available for any committee member who asked the right questions, an opportunity the senators missed.

What the senators wanted from Casey was a chance to put a damper on what some have called his arrogant manner in dealing with Congress. They got that, along with a public apology and a promise to be more forthcoming in sharing his potentially embarrassing foreign policy secrets in the future.

ARTICLE APPEARED  
ON PAGE A-1

BOSTON GLOBE  
30 April 1984

# Reagan's Latin policy in disarray

By Pamela Constable  
Globe Staff

WASHINGTON - Until recently, the Reagan Administration presented a united front on Central America. Its policy seemed a juggernaut, carefully orchestrated by a handful of key conservative aides, while congressional opponents floundered for an opening of attack.

Today, there is a growing perception among both critics and supporters that the Administration is lurching from one political brushfire to the next, with no clear sense of where its regional poli-

cy is headed, while top aides compete for influence and fail to cultivate congressional allies.

At the same time, despite its recent bipartisan vote condemning covert mining operations in Nicaragua, Congress remains painfully ambivalent on larger regional issues. Critics are afraid to seriously challenge a popular President, while supporters are embarrassed at Administration blunders, such as the failure to inform intelligence panels of the mining or to adopt all the recommendations of the Kissinger Commission.

Administration officials assert their regional goals - preventing a rebel victory in El Salvador and pressuring the left-wing Nicaraguan government into negotiations - have remained unchanged, and that their military-oriented strategy for achieving those goals is making progress.

Privately, however, conservative sources in the Administration and on Capitol Hill now say they fear the policy is being undermined by internal conflict and poor communication among

decision-makers, by a lack of coherent planning, and by insensitivity to domestic political concerns.

"The foreign policy management of this Administration has been ghastly. When I read about the mining, I almost fell out of bed," said Mark Falcoff, an analyst with the conservative American Enterprise Institute. "They haven't thought through the policy, and they have little sense of political reality."

"There are so many different groups working on parts of the problem that no one has a good overview. Decisions are made on the basis of one-line memos, and there is no free flow of discussion," added one former military analyst who now works on Capitol Hill.

Among congressional supporters, there is growing confusion over who is actually in charge of policy-making. Despite the rising influence of military and intelligence officials, sources say, many day-to-day decisions are made on the advice of White House aides who have little experience in foreign policy, and much expert advice never filters up to the President.

"A lot of good ideas never get properly staffed. There are too many actors, and no one knows whom to go to," said one Republican congressional aide. "One day we're told it's (Kenneth) Dam (an assistant secretary of state), the next day we're told it's (national security adviser Robert) McFarlane. And with problems like the mining, they keep shooting their supporters in the back."

Ideologically, observers say, there is little disagreement among top officials in the Pentagon, the CIA, the National Security Council and trusted White House aides such as UN Ambassador Jeane Kirkpatrick over the Administration's primary goal: to prevent the spread of communism in Central America.

## Little interest exhibited

As the emphasis on strategies such as troop maneuvers in Honduras and covert operations against Nicaragua increasingly replaces diplomatic approaches, analysts say, the views of military and intelligence officials have supplanted the more cautious advice of professional diplomats. Secretary of State George P. Shultz is seen as having little interest in Central America, and Langhorne Motley, deputy assistant secretary of state for inter-American affairs, is viewed as an affable Administration team player.

"The people who implement policy always have the greater power in making it," said Robert Pastor, a former foreign policy aide to the Carter Administration. "In Honduras, the Pentagon is

in the driver's seat. In Nicaragua, the CIA has been calling the shots. And our negotiators are on such a tight leash that it's impossible for them to achieve anything."

Yet a number of observers suggest that even within the military and intelligence communities, there is growing dissent over the direction of Central American policy. Pentagon officials are anxious to avoid the embarrassment of another Vietnam-like military quagmire, sources say. At the CIA, they add, high-level officials have been appalled at the clumsy handling of US covert operations against Nicaragua, and doubt they will be able to force its regime into political concessions.

"Some people are convinced that military pressure is a valid instrument against the Sandinistas, but I have a lot more doubts about that than I did a year ago," said one Administration source. "I'm no longer sure whether there is a connection between the means and the ends of our policy in Nicaragua."

Another Administration source disagreed, saying that continued military pressure is the only strategy that can convince the Sandinistas to abort their regional revolutionary aims. "I'm not afraid of Vietnam, I'm afraid of Munich," he said, referring to the 1939 summit at which European leaders accepted Hitler's promise of limited expansionistic goals.

The recent contretemps over revelations of CIA involvement in the mining of Nicaraguan ports, observers say, highlighted both strategic conflicts and political ineptitude within the Administration. While some top advisers already see covert operations as a no-win substitute for true regional policy, the White House has now further damaged its case by failing to take important congressional allies into its confidence, thus requiring a belated apology from CIA director William Casey.

## Both 'hands behind their backs'

As one conservative congressional aide familiar with the issue explained it, "the Administration couldn't sell its policy, so they decided to make it secret, but then they did a crummy job of explaining it to the only groups who can get intelligence operations into the pub-

# CIA Should Stay Out of Policy

## Involvement There Hinders Vital Intelligence-Gathering Role

By ERNEST CONINE

Assume that the situation of the anti-Sandinista rebels in Nicaragua grows hopeless and that U.S. intelligence sources in the area pass the word to Washington. Can anybody imagine William J. Casey, director of the Central Intelligence Agency, marching to the White House and telling President Reagan that the CIA's not-so-secret war in the region is doomed to failure?

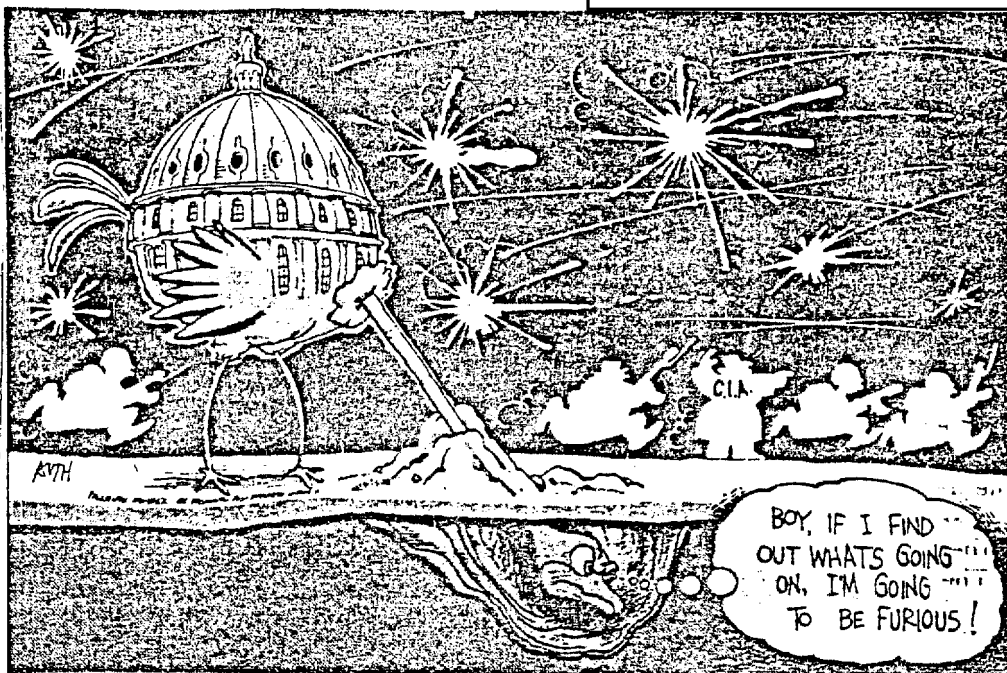
The answer is self-evident, which means that maybe it is time to consider what might be done to discourage CIA chiefs from becoming involved in policy-making.

It is hard for close readers of newspapers or magazines to go longer than a month or two without reading an interview in which Casey assures us that the Boss is on the right track in his policies toward the Soviet Union, the Middle East or Nicaragua. Is that really an appropriate function for the head of the CIA, who by definition is supposed to provide the President and other policy-makers with objective information and analyses on what is happening in the world outside our borders? Surely not.

What we need is a tradition of CIA directors who look an interviewer straight in the eye and say that assessing the wisdom or stupidity of policies being pursued by an Administration in power is none of their business, that their only job is to provide reliable intelligence. It would be nicer still if CIA chiefs would tell Presidents and White House advisers that they would rather not offer advice on policy questions, and would prefer to limit themselves to presenting intelligence that policy-makers need in choosing among alternative actions.

Unfortunately, it's unlikely to happen. There have been notable exceptions, but Presidents tend to appoint CIA chiefs who are personally close and/or politically reliable. Casey is a case in point; he has an intelligence background, but is first and foremost a Reagan man.

Unlike British or Soviet intelligence chiefs, American CIA directors are public figures who appear on television and are interviewed in newspapers. They make speeches and give public testimony before congressional committees. All of this means that they are thrust into the role of advocates for Administration policy.



Less visible, but perhaps more important, is the fact that they can come under pressure to tailor intelligence assessments to support policy. During the Carter Administration, the Senate Intelligence Committee worried that the much-publicized CIA study of Soviet oil production was being manipulated by the White House to develop support for the Carter energy program.

Justly or not, some people in the intelligence community itself charged that Adm. Stansfield Turner, then head of the CIA, was distorting intelligence estimates to make them dovetail with the Carter Administration's foreign policy.

As one critic said at the time, "The great trap of intelligence is to search for evidence supporting your own view. . . . If you have access to policy-makers, you can become sensitized into justifying their decisions." The temptation is especially strong when the CIA chief becomes directly involved in policy-making, and stronger still when the CIA is itself involved in covert operations.

When the 1961 Bay of Pigs invasion of Cuba turned into a deeply embarrassing fiasco for President John F. Kennedy, it was pretty obvious that the failure was due in part to faulty intelligence that overestimated the likelihood of an anti-Castro

uprising in support of the invaders. Would the CIA have done a better job if it had not been running the invasion? A lot of people thought so. For a time there was serious debate as to whether covert military operations should be done by the CIA, with the recurring danger of warping the agency's intelligence function, or by special units within the Defense Department.

Nothing was done, partly because there are some good arguments against such a shift in jurisdiction. But the question is still relevant, as demonstrated by the example of Casey and covert operations in Nicaragua.

With some reason, Congress is in another of its periodic bouts of disillusionment with CIA involvement in covert military operations. But the mood will pass. As former Deputy CIA Director Bobby R. Inman once said, "Every Administration ultimately turns to the use of covert operations when they become frustrated about the lack of

Continued

# COMMENTARY

BOOK REVIEW/ Charles M. Lichenstein

## Haig's effort at instant revisionism

**I**n *To the Finland Station*, Woodrow Wilson subtitled the section on Lenin, "He identifies himself with history." Trotsky, in pointed contrast, said Mr. Wilson, "identifies history with himself."

Mr. Trotsky, meet Al Haig.

The publication of *Caveat* — which, let heaven forbid, the former secretary of state hints may be but the first in a series — is one of those great non-events in the history of literature, or memoirs, or backstairs gossip, or even indeed in the history of history. Snitching in self-defense is still snitching. And insofar as Gen. Haig is up to some serious, substantial purpose, beyond simply fattening his take on the rubber-chicken circuit, the unrelenting pettiness, the self-justification, and the glorification with the ever-present "I am" cause the eyes to wander and the mind to glaze over. This may be "setting the record straight" but it is not necessarily what happened. I know because, even as an ant among elephants, I was there.

What did happen during Mr. Haig's 18 months as "vicar" was that U.S. foreign policy was formulated, debated, articulated, implemented. Some of that policy was good and effective. Some of it was bad and ineffective. Entirely too much of it, good and bad, was made on the front pages of elite newspapers, through leaks, on the basis of unnamed "sources." A lot of people took part: William P. Clark, Jeane Kirkpatrick, William Casey, Caspar Weinberger, Larry Eagleburger, senators, congressmen, sometimes even a president named Reagan. And of course Alexander Haig. Memos became option/action

papers, which became statements and speeches and press conference Q&As and the stuff of talk shows and interviews, by all those named above and then some. The process was messy. It still is. Occasionally, almost coincidentally, the U.S. national interest is served. Often it is not. And books like *Caveat*, an exercise in instant revisionism, help not at all: to the overall messiness, they add vaulting egoism, bias, tunnel vision, and partiality.

This is really too bad. Gen. Haig deserves better. His grasp of strategic design in foreign policy is not inconsiderable. On more issues than not — the Middle East, arms control, southern Africa, the threat of state-sponsored terrorism, Soviet imperialism — he was and is more right than wrong. Even on Central America (where he was conspicuously not, as he claims, "virtually alone," where his allies were named Reagan and Kirkpatrick and Casey), his recognition both of the roots of the conflict and of the nature of the imminent danger is precise and compelling.

But here especially Mr. Haig's worst enemy is Mr. Haig. His niggling, contemptuous disregard of the role of Jeane Kirkpatrick, to cite one recurring example, and his outrageous misrepresentation of her public posture during the Falklands crisis — he stops just short of an accusation of outright disloyalty and lays it off on British "perception" of her private pot-stirring — rewrite history and undermine his own credibility as a witness to it.

Because of a friendship of several decades and because my admiration of Jeane Kirkpatrick borders on awe, I cannot let this particular point lie. All through the

book, Gen. Haig goes out of his way to put her down — to put her in her "place" as a pushy (if intellectually formidable) sort of "Mrs." Where others during the transition drop by to talk substance, she registers complaints about personal perks. Her superbly successful negotiation with the foreign minister of Iraq on the bombing of the Osirik reactor is never mentioned: we had "some differences of opinion on this question." Her trenchant analysis and recommendations of U.S. options in reaction to the imposition of martial law in Poland are reduced to a "not unnatural . . . wish" to take the issue to the U.N. Security Council.

So, in the end, we have backbiting and biting back. As I've said, that is too bad. Al Haig almost certainly is capable of more and better than that. His promise of subsequent installments holds out the possibility at least of serious, substantive reflections on the Reagan administration and U.S. foreign policy — but I don't think I'll hold my breath in anticipation.

Charles M. Lichenstein, deputy U.S. representative to the United Nations Security Council from 1981-84, is now a senior fellow at The Heritage Foundation.

**Caveat: Realism, Reagan and Foreign Policy**  
By Alexander M. Haig Jr.  
McMillan, \$17.95, 358 pages

# Washington Whispers.

## Anti-Casey Grumbling at the CIA .

Members of Congress aren't the only ones upset at the "secret war" in Nicaragua being directed by Central Intelligence Agency chief William Casey. Growing numbers of CIA veterans fear that the operation is exposing the agency to exactly the sort of pounding from the press and lawmakers that tore it apart a decade ago. Their urgent plea: Leave paramilitary operations to the Pentagon.

★ ★ ★

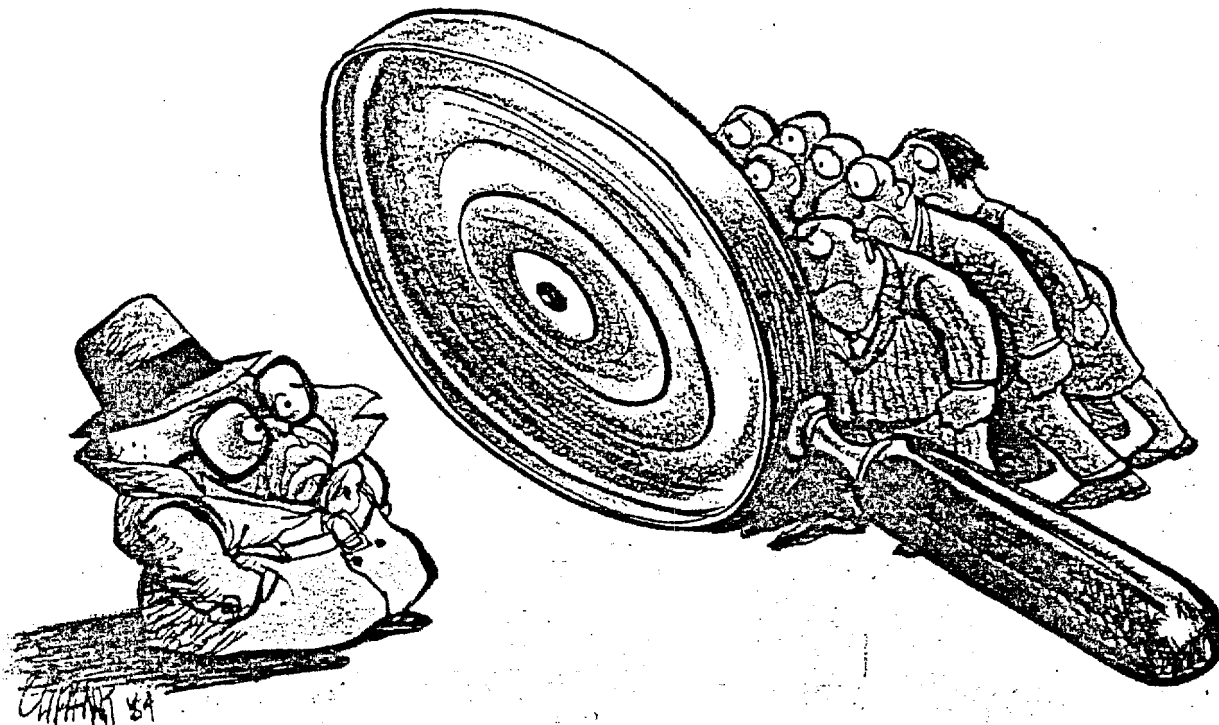
★ ★ ★

There's an outside chance that Daniel Moynihan might withdraw his resignation as vice chairman of the Senate Intelligence Committee. Fellow Democrats are urging the New York lawmaker, who quit over the CIA's mining of harbors in Nicaragua, to stay on because nobody else in line for the post carries his prestige.

★ ★ ★

# No Place Left to Hide?

*In rebuilding the CIA, Casey has made missteps and infuriated Congress*



**B**y most of the usual tests, William J. Casey has amply fulfilled his 1981 pledge to lead the Central Intelligence Agency to "good new days." The decimated spy agency he took over as director at the start of Reagan's term has been fattened by budget increases that not even the Pentagon can match in percentage terms. Staff has multiplied, intelligence collection and analysis have vastly speeded up. Morale has soared as public animosity engendered by the assassination plots and other "dirty tricks" of the 1960s and '70s has faded. The agency is again recruiting on college campuses, where its initials were once regarded as an anagram of evil.

But by another test the agency at times seems to be heading straight back to the bad old days. Once more, relations between the CIA and Congress are being envenomed by mutual distrust and anger. Prominent members of both parties charge that Casey not only broke international law by having the CIA mine three Nicaraguan harbors, but flouted the agency's obligation to keep the intelligence committees of Congress "fully and currently" informed of what it was doing. For his part, Casey, in the words of one of his Administration colleagues, "views Con-

gress as a bunch of meddlers, messing around in his business."

Vermont Democrat Patrick Leahy, a member of the Senate Intelligence Committee, warns that support for the CIA is eroding because "many Republicans and Democrats in Congress are saying that they consider Mr. Casey's credibility to be at an alltime low." Storms Minnesota Republican Senator David Durenberger: "There is no use in our meeting with Bill Casey. None of us believe him. The cavalier, almost arrogant fashion in which he has treated us as individuals has turned the whole committee against him." To dramatize his protest that Casey kept the group in the dark about the Nicaragua mining, New York Democrat Daniel Patrick Moynihan vows to resign as vice chairman of the Senate Intelligence Committee.

Some Administration officials are concerned that Casey will never be able to restore enough trust in Congress to win continued funding for the covert operations that are the CIA director's special pride. Indeed, there are whispers around the White House from pragmatists as well as a few hard-liners that the best service Casey could now perform for the CIA would be to quit.

There is little chance that Casey or his boss, Ronald Reagan, will heed or even hear such advice. Casey, who managed Reagan's 1980 campaign, is closer to Reagan than perhaps any previous CIA director has been to his President.

He has become one of the driving forces in setting—as well as carrying out—U.S. policy toward Nicaragua. The Administration asserts that its aim is to harass the Sandinista government until it stops trying to foment Communist revolution throughout Central America. The main instrument for achieving this is CIA training, arming and financing of the *contra* guerrillas who are waging war against the Sandinistas.

Many lawmakers have long been afraid that the CIA backing of the *contras* would drag the U.S. into a war against Nicaragua, and Casey's briefings did not always reassure them. One Senator told TIME last week that the CIA director once went so far as to present a plan for a possible eventual partition of Nicaragua between a Sandinista regime in the west and a *contra*-ruled state in the east. Though the congressional committees cannot veto any CIA activities outright, they can, in Moynihan's words, "push and pull" the agency away from dubious schemes (as

# A War of Words On the Home Front

## A frustrated Congress is worried that the Reagan administration is 'casually playing war' in Nicaragua.

Congress took its Easter recess last week, but there was no break in its building fury at the Reagan administration. Recent revelations that Reagan's CIA has been directly involved in military operations against the Nicaraguan government—without Congress's full knowledge—frustrated and embittered legislators in both parties. "We've been used," complained House Intelligence Committee Democrat Norman Mineta. The White House, said Republican

ollary, that the CIA is unilaterally running the war—immediately threatened critical elements of administration policy. The extraordinarily lopsided congressional vote against using more U.S. funds to mine Nicaraguan harbors—84 to 12 in the Senate, 281 to 111 in the House—presages a fierce struggle over the president's latest aid request for the U.S.-supported contra rebellion against the Sandinista government in Nicaragua and, to a lesser extent, the government in El Salvador. But the breach between Congress and the administration could have even more far-reaching effects—especially in an election year. Even the normally sanguine White House acknowledged that Reagan's standing with Congress has suffered widespread and lasting damage. "There's a feeling they were not dealt with in good faith, that they were misled," says a presidential adviser.

activities—and demanding a response within 48 hours. "It starts to get very nasty," says a committee staffer. The frustration over the CIA's failure to keep Congress fully informed is compounded by genuine confusion over what is actually being accomplished in Central America. "I have no idea whether we are making any progress," says Durenberger, who has supported the money for covert operations in Nicaragua.

Last week's developments only added to the confusion. Bolstered by new recruits and arms, the Costa Rican-based Democratic Revolutionary Alliance (ARDE), led by Edén Pastora—the legendary "Commander Zero" of the Sandinista revolution—was reveling in its first notable military victory. But after occupying the small coastal fishing village of San Juan del Norte for three days, ARDE forces retreated into the hills in the face of a strong Sandinista ground-and-air counterattack. The Sandinista Air Force devastated what was left of San Juan del Norte, dropping 500-pound bombs from Soviet-built MI-8 helicopters and O-2 "push and pull" spotter planes. "Our objective is not to defend [fixed] positions," said Pastora in a taped message from an undisclosed location following the retreat. "We are fighting a guerrilla offensive."

"Crocodiles": One U.S. official hailed the "major psychological impact" of the ARDE effort. However, diplomatic sources in Costa Rica questioned how much it really meant. "If it weren't for its political significance," said one, "the Sandinistas could just leave Pastora down there to rot." Pastora



LARRY DOWNING—NEWSWEEK



TERRY ARTHUR—CAMERA 5

Casey (above), Moynihan: 'Something went wrong'

Sen. David Durenberger, a member of the Senate Intelligence Committee, has treated Congress with contempt: "The folks down there think we're a bunch of yahoos." But behind the intramural squabbling was a deeper concern—that the administration, by its secretive machinations, has bungled U.S. policy in Central America. While Congress was kept in the dark, warned Democratic Sen. Fritz Hollings, the administration has been "just casually playing war."

That widely held conviction—and its cor- exact revenge. Tired of playing—and losing—a cat-and-mouse game with the CIA to secure intelligence that it is legally entitled to, the Senate may try to force CIA Director William Casey to be more responsive.

The Senate Intelligence Committee is considering requiring Casey to testify under oath when he next appears, a procedure that has usually been abandoned in the name of collegiality; in addition, it is contemplating sending Casey a weekly letter asking whether there have been significant intelligence

Continued



TIME FILE ONLY  
30 April 1984

# Pitchman of the Power House

*How top Lobbyist Bob Gray makes friends and sells influence*

There was a time when lobbyists were discreet, working their deals behind closed doors. But Robert Keith Gray is a new breed of lobbyist, preferring to enter by the front door and stay in the limelight.

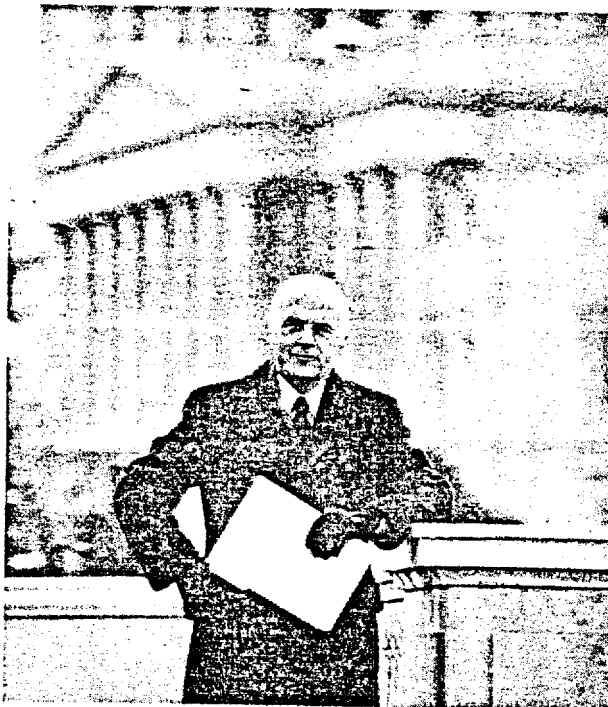
The dapper, polished Gray, 62, is the founder and president of Gray & Co., an 86-member lobbying and public relations firm located in a lavishly decorated former generating plant in Georgetown immodestly named the Power House. His office is decorated with photographs of him shaking hands with every President since Dwight Eisenhower. "With appreciation and warmest friendship," says a photo inscription from Ronald Reagan, whose Inauguration ceremonies Gray helped arrange. By day he likes to be seen with his pals in high places, including CIA Director William Casey, Senator Paul Laxalt and most of the Cabinet. By night, if his friends have to work, Bachelor Gray squires their wives to so many Washington parties that he claims he wears out two tuxedos a year.

Gray cultivates his connections by hiring people on the basis of whom they know. "I only want the stars," he says. It is a policy that gets him publicity, not always welcome. Four months ago, Gray hired Alejandro Orfila, the Secretary-General of the Organization of American States and former Argentine Ambassador to the U.S., at \$25,000 a month. At the time Orfila, who is an accomplished Washington socializer, was still working for the O.A.S. and collecting his \$88,000-a-year salary. He continued working as both a diplomat and a member of Gray & Co. until his resignation from the O.A.S. on March 31. Last winter, a black limousine with diplomatic plates that read "OAS 8" was often seen idling outside the Power House, while Orfila worked within. Although Orfila insists that he did no lobbying while he was on both payrolls and that he was moonlighting from the O.A.S. on accumulated leave time, the O.A.S. this month rebuked him and began an investigation of his nine years in office. A few days later, Gray was back in the news for getting Ursula Meese a job running a small foundation. The wife of embattled Presidential Counsellor Edwin Meese, she has maintained that she took the \$40,000-a-year job as executive director of the foundation at American University in early 1982 because her family needed the money. She still has the post.

For all his intimate connections, however, Gray is not just a political fixer. The

rules of lobbying have changed since the days when the legendary Thomas ("Tommy the Cork") Corcoran could pick up the phone and deliver the goods for a client. As federal regulations have grown ever stricter in the past 15 years, the number of registered lobbyists has quadrupled. There are now about 6,500, or just over twelve for every member of Congress. But while this growing cacophony of special-interest groups is fighting to be heard, lobbying has become more open, thanks to the full-disclosure demands of the post-Watergate era.

What Gray offers is a prized Wash-



At the Capitol: "Today's lobbyist has to be a straight shooter"

*A small-town boy who gets along, at \$350 an hour.*

ington commodity called access. His specialty is the returned phone call. "A Bob Gray can get your case heard," says Jack Albertine, president of the American Business Conference. Declares the *New Republic* columnist TRB: "Gray's firm has broken new ground in the brazenness with which it presents itself as selling not legal services or even public relations, but connections pure and simple."

Gray maintains these connections by performing small favors, like getting the job for Ursula Meese or helping Nancy Thurmond, the wife of Senator Strom Thurmond, Republican of South Carolina, organize charity balls. (He once put Mrs. Thurmond on his payroll, but criticism of the potential conflict of interest caused her to resign.) Gray says he never asks for favors in return. "There was a time when booze, blonds and bribes were

the persuaders," he explains. "But today's lobbyist has to be a straight shooter." Contends Staffer Frank Mankiewicz, who until last year ran National Public Radio: "He's a small-town boy, like Ronald Reagan. In a small town, you help your friends."

Gray, who was born in Hastings, Neb., is a good deal more than just a small-town boy grown big. He is a Harvard Business School graduate who since going to Washington as a low-level official in the Eisenhower Administration has had the knack for cultivating the powerful of both parties. He left the public relations firm of Hill & Knowlton Inc. in 1981 to build a company that by 1983 was earning \$11 million a year. He owns 75% of Gray & Co.'s stock, and enjoyed a salary last year of \$401,500.

Gray has produced results for many clients, including the government of Turkey, which has little support in Congress. The powerful Greek lobby was determined to trim back Turkey's military aid last year, but Gray sent Lobbyist Gary Hymel, a former top aide to House Speaker Tip O'Neill, to work on House leaders. Martin Gold, former counsel to Senate Majority Leader Howard Baker, was sent by Gray to deal with Republican leaders in the Senate. Turkey ended up getting more military aid out of Congress than the year before.

Such services do not come cheap. The firm often charges clients both a monthly retainer and high hourly fees. An hour of Gray's time costs \$350. Says a former employee: "Suddenly, at the end of the month, the client is hit with a \$40,000 or \$50,000 bill. He says, 'My God, what have I gotten for this?'" Sometimes little more than a handshake. One arms dealer paid Gray \$65,000 to help him make his case to the Pentagon on a foreign spare-parts deal. Gray set up a meeting for the client with Defense

Secretary Caspar Weinberger, but the arms dealer did not get the contract. Nor can Gray always deliver the handshake. The National Food Processors paid him a major fee largely in the hope that he could persuade President Reagan to speak at their annual convention in early February. The President declined.

Gray insists that he will not take on just any client, and hints that he has turned away the government of Libya and the Rev. Sun Myung Moon. But how did he know, for instance, that more military aid for Turkey was in the national interest? "I always check these situations out with Bill Casey," says Gray, dropping like a brick the name of his friend the CIA director. For Bob Gray, public friendships like that are not just to be made; they can be marketed.

—By Evan Thomas. Reported by David Beckwith and Jay Branegan/Washington

# Mystery Money

*A new Meese puzzle*

**Y**et another cloud has appeared over the troubled nomination of Presidential Counsellor Edwin Meese as U.S. Attorney General: a tax-exempt Reagan Administration transition fund, headed by Meese in 1980-81, that refuses to reveal where its private donations came from and where much of its money went. The *New York Times* reported last week that the fund has even refused to open its books to a federal audit. The disclosure led Senate Judiciary Committee Member Ted Kennedy to ask Jacob Stein, the special prosecutor looking into allegations raised against Meese, to include the fund in his probe. A source close to the investigation insisted that Stein, with his far-ranging mandate to sort out the tangled Meese affair, will almost surely decide to look into the matter.

Meese served as president and the only salaried director of the Presidential Transition Foundation Inc., set up to plan the transfer of executive power from the Carter Administration to Reagan's team. The other directors were William Casey, now CIA director, and Verne Orr, now Secretary of the Air Force. In addition to receiving \$2 million in operating expenses from the Government and \$250,000 from the President's campaign treasury,



Edwin Meese

ROSENROT VIRILKAD

the foundation raised \$688,931 from unidentified private donors, according to its tax return. No limit was set on the amount people could donate, but Orr said at the time that single contributions were being limited to a maximum of \$5,000. The foundation also promised that its books would eventually be made public.

That never happened. The fund declined a request by the General Accounting Office (GAO) in 1981 to provide an accounting of privately raised receipts and their disbursement. A similar request to the White House in 1981 produced a vague promise that it was "attempting to formulate a response," according to the GAO. Even though the foundation has claimed tax exemption, the Internal Revenue Service has never approved that status. Noting that the IRS is headed by a presidential appointee, Kennedy asked, "Why has it not audited the foundation?" If the transition fund is not tax exempt, the donors of the \$688,931 could not claim tax deductions.

Meese's attorney, E. Robert Wallach, said that "explicitly, Meese didn't handle fund raising, he didn't handle disbursements." Another member of his legal team, Leonard Garment, promised that if Prosecutor Stein decides to probe Meese's role at the foundation, "we are prepared to answer all of his questions." ■

The National Interest / Michael Kramer

# THE ELECTION THAT COULD REALLY MATTER



D'Aubuisson (center) campaigning: A death sentence for U.S. aid?

## Big Stakes in El Salvador

THREE KEY ELECTIONS OF THE 1984 SEASON will soon be held within four days of one another. On May 5, Texas will hold its caucuses, and although Gary Hart's high-tech message *should* do well in the Southwest, the smart money is on Walter Mondale. And three days later, on May 8, the Ohio primary should further confirm Mondale's appeal to Democrats in the industrial Midwest.

In between these contests, on May 6, an even more important election will take place, in El Salvador—the runoff between Napoleón Duarte and Roberto d'Aubuisson for the Salvadoran presidency. The Democrats may have their attention fixed on Texas and Ohio, but the Reagan administration has its mind firmly set on El Salvador. With the Middle East receding as a flash point (at least for now) and the recent Soviet succession diverting attention from the administration's reluctance to reopen arms talks, Central America stands as the key foreign-policy issue of the 1984 campaign. A victory by d'Aubuisson, a former army officer linked to the death squads, would be disastrous not only for El Salvador but for Ronald Reagan's Central American policy as well. D'Aubuisson's prescription is more killing. He believes the bulk of El Salvador's trouble is generated by about 5,000 subversives (besides the guerrillas, and he would "wipe them out." D'Aubuisson may well be engag-

ing in campaign hyperbole, but if he is elected, Congress will probably cut off American aid before waiting to find out.

Duarte, on the other hand, is a conciliator. He has said he will conduct a "dialogue" with the guerrillas, and while he has steadfastly refused to define his terms, it is understood that some concrete attempt at peacemaking would be his first priority. Duarte is not only acceptable to the administration's congressional critics, he is acceptable to the administration itself. "God, how we want Duarte to win," says a senior administration aide. "He gives us credibility—and more important, as we head into an election here, he gives us time. His presidency would be like the Chernenko ascendancy. All sides will have to permit Duarte time to work his magic. And for sure we'll support whatever he does. Duarte can get us off the hook."

The catch is whether the Salvadoran military, which continues to wield the real power, will permit Duarte to govern effectively. The very same military stole the 1972 election from Duarte, and when he finally did become president, in the early '80s, he was little more than a figurehead. Back then, Duarte's contempt for the military he theoretically oversaw was the region's worst-kept secret. "All they know is how to kill," Duarte told me two years ago. "They want to keep on protecting the rich, and as long as there's that's exactly how they'll continue to operate."

To hear the White House tell it, the Salvadoran armed forces are now a model of professionalism. But the death squads still roam at will, which they couldn't do without the military's acquiescence. And the new military commander, General Vides Casanova, has himself been implicated in the cover-up surrounding the murder of the American churchwomen four years ago.

Assuming Duarte wins, will the army permit him to talk with the guerrillas and institute the sweeping land-redistribution program he has promised? When Duarte tried economic reforms during his presidency, they were quickly undermined by the legislature's actions, something that couldn't have happened without the military's tacit blessing.

For the record, Duarte now says that the army is "better," that it has "changed," and he obviously hopes for an accommodation. Whether he gets it will depend on how far he wants to go and how quickly. Duarte figures his best chance would be to act swiftly. He believes the army would realize that American aid would end if the military staged a coup or otherwise crippled his presidency. The White House concurs in this analysis—and is keeping its fingers crossed. "We've made it as clear as we can," says a State Department official. "If Duarte wins and is rendered irrelevant, then we're out of there. We think the message has gotten through. If it has, we'll have a defensible position in El Salvador at least through the fall election here. Whether we'll have the same kind of 'bye' in Nicaragua is a whole different question."

Yes, it is.

Thanks mainly to the C.I.A.'s mining of Nicaragua's harbors, the administration is now facing congressional resistance to the continued funding of the American-supported counterrevolutionary operations directed against the Managua regime. The mining may have been sound tactically—another weapon in the war to pressure the Sandinistas to cease their support of the Salvadoran guerrillas—but the international and domestic backlash offsets the gain.

Part of the current flap is justified. Mining is a legitimate act of war—whether declared or not—but it is normally undertaken openly so that neutral vessels have fair warning. The C.I.A.'s which was bound to surface sometime, has only heightened the outcry. As for the agency's briefing

# What a relief; Mr. Moynihan

Relax, everyone. You can sleep a little easier tonight, comforted in the knowledge that Daniel Patrick Moynihan has reversed his decision to quit as vice chairman of the Senate Select Committee on Intelligence.

The man so inattentive to matters important to his committee that he did not even read his own staff report on the mining of Nicaraguan harbors has again lent the country his eyes and ears. The New York senator so outraged because the report telling of the CIA's role in the mining wasn't underlined in red is once again poised to wield the mighty hammer of his leadership over the intelligence procedures of

the United States.

Mr. Moynihan agreed to stay on after CIA Director William J. Casey apologized to the committee for not having kept Congress adequately informed of the mining operation, which for weeks had been one of Washington's most open secrets.

It seems that Mr. Moynihan was one of the few people in Washington not aware of the mining. Among the new procedures the committee might implement is the purchase of a trumpet Mr. Casey can use to awaken Mr. Moynihan to key elements in upcoming CIA briefings.

# The World

## Casey, Senate Patch Things Up On Nicaragua

William J. Casey, the Director of Central Intelligence, must have found it awkward to apologize. But with the survival of the Administration's military support of the Nicaraguan rebels hanging in the balance, Mr. Casey swallowed hard and authorized an on-the-record apology to the Senate Intelligence Committee last week.

The committee complained that it "was not adequately informed in a timely manner" of the C.I.A.'s role in mining Nicaraguan harbors, adding that Mr. Casey "concurred in that assessment." At the same time, Senator Daniel Patrick Moynihan of New York became vice chairman again. He had quit to protest the mining, which, Mr. Casey said, has ended.

The requests for Central military aid are to come before a Senate-House conference committee this week. The Senate has approved \$21 million for the Nicaraguan insurgents and \$61.7 million for the El Salvador Government. The House has approved \$32.5 million for El Salvador and no additional money for Nicaragua operations.

Washington says it is acting in the collective defense of El Salvador and other Central American countries against subversion by Nicaraguan-supported guerrillas. The United States has also urged free elections, a plea echoed last weekend by Nicaragua's nine Roman Catholic bishops, who said the voting should also be open to the rebels. But Daniel Ortega Saavedra, the junta coordinator, rejected the bishop's proposal, contending it was "oriented by the C.I.A."

Nicaragua, he added, was placing little faith in the mediating efforts of the five nearby countries known as the Contadora group. The group's foreign ministers, from Mexico, Colombia, Panama and Venezuela, were to meet again today with Central American officials.

Taking its case against the United States to the World Court, Nicaragua asked for an interim ruling enjoining Washington from supporting the insurgents. Davis R. Robinson, a State Department lawyer, denounced the complaint as "propaganda" and urged dismissal. Besides, he said, Nicaragua has not recognized the court's authority. But Carlos Arguello Gomez of Nicaragua said his country had gone before the court in a 1960 dispute with Honduras. The court, which has no enforcement authority, was expected to hand down a preliminary ruling within 15 days.

Milt Freudenheim  
and Henry Giniger

DALLAS NEWS (TEXAS)  
29 April 1984

# CIA director speaks softly

## Casey's mumbling contributed to furor over Nicaragua mining

By Richard Whittle

Washington Bureau of The News

WASHINGTON — When William Casey talks, members of the House and Senate Intelligence committees listen — but some say they often can't hear.

The CIA director, who turned 71 last month, speaks in a voice as wispy as his thin white hair. Like the Allied agents he helped infiltrate behind German lines as a World War II officer in the Office of Strategic Services, Casey's words have a way of fading murkily into the ether.

"I think I am not being unkind to say (that) Mr. Casey is not known for having high marks in elocution; that it's not always clear what exactly is being said when he is talking," said Sen. William S. Cohen, a Maine Republican who sits on the Senate Intelligence Committee.

Waxing unintelligible is so much Casey's trademark that even President Reagan has joked about it. He has said that one of Casey's assets as head of the nation's top spy agency is that he requires no electronic "scrambler" to garble his telephone conversations as a guard against interception.

Far from just an amusing quirk, Casey's mumbling has been a factor in his dispute with members of the Senate Intelligence Committee over whether he properly informed them of the CIA's direct role in mining Nicaragua's harbors.

Casey took the extraordinary step of paying personal "fence-mending" calls on committee members last week and even signed a formal memorandum of apology at the behest of Sens. Lloyd Bentsen, D-Texas, and Richard Lugar, R-Ind.

But Casey, who declined through a spokesman to be interviewed, was slow to admit any error. At first he had CIA officials issue statements saying he had complied with the 1980 Intelligence Oversight Act, which requires him to keep Congress "fully and currently informed" of any "significant" intelligence operations.

As a result, before his apology, Casey's relations with the Senate committee had grown so sour that some members were suggesting that he resign.

Though it is not likely that Reagan would ask him to quit, it is less likely that Casey would volunteer to leave a job that has let him delve again into the mysterious world of secret intelligence operations, which by his own past admission he came to love as a young OSS officer.

Whatever the course of his future dealings with Capitol Hill, it is widely agreed that the episode has raised the ghost of the sinister, headstrong image the CIA acquired after 1970s revelations of past CIA assassination plots and coups.

It is no secret that Casey has a special bond with the clandestine service — the arm of the organization that plots and implements covert programs in the realms of propaganda, political intrigue and paramilitary operations — based on his experience in the kind of work they do. It is said that he has even gone into Central America himself, traveling in unmarked planes, to check on the progress of his agency's operations.

For that reason, said a former intelligence official who has worked with Casey personally, the director is unlikely to change his ways without direct orders from Congress. The former official asked not to be identified.

"Running the clandestine service," the official said, "well, he just loves to do it."

Some of Casey's supporters disagree that his affinity for covert action has hurt the agency's image. Former CIA Director William L. Colby, for one, said the congressional furor reflects no distrust of Casey but merely a lack of consensus on whether the CIA's Nicaraguan operations are wise.

But the controversy appears to have killed whatever chances the administration had of getting the House to approve \$21 million to resupply the CIA-backed rebels, known as *contras*, who are warring against Nicaragua's Marxist Sandinista government.

Cohen and other Senate committee members are still saying that while Casey may have referred during March briefings to mines being placed in Nicaragua's harbors, the words he used and his customary mumbling prevented the committee from understanding the CIA's role in placing them.

29 April 1984

FILE ONLY

# CIA and Congress

In theory, at least, the Central Intelligence Agency has an absolute obligation to keep Congress informed of operations which Congress is called upon to fund.

The resignation of Sen. Daniel P. Moynihan as vice chairman of the Senate Intelligence Committee and a subsequent apology offered by William J. Casey, the CIA head, for failure to brief the committee as fully as some members desired shows how seriously that obligation is taken both on Capitol Hill and in the executive branch of government.

Not quite so seriously taken, however, is the obligation on Congress' part to guard secrets that the CIA imparts to it in the course of keeping senators and representatives well-informed.

No wonder the CIA thinks twice before being candid with Congress when it knows the place is full of blabbermouths who consider it their duty, upon being informed of CIA undertakings they don't approve of, to immediately hold a press conference to denounce them.

Whether, in the closed session Wednesday which culminated in Mr. Casey's apology and Mr. Moynihan's return to the vice chairman's seat, this concomittant obligation on the part of Congress was discussed, reports have not yet made clear. All we know is that at the end of what was apparently a spirited give-and-take between senators and spymaster, all hands emerged radiating sweetness and light. For the record, anyway. There are still no doubt many members of the committee who have reservations about the CIA and all its works. Still, no doubt, a certain skepticism on Mr. Casey's part about the ability of Mr. Moynihan and his colleagues to keep their mouths shut.

On whole, however, this clear-the-air episode should have a healthy effect not only in Congress and covert action circles but upon the public, which has been a little too quick to jump on the CIA in connection with the Nicaraguan mining, assuming that there was some plot afoot in Mr. Casey's office to sneak something by. It is not at all clear, for one thing, whether members of the committee, when complaining about lack of information, are fully entitled to the gripes they have been expressing. Some senators had no complaints. Perhaps the others just weren't listening

*Continued*

ARTICLE APPEARED  
ON PAGE A-1WASHINGTON POST  
29 April 1984

STAT

STAT

# Ultimate Goal of U.S. Latin Policy

By Joanne Omang  
and Don Oberdorfer  
Washington Post Staff Writers

## Still Unresolved

In making the long-neglected region of Central America one of its top international priorities, the Reagan administration is trying to stop the spread of communism near the southern U.S. border by using indirect military and paramilitary power and attempting to restructure political and social institutions in countries there.

The ambiguous nature of this policy has been shaped by an American political paradox, reflected in opinion poll after opinion poll, that is

partly a legacy of the Vietnam war. A majority of American voters agrees that vital U.S. interests are at stake in Central America but flatly opposes having U.S. troops fight to defend those interests.

Guided by this domestic imperative and its own instincts, the administration has determined that further military victories by communist troops will not be permitted in Central America and that this policy can be enforced short of sending U.S. troops into combat there.

This is the answer administration officials give in interviews, public statements and internal documents to questions about what the United States is trying to do in Central America. However, the officials said a central question remains unresolved inside the administration: Should the U.S. objective be only to stop the spread of communist influence in the region or to go further and eradicate it in Nicaragua and Cuba?

These officials expressed the belief that democratic institutions—even if they must be created virtually from scratch in countries that have very little democratic tradition, such as El Salvador, Honduras and Guatemala—nonetheless can respond to the needs of downtrodden people and that the people will then reject communism.

In effect, the theory holds that if El Salvador, the crucial battleground in the administration's view, can be militarily protected long enough from outside leftist revolutionary influence, it can leave behind its long history of corruption, human rights abuses, illegal behavior and ineptitude and be transformed peacefully into a smaller version of the United States, a responsive, democratic society.

This fundamental approach, rejected as impractical or insincere by many critics of the administration's policy for Central America, is behind the steady buildup of a U.S. "military shield" in Central America, behind which, administration officials said, democratic institutions may flourish with U.S. help.

However, the most visible result so far of this two-pronged approach has been the military buildup. Implemented in piecemeal and incremental fashion throughout the three years of the Reagan administration, it has changed the face of Central America.

With U.S. aid, Salvadoran military forces have more than doubled and those of neighboring Honduras have increased 30 percent. Without direct U.S. aid, Guatemala's forces have increased 50 percent.

Covert U.S. financing and direction through the CIA have helped the insurgents fighting the leftist government of adjacent Nicaragua, known as contras, grow from a few ragtag exile bands to three well-organized, well-equipped guerrilla groups totaling 15,000 fighters.

U.S. military assistance to the Salvadoran government in its war against leftist rebels has grown from about \$6 million in the last full year of the Carter administration to this year's total of \$243 million either already sent to El Salvador or awaiting congressional approval. U.S. military aid to Honduras has increased twentyfold in the same period.

Powerful U.S. armadas have sailed into the waters surrounding Central America to show the flag. U.S. ground, air and sea maneuvers of unprecedented size and scope have become a nearly continuous feature there. The jackhammer of U.S. military construction has become commonplace, especially in Honduras.

But the other part of the policy—the building of flourishing democratic institutions—is not yet apparent. Critics of the Reagan administration have said they doubt that it is possible, although new elections have been held or scheduled in several countries of the region. The most important, and possibly riskiest, of these elections so far will be presidential balloting scheduled next Sunday in El Salvador.

All sides agree that stability in the region, to say nothing of peace, is far off. The economies of the Central American countries have been hit hard by global recession and the flight of capital, which have hurt the

region far more than increased U.S. economic and military aid has helped. Only in the past few months, for the first time since the late 1970s, has this economic decline appeared to level off in several Central American countries, with hopes for improvement ahead.

In the military competition, the growing strength and resources of opposition elements also has offset some of the U.S. buildup in friendly countries.

The military forces of Nicaragua's Sandinistas, backed by Soviet and Cuban equipment and advisers, have grown from about 4,000 on their day of victory over the late dictator Anastasio Somoza in mid-1979 to about 48,000 now, about half of them reservists.

While the United States has helped the Salvadoran military grow from 16,000 at the end of the Carter administration to 39,000 today, aid from communist nations helped the rebels there to grow from 2,000 only four years ago to about 10,000 now.





29 April 1984

FILE ON

## Where Was The Oversight?

Every agency of the federal government is supposed to be accountable to Congress, and that goes for the Central Intelligence Agency, which despite claims of secrecy cannot claim secrecy from Congress. Otherwise, the CIA would be an unaccountable arm of the executive branch, not far different from, say, the Soviet Union's KGB.

Unfortunately, the CIA has not always been all that accountable to Congress. CIA Director William J. Casey has conceded as much to members of the Senate Intelligence Committee. Mr. Casey apologized for not adequately informing the committee about the CIA's supervision of the mining of Nicaraguan ports. As a result, Sen. Moynihan of New York has withdrawn his resignation as vice chairman of the committee, and no doubt Sen. Goldwater of Arizona is less outraged by the Reagan administration's alleged refusal to give the committee a full briefing.

We do not know, however, whether Mr. Casey's apology was entirely necessary. The House Intelligence Committee, through careful probing, did learn at least something about the policy of mining Nicaraguan harbors. The Senate committee, apparently, didn't do much probing. It might be asked if some senators really wanted to know what the CIA was doing. Ignorance may not be bliss, but it allows members of Congress to permit CIA operations to go unchallenged until they are revealed, somehow, by the press. Then the congressmen can react according to whatever seems politically required.

The case of the mining of Nicaraguan harbors ought to embarrass Congress as much as the administration. If anything constructive results, it should be that Congress will demand that it be fully informed about CIA activities. Otherwise, the public can't have much confidence in the way its government operates.

KALB: Good day from Washington. I am Marvin Kalb inviting you to Meet the Press with Sen. Joseph Biden, a strong critic of the president's foreign policy.

ANNOUNCER: Meet the Press, an unrehearsed press conference, is a public affairs presentation of NBC News.

KALB: Our guest today on Meet the Press is Sen. Joseph Biden of Delaware who was first elected to the U.S. Senate 12 years ago, when he was 29. Sen. Biden is now the ranking Democrat on the Judiciary Committee. He is also a member of the Foreign Relations, Budget and Intelligence Committees, and with this background he challenges administration policy across the board. Our reporters today are Morton Kondracke of The New Republic, Gloria Borger of Newsweek, Robert Novak of The Chicago Sun-Times, and to open the questioning, our regular panelist, Bill Monroe of NBC News.

\* \* \* \* \*

NOVAK: Sen. Biden, there's been a lot of noise from Democrats in the Senate about being...information being withheld from you by the CIA on the mining of the Nicaraguan harbors by the contras. Isn't it a fact that you were well aware of that operation, you personally, were well aware of that operation when the debate in the Senate took place? BIDEN: We were well aware of it from news accounts. I quite frankly find myself in a bit of a bind answering that question because I was the only person voting against that operation from the aid to the contras since the changing of the so-called presidential finding, the second finding. I think the admini...that the committee's almost as much at fault here as in fact, the agency is. The agency did not level. The agency did not tell us the extent of their involvement. And they did not tell us the extent of the president's involvement. But we did not ask the right questions.

NOVAK: But sir, isn't it true that you were personally, quite apart from news accounts, that personally you were briefed by the CIA on the mining operations before the debate in the Senate? BIDEN: No. That's not true. What we were in fact briefed about, on two occasions, about two months after the fact, was that in a compendium of a number of things that were occurring, dropped in as number 17, was, and by the way, there are mines there. They never told us though, the degree to which there was direct U.S. involvement in that process.

NOVAK: Well, aren't the mines a red herring, sir? Isn't it a fact that you're opposed to the contras being financed to U.S. funds to overthrow the Sandinista regime? BIDEN: Me, personally?

NOVAK: Yes, sir. BIDEN: Yes. I am personally opposed to the way in which we are going about that.

NOVAK: Can I ask you one other thing, sir? BIDEN: Sure, you can ask me...

NOVAK: Who would you prefer running the government of Nicaragua, the communists who are in power there now, or the people who are trying for a democratic regime and fighting with the contras? BIDEN: I'd prefer the people trying for the democratic regime.

Continued



## Casey comes clean

Central Intelligence Director William Casey has admitted to members of the Senate Intelligence Committee that he failed to inform them of his agency's covert activities in mining the ports of Nicaragua.

Under the law, the intelligence committee is supposed to exercise oversight over the CIA in order to ensure that it does not engage in secret wars, assassinate foreign leaders, or otherwise take actions that are contrary to U.S. laws and publicly stated foreign policy. The law is designed to ensure that the legitimately elected representatives of the people stay in control of the government and its policies without weakening the CIA by exposing all its operations to public scrutiny.

It's difficult to run a spy agency in full public view, we all agree, but we don't want it operating totally without control.

So it is refreshing to see Director Casey come forward in such a forthright and honest manner (one of the greater attributes of Reagan appointees) after having the details of the mining leaked to the press, the Senate Intelligence Committee publicly flay him, a majority of both houses pass resolutions condemning the mining operation, and generally cause an uproar throughout the world. Yes, indeed, his candor is refreshing.

Calling for his resignation is the farthest thing from our minds. Quite the contrary, this incident has shown that Mr. Casey is the perfect man to head the CIA. He has clearly shown that he has the requisite character traits — deviousness, a conveniently weak memory, and the ability to withstand tough questioning without giving away valuable information (the mining operation) to the enemy (the Senate Intelligence Committee) — to be the country's chief spy. Rest easy America, with Mr. Casey in charge of the CIA the nation is safe as long as it doesn't travel by ship near Nicaragua.

# Senate wants CIA to keep it out of cold

By Terry Atlas  
and Dorothy Collin  
Chicago Tribune

WASHINGTON—The Senate Select Committee on Intelligence has announced it will meet Wednesday to work out "more thorough and effective oversight procedures" in the wake of an apology by the CIA for failing to give Congress adequate information about the mining of Nicaragua's harbors.

The committee said in a statement it would move quickly to develop new procedures to see that the Senate is more fully informed, especially about covert activities. The vice chairman of the committee, Sen. Daniel Patrick Moynihan [D., N.Y.], said the group will consider requiring the CIA to disclose any activity that might require presidential approval, such as the mining of harbors.

The committee's determination followed an apology by CIA Director William Casey for failing to keep it fully informed about the CIA role in the mining of the harbors. Casey met with the committee behind closed doors for about two hours Thursday, acknowledging he failed to provide adequate information and promising to be more forthcoming in the future.

AS A RESULT, Moynihan withdrew his resignation as vice chairman and agreed to continue serving. Taken together, it appears these events have defused the confrontation over the mining.

Casey also assured committee members that the CIA-directed mining has been halted and that there are no other covert activities in Central America of which they have not been told.

Committee members said they believe Casey will keep them better informed through future briefings about major covert operations. Sen. Lloyd Bentsen [D., Tex.] said he believes that Casey will be "more forthcoming."

Casey's apology capped several days of intense behind-the-scenes activity as the CIA director, the Senate Republican leadership and key members of the Intelligence Committee looked for a way to cool what had become a heated public debate over the CIA's covert activities in Central

America. The controversy, in the process, undercut congressional support for President Reagan's Central American policies.

BUT THE RESOLUTION of the battle over CIA briefings left unsettled basic questions about administration policies in the region and CIA activities. The Senate has voted \$21 million to continue CIA support for the Nicaraguan rebels fighting the Sandinista government, but that aid is opposed by the House.

At the end of the closed-door meeting, which one senator said was marked by a "spirited and sharp exchange" with Casey, the committee issued a brief statement outlining its new agreement with Casey and the CIA.

The carefully worded statement said that Casey had "concurred" with the committee's belief that it hadn't been "adequately informed in a timely manner" of the mining and that he had agreed on the need "for a more thorough and effective oversight procedures" involving covert activity.

"We were all there to do a repair job on our communication lines," said Sen. David Durenberger [R., Minn.].

Previously, the CIA claimed it had informed various committees or staff members several times of the mining. That was hotly challenged by the committee staffs, who said the briefings had been vague and indirect concerning the mining.

THE COMMITTEE, by saying it would develop new procedures to monitor CIA activities, appeared to take part of the blame for the controversy by failing to pursue the matter after references to the mining by Casey in an earlier briefing.

However, the committee didn't

consider in detail what those new procedures might be.

And the statement purposely evaded the question of whether Casey had violated the law requiring him to keep the committee "fully and currently informed" of all intelligence activities.

Last month, after details of the CIA's role in the mining became public, an uproar developed on Capitol Hill as senators claimed that they hadn't been told about an activity that some viewed as a violation of international law.

The CIA contended repeatedly that Casey had mentioned the operation in briefings but that the senators and their staffs had failed to follow up with the right questions. One senator said the committee was told Thursday by Casey that the plan to mine Nicaragua's ports was made last fall, months before hints of the operation reached Congress.

COMMITTEE MEMBERS at times appeared to be as upset with the way they were treated by Casey and the CIA as they were with the mining itself, and the conflict became so public that by this week all sides were looking for a way to settle the dispute.

"At some point, we had to have a truce," said a Senate leadership source. "They couldn't keep savaging each other."

## RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM Agronsky & Company STATION WDMV-TV  
Syndicated

DATE April 28, 1984 7:00 P.M. CITY Washington, D.C.

SUBJECT Casey/Nicaragua

MARTIN AGRONSKY: Elizabeth, the CIA Director, Mr. Casey, had now said that he feels he was wrong in not having revealed more clearly and explicitly to the Senate committee in charge of oversight of CIA operations what they were doing in Central America, and specifically the mining by the CIA of the harbors off the coast of Nicaragua. Now, Senator Moynihan, who said he was going to resign as deputy chairman, apparently has been sufficiently mollified, so he's going to remain as deputy chairman, though he says he'll forgive but not forget.

Now, where are we now with the CIA, with the secrets and keeping those secrets secret from the Congress?

ELIZABETH DREW: I think it's pretty clear what happened, Martin, is that it was -- Mr. Casey was made to understand that he was about to lose it all if he didn't mollify the senators, and that this was probably more a tactical move. I don't know that he lost a lot of sleep at night over -- contrition over not having been, perhaps, more fully informative of the Senate committee. But people in the Senate and elsewhere said to him, "Look, you're about to lose a very important constituency up there. You'd better mend your fences." Particularly, some Republican senators said that. And so he went up and he said, "I'm sorry," which for him was a very big thing to do.

There's another sub-thing that was going on here having to do with some people not wanting Mr. Moynihan to give up that slot, fearing it would go to someone who might be more critical of the CIA.

So, there was a lot of dancing around. I'm not sure that anything terribly substantive took place.

# RADIO TV REPORTS, INC

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM Agronsky & Company STATION WDVM-TV  
Syndicated

DATE April 28, 1984 7:00 P.M. CITY Washington, D.C.

SUBJECT Casey/Nicaragua

MARTIN AGRONSKY: Elizabeth, the CIA Director, Mr. Casey, had now said that he feels he was wrong in not having revealed more clearly and explicitly to the Senate committee in charge of oversight of CIA operations what they were doing in Central America, and specifically the mining by the CIA of the harbors off the coast of Nicaragua. Now, Senator Moynihan, who said he was going to resign as deputy chairman, apparently has been sufficiently mollified, so he's going to remain as deputy chairman, though he says he'll forgive but not forget.

Now, where are we now with the CIA, with the secrets and keeping those secrets secret from the Congress?

ELIZABETH DREW: I think it's pretty clear what happened, Martin, is that it was -- Mr. Casey was made to understand that he was about to lose it all if he didn't mollify the senators, and that this was probably more a tactical move. I don't know that he lost a lot of sleep at night over -- contrition over not having been, perhaps, more fully informative of the Senate committee. But people in the Senate and elsewhere said to him, "Look, you're about to lose a very important constituency up there. You'd better mend your fences." Particularly, some Republican senators said that. And so he went up and he said, "I'm sorry," which for him was a very big thing to do.

There's another sub-thing that was going on here having to do with some people not wanting Mr. Moynihan to give up that slot, fearing it would go to someone who might be more critical of the CIA.

So, there was a lot of dancing around. I'm not sure that anything terribly substantive took place.

HUGH SIDEY: But let's also look at the other side of this. We've looked at it from Mr. Casey's standpoint.

Let me say flat-out that the mining of the harbors, as it was done, was wrong, obviously a bad decision. It had political fallouts.

[Confusion of voices]

SIDEY: But isn't it curious that the people who wanted to be informed were informed? Eddie Boland and the people in the House, they found out; that Senator Biden wanted to find out, and he got well briefed on it; and that the people that really made an effort, they picked up the subtle hints.

AGRONSKY: Why should there be subtle hints about something so important in terms of national policy?

SIDEY: Well, I'm not justifying Casey. I'm saying that he was wrong in this. But what I am saying is, what is the responsibility of the Congress in this? Those people...

AGRONSKY: What are you saying, if you don't do your homework, you can't complain?

SIDEY: I think it's always going to be the case that if they are not diligent and they do not ask and do not probe, that these things are going to happen. And there's a case where they could have found out had they worked at it. And they did not.

CARL ROWAN: Well, I agree with Hughin this respect. I think Moynihan is doing a dance around the lily pads. This is what worries me about oversight. If you've got people there who aren't conscientious enough when they see hints like this to say, "What are you talking about? What are you doing?" they don't have any right to come up with any big dramatic resignations later, and then, after Casey apologizes, say, "I'll go back into this post."

So, you're right. There's a lot of blame here.

MARIANNE MEANS: The senators are ambivalent in their attitude toward it. I think they understand that they have a responsibility. But this is -- the CIA is engaged in distasteful business. And the politicians feel the same way toward it, I think, as the public does. And yet they realize it has to be done. So they just as soon not know too much.



# AMERICAN SURVEY

## The CIA becomes central again

WASHINGTON, DC

If there were any doubts remaining about who is running United States policy in Central America, they were dispelled last week when the Reagan administration rejected the appointment of Miss Nora Astorga, a heroine of the Sandinist revolution and deputy foreign minister of Nicaragua, as that country's new ambassador to Washington. Mr George Shultz, the secretary of state, and his assistants in charge of Latin American policy, while hardly planning a grand fete in Miss Astorga's honour, had urged her acceptance as a means of reducing the number of issues in dispute with the Nicaraguans. But the source of Miss Astorga's heroism—her part in the murder in 1978 of a general in the Nicaraguan national guard—was also the source of her notoriety. For the general in question, Reinaldo Perez Vega, had been one of the Central Intelligence Agency's men in the old Nicaraguan regime of Anastasio Somoza, and when Mr William Casey, the present director of central intelligence, told the president that he must not let a terrorist join the diplomatic corps in Washington, Mr Reagan complied.

The balance of power among those competing for control of American foreign policy is constantly shifting. The Astorga incident symbolises the fact that, for all the elaborate procedures for discussion within the executive branch and for consultation with congress, it has now shifted towards the CIA. The agency's influence over Central American policy is particularly strong.

There is a temptation to interpret the circumstances in a primarily personal way—as a sign of Mr Casey's closeness to the president he served as campaign manager in 1980. It is true that this Wall Street entrepreneur, having survived one congressional investigation after another, has easy access to the Oval Office and enjoys a camaraderie with Mr Reagan matched only by Mr Edwin Meese and others who served with the president when he was governor of California. Certainly, Mr Casey's personal status has enhanced the CIA's role in the many briefings on

foreign affairs that the president receives every day, and this role becomes all the more important given the fact that Mr Reagan has little experience of international affairs.

But there is more to it than that. Mr Casey's arrival at CIA headquarters signalled a genuine ascendance for the intelligence community after several years of decline. Responding to congressional criticism and public opinion, President Carter's director of central intelligence, Admiral Stansfield Turner, had cut the CIA's staff greatly and had followed orders to reduce the role of covert operations in the agency's business. Mr Casey, who had become a hero himself during wartime operations behind German lines for the Office of Strategic Services, promptly declared that he would put the CIA back into the covert business and, although the figures are secret, he is said to have presided over a percentage increase in the intelligence budget that makes even the growth of the Pentagon's funds look modest by comparison.

At one point Mr Casey had a plan to put the CIA back into domestic intelligence work—illegally—in apparent rivalry with the Federal Bureau of Investigation, but he seems to have been held back by bureaucratic caution if not by wise policymakers. One thing is clear, however: the CIA is dominant in the field and has less competition now from the Defence Intelligence Agency or the National Security Agency. The NSA is still the leader in communications intelligence (comint), but human intelligence (humint) is firmly in the hands of the CIA, and it is being given more importance than at any time since the war in Vietnam.

Still, it is not as if the CIA has returned to its halcyon days, in terms of freedom of action or public acceptance. When the agency restored the Shah of Iran to the peacock throne in 1953 and overthrew the left-leaning regime of Jacobo Arbenz in Guatemala the next year, few people asked questions. Indeed, the congressional attitude of that era was exemplified by



Casey overlooks Moynihan and Goldwater

the late Leverett Saltonstall of Massachusetts, a long-serving Republican senator, who observed in 1956 that he "would rather not have" information and knowledge about the CIA activities.

There is no such reluctance on Capitol Hill today, at least not officially. Both the senate and the house of representatives have, at different times, given the administration so much criticism of its activities in Nicaragua—and members of the congressional intelligence committees have leaked so much information about them to the press—that they are hardly "covert" any longer. During the recent uproar over the mining of Nicaraguan harbours, it became obvious that the CIA had hardly kept its congressional overseers "fully and currently informed", as it is legally obliged to do. Some thought its dereliction worse than that. Mr Barry Goldwater of Arizona, the venerable Republican chairman of the senate intelligence committee, wrote to Mr Casey, declaring that he was "pissed off". Mr Daniel Patrick Moynihan of New York, the Democratic vice-chairman of the group, did him one better by announcing

*Continued*

# Networks play it the Sandinista way

By DOROTHY RABINOWITZ

ABOUT two years ago, a representative of the Sandinist government identified as the great-est threat to his country's survival the "system of communications" at the disposal of the U.S. — i.e., its press and other "organs of propaganda."

This comment — considering the public relations efforts and enthusiasm U.S. journalists had so tirelessly showered upon the Sandinist revolutionary forces — seemed, even at the time, as gross a piece of ingratitude as the world has heard.

It comes to mind with a special irony now. For even the revolutionary representative who spoke thus, the eminent Ernesto Cardenale, Nicaraguan minister of culture, could surely today not find it in his heart to refuse a word of gratitude for those same organs of "communication" in the U.S.

Did the Sandinists ever in their wildest dreams dare hope for so stunning a display of

sympathy and cooperation as provided by this same "communications" network?

Would even Cardenale have imagined so prized a boon as the savaging of the CIA and the Contras, the anti-administration handwringing and moralizing, such as we have seen from our journalists and opinion makers in the course of the current debate on Nicaragua?

Surely he could not have dared hope for such a report as we in fact heard on ABC News recently, one which began with word of a New York Times story charging that the CIA "made a group of Nicaraguan rebels obey its orders" by threatening to cut off supplies.

Here, ABC introduced "an exclusive" piece of news of its own — a detailed report on the location, complete with aerial photographs, of the CIA's secret center from which Contra operations in Costa Rica were directed and controlled. Here, correspondent John Quinones announced, was where "the orders were carried out," and "the secret landing strips" to which CIA arms and supplies were delivered.

But it was not only from the CIA that the Contras received help.

U.S. citizens in Costa Rica, we were further informed, contributed to the support of the anti-Sandinist effort. Lest we lack detail as to the location of those providing such aid to the Contras, we were provided with pictures of a supply plane landing at a ranch owned by these Contra supporters.

In addition, we were provided with more facts concerning these individuals: facts which, however brief, contained what their author doubtless understood to be a clue as to their moral status and general character. For these people were, we learn, "wealthy Americans."

But in reports of this sort and others concerning Central America, no reportorial energies equal those nowadays expended daily on the perfidies of the CIA.

One of the inner circle of Sandinist leaders undertook recently to explain to the Nicaraguan public the reason why so many Americans come to Latin America to adopt babies. There were, he explained, three reasons: so that the babies could be used by the Americans for medical experiments, or made into slaves, or impressed into service as spies for the CIA.

The weight of moral argument raised against the CIA on our own shores nowadays is only slightly more refined.

Consider a recent segment on the CBS Evening News on which there appeared a variety of experts all bearing witness against the CIA. One of those quoted was

a Congressional staffer who testified that CIA Director William Casey was a man whose attitude was one of "criminal carelessness."

Rep. Norman Y. Mineta (D-Cal.) charged, in addition, that if your coat were on fire, Casey was the sort of man who wouldn't tell you unless you asked him — an apt enough complaint coming from that Congressional population nowadays incapable of recognizing the heat of danger close to home.

In addition to these esteemed voices, we heard on Easter Sunday from Bishop Paul Moore Jr., of the Episcopal Diocese of New York, who announced that we stood "naked and ashamed before the eyes of the world" as a result of our immoral action against the Sandinistas — a comment forthwith reprinted in the Sandinist newspapers.

As, doubtless, were details published by our press concerning the location and identities

of those involved in supporting the Contra operation.

Recently, the world learned details of a 40-year-old military secret. This concerned the fate of some 740 American troops lost off the coast of England when, during exercises preparatory to D-Day, they were torpedoed by German U-boats.

Lest the invasion plans be compromised by news of this tragedy, their bodies were buried amid great secrecy on local farms, and the few British citizens privy to the fact were warned not to reveal them. In the ensuing 40 years no one did reveal this story until now, the need for secrecy being long since past.

What would have been the behavior of our present day journalists confronted by such a choice — a story rich in suggestions of coverup and catastrophe, as opposed to the danger of betraying our D-day plans? We have cause to wonder.

ARTICLE APPEARED  
ON PAGE A-1

NEW YORK TIMES  
21 April 1964

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

# MOYNIHAN TO KEEP INTELLIGENCE POST

## Withdraws Resignation After C.I.A. Chief Apologizes

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, April 26 — Senator Daniel Patrick Moynihan withdrew his resignation as vice chairman of the Senate Select Committee on Intelligence today after the Director of Central Intelligence, William J. Casey, apologized for not keeping the panel better informed about covert operations by the United States in Nicaragua.

Mr. Casey also told the committee today that the mining of Nicaraguan harbors had been halted.

Mr. Casey's comments and Mr. Moynihan's decision to remain as vice chairman were part of a compromise worked out over the last several days that was designed to reduce tensions between the Central Intelligence Agency and the Senate over covert activities in Central America.

### Casey Concurs on Statement

As part of the effort, the Senate intelligence committee agreed at a meeting today that it had not been adequately informed about American involvement in the mining of Nicaraguan waters.

Mr. Casey, who attended the meeting, agreed in turn to approve a committee statement that said, "The Director of Central Intelligence concurred in that assessment."

In addition, the committee and Mr. Casey pledged to develop improved ways to keep the Senate informed about intelligence operations, particularly about covert activities.

The compromise was initiated by Senator Richard G. Lugar, Republican of Indiana, and Senator Lloyd Bentsen, Democrat of Texas, "I think it's time we had a cease-fire with the committee and the C.I.A.," Mr. Bentsen said after the meeting. He said he hoped that in the future Mr. Casey and the C.I.A.

would be "a damn sight more forthright" with the committee.

### Resignation Letter Submitted

Mr. Moynihan, who announced his intention of resigning on April 15 and actually submitted a resignation letter on Wednesday, said today that he had reconsidered after Mr. Casey agreed late Wednesday to apologize to the committee.

Mr. Moynihan and Senator Barry M. Goldwater, Republican of Arizona, the chairman of the intelligence committee, complained publicly earlier this month that the C.I.A. had not adequately informed the committee about its direct involvement in the mining operation.

When he voted April 5 in favor of providing the C.I.A. with an additional \$21 million to support Nicaraguan rebels, Mr. Moynihan said, he did not know the extent of the mining operation or the C.I.A. role in it.

Intelligence officials contended they had kept the committee informed, citing brief references to the mining in briefings on March 8 and March 13 and a detailed accounting for committee staff members on April 3.

Mr. Moynihan said that on April 5 he had not seen a memorandum about the mining prepared by the staff after their meeting with C.I.A. officials. But he said he had been given a brief oral report by Gary J. Schmitt, the minority staff director.

The compromise worked out by Senator Lugar and Senator Bentsen provided Mr. Moynihan and Mr. Casey with a chance to end the argument, although colleagues of both said they initially resisted the formula.

For Mr. Moynihan, the colleagues said, the concern was centered on his reversing direction and leaving the impression that his recent actions were inconsistent.

Mr. Casey, for his part, was reluctant to apologize to the committee because that is not his style and also be-

cause he felt the C.I.A. had kept the committee notified. Intelligence officials said that Mr. Lugar had been instrumental in persuading Mr. Casey that an apology was necessary to end the controversy.

### Sharp Exchange Reported

When he announced his intention to resign on April 15, Mr. Moynihan said, "This appears to me the most emphatic way I can express my view that the Senate committee was not properly briefed on the mining of Nicaraguan harbors with American mines from an American ship under American command."

In its statement today, the Senate committee said, "At the request of the committee, and in light of the Director's acknowledgment, Senator Moynihan withdrew his resignation as vice chairman."

Mr. Moynihan said that Mr. Casey called him on Wednesday and urged him to remain as vice chairman.

Mr. Bentsen said that after a "spirited, sharp exchange" between committee members and Mr. Casey at today's meeting, both the committee and the C.I.A. approved the compromise statement, which was drafted on Wednesday and informally accepted by Mr. Moynihan and Mr. Casey before the meeting.

Mr. Moynihan said after the meeting that the committee would meet next week to begin developing new procedures.

ARTICLE APPEARED  
ON PAGE

WALL STREET JOURNAL  
27 April 1984  
Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

# What's News—

\* \* \* \* \*

CIA Director Casey admitted he failed to inform the Senate Intelligence panel adequately about his agency's role in mining Nicaraguan ports, the committee said. After Casey's apology, New York Sen. Moynihan withdrew his resignation as vice chairman of the panel, whose statement stopped short of acknowledging any law violation.

27 April 1984

# WASHINGTON

USA TODAY'S SPECIAL REPORTS FROM THE CAPITAL

## Moynihan stays; Casey admits to error on mines

CIA Director William Casey told a Senate Intelligence Committee members Thursday he failed to adequately inform them of the CIA's role in mining Nicaraguan ports, the panel said. After Casey's apology, Sen. Daniel Moynihan, D-N.Y., agreed to stay on as vice chairman of the committee. He resigned Wednesday in protest of the lack of briefing on the operation. A statement released after the hearings said the senators "agreed that there is a need for more thorough and effective oversight procedures, particularly in the area of covert activity."

WASHINGTON POST  
27 April 1984

# Casey Apologizes To Hill for Lapse On Port Mining

By Helen Dewar  
Washington Post Staff Writer

CIA Director William J. Casey yesterday formally apologized to the Senate Intelligence Committee for failing to provide adequate information on the agency's role in mining Nicaraguan harbors and agreed to give prior notice of "any significant anticipated intelligence activity," as required by law.

In response, Sen. Daniel Patrick Moynihan (D-N.Y.), who had resigned as vice chairman of the committee to protest the CIA's handling of consultations with Congress on the mining, withdrew his resignation and expressed satisfaction with the agreement.

The agreement was announced by Intelligence Committee members after what was described as a "spirited, sharp" closed-door meeting with Casey, during which agreement also was reached on working out specific new procedures for CIA consultations with the committee.

Committee members said they were reassured in the roughly two-hour session that the Nicaraguan mining operations had ceased and that no similar covert operations had been undertaken without notice to the House and Senate Intelligence committees.

The meeting followed 2½ days of door-to-door visits by Casey with committee members to repair what many of them described as a serious deterioration of their relations and the delivery of a hand-written note of apology from Casey to Senate committee Chairman Barry Goldwater (R-Ariz.).

Goldwater, who had written a scathing letter to Casey earlier this month, was described by Sen. Richard G. Lugar (R-Ind.) as satisfied with the outcome.



SEN. DANIEL PATRICK MOYNIHAN  
... will keep Intelligence panel post.

The statement of agreement between the CIA and the committee was worked out largely by Lugar and Sen. Lloyd M. Bentsen (D-Tex.), whose roles as chairmen of their respective senatorial campaign committees underscored an apparent bipartisan queasiness over the political risks at stake in continued feuding.

Republicans and conservative Democrats also were reportedly concerned that, unless Moynihan was persuaded to reconsider his resignation, the vice chairmanship might fall into the hands of someone less sympathetic to the administration's Central American policies.

In explaining his decision to remain as vice chairman, Moynihan cited a series of events starting late Wednesday afternoon when Casey asked him to reconsider his resigna-

tion, then sent the letter to Goldwater and finally indicated he would agree to the Lugar-Bentsen language.

While disputes over details continued until shortly before the Senate Intelligence Committee meeting with Casey, members said the statement remained basically as Lugar and Bentsen had drafted it, although a reference to its adoption by "unanimous" vote was deleted.

Lugar said it was approved by voice vote without apparent dissent, and the reference to unanimity was deleted because of some disagreements expressed during the meeting.

In its statement, the committee said it "agreed that it was not adequately informed in a timely manner of certain significant intelligence activity in such a manner as to permit the committee to carry out its oversight function" and added: "The director of central intelligence concurred in that assessment."

The statement continued:

"The committee and the CIA have agreed on the need for more thorough and effective oversight procedures, especially in the area of covert action. The committee will move promptly to develop new procedures to ensure that the Senate will be fully and currently informed.

"The Central Intelligence Agency has pledged its full cooperation in this effort and recognizes the requirement to provide the committee with prior notice of 'any significant anticipated intelligence activity,' as provided by the Intelligence Oversight Act."

Meetings are planned starting Wednesday to develop new briefing procedures, which Moynihan

suggested might include a requirement to inform Congress of anything important enough to require presidential approval, as the harbor mining was deemed to be.

The statement did not go into the question of whether the CIA violated the law in failing to inform Congress of its role in the mining of Nicaraguan ports, as some lawmakers have contended. "The director has apologized, I don't know what more you can do," said Bentsen.

**Continued**

# Administration is divided over its Latin policy

By James McCartney  
Inquirer Washington Bureau

WASHINGTON — The Reagan administration is torn with internal dissension over Central America policy on the eve of a major struggle with Congress about the future American role in the region.

Sharp differences have developed between factions on the White House staff over policy priorities: Should Reagan's re-election campaign, or the future of El Salvador, come first?

The State Department and top military officers in the Pentagon are in conflict over how U.S. power should be used. Ironically, officials on both sides of the dispute acknowledge, the State Department has argued for a greater use of power while top military officers have argued for restraint.

And White House officials are reported to be dissatisfied, in one way or another, with the performance of virtually all of the administration's top foreign policy advisers.

The depth and sharpness of the disarray and disagreement was disclosed in a series of interviews with high-level administration officials who take opposing sides, as well as members of Congress and congressional staff members. Many of those who agreed to be interviewed have strong personal and professional interests in the questions, and all refused to be identified.

The stakes in the struggles are huge: The future of several high-level officials, including CIA Director William J. Casey; the future of continued financing of the administration's anti-communist policy in Central America and, ultimately, whether U.S. combat troops may wind up fighting there.

From the interviews, these other points were made:

- President Reagan has become deeply dissatisfied with the Pentagon and is concerned about its ability to fight a successful guerrilla war.

- Uniformed officers in the Pentagon, in turn, have left some White House officials with the impression that they lack confidence in Reagan and other top political leaders, including Defense Secretary Caspar W. Weinberger and National Security Adviser Robert C. McFarlane.

- Some high-level White House officials would like to force Casey out of his CIA job because, they say, he has irreparably damaged relations with Congress and has failed to produce at the CIA. They acknowledge, however, that it is doubtful that Reagan would fire a personal friend of longstanding.

- Secretary of State George P. Shultz, some top administration officials believe, has been weak and ineffective.

The series of interviews suggested that none of the major governmental bodies involved in Central America policy — the White House, the State Department, the Pentagon and the CIA — is in complete accord with any of the others.

A major immediate issue is how far to go in seeking to dramatize the stalemated war in El Salvador to try to save the administration's aid program, which is in danger of being stripped to the bone and possibly scrapped by Congress.

## Money sought

Reagan is seeking from Congress \$62 million in emergency military aid for El Salvador, \$178 million in economic aid and \$21 million for the CIA for support of the *contras*, or counterrevolutionaries, opposing the Sandinista government in Nicaragua.

House Democrats, led by Speaker Thomas P. O'Neill (D., Mass.), say they will not go along with money requested for the CIA effort in Nicaragua.

Some on the White House staff say they think Reagan must make a dramatic major effort to rally public support for his hard-line approach or El Salvador may fall to guerrilla forces. They say time cannot be wasted, and they speak of possible collapse or defections from the Salvadoran army.

But, these sources say, top White House staff members James A. Baker 3d, Edwin Meese 3d and Michael K. Deaver fear that if Reagan made too great an effort, the public might come to fear possible war and turn against Reagan in the election.

Some officials see the dilemma so sharply that they say it may boil down to whether Reagan wins the election, but loses El Salvador in the process.

Questions about how military force, or the threat of military force, should be applied have split the administration in several ways, according to officials in several areas of government.

The "doves" have been the uniformed military, led by the Joint Chiefs of Staff, who have been consistently reluctant to apply — or threaten — U.S. military power.

"Hawks" have come from the civilian leadership in the Pentagon, led by Fred Ikle, undersecretary for policy, and from the State Department under both Shultz and his predecessor, Alexander M. Haig Jr.

For example, the joint chiefs, now headed by Army Gen. John Vessey Jr., are said to have opposed a decision to stage extensive naval maneuvers off Central American coasts last summer to try to intimidate Nicaragua and Salvadoran rebels. The top military officers also are reported to have originally opposed last year's invasion of Grenada.

But Shultz and others at the State Department favored both, officials say.

## Lesson of Vietnam

Military men are reluctant to discuss their views publicly, but many have discussed them privately. Essentially, they argue that the lesson of Vietnam is that both Congress and the American public must support U.S. military action abroad, or that action should be avoided.

Many military officers say they think that it is up to the nation's political leadership — the president in particular — to explain the necessity for the use of power to the public, and that the military should be called upon only after a political con-

Continued

# CIA chief apologizes & Pat stays on panel

By DEBORAH ORIN  
 WASHINGTON — Sen. Daniel Patrick Moynihan yesterday withdrew his resignation from the Senate Intelligence Committee after CIA director William Casey apologized for failing to brief the committee on the CIA role in mining Nicaraguan harbors.

The dramatic developments came at a closed-door meeting between Casey and the committee at a time when both the CIA and Senate Democrats were worried about who might replace Moynihan in the sensitive post.

Casey admitted he failed to "adequately" inform the committee about the CIA role in the harbor mining — and virtually conceded that the failure was a violation of the law under which the committee oversees the CIA.

After the session, Moynihan revealed that

he had withdrawn his resignation and read a statement from the full committee that said:

"The committee agreed that it was not adequately informed in a timely manner of certain significant intelligence activity in such a manner as to permit the committee to carry out its oversight function.

"The director of Central Intelligence (Casey) concurred in that assessment."

Casey — who has been under heavy fire from both Republicans and Democrats who said they lacked confidence in him — was "pro-

foundly apologetic" during the session, congressional sources said.

The statement also said: "The CIA has pledged its full cooperation and recognizes the requirement to provide the committee with prior notice of 'any significant anticipated intelligence activity' as provided by the Intelligence Oversight Act."

The committee and CIA representatives are to meet next week to work out a new set of procedures for such notification.

A major concern for the CIA was that the man likely to step into



**SEN. MOYNIHAN**  
*Back on job.*

Moynihan's shoes was Sen. Pat Leahy of Vermont, a liberal Democrat who is an outspoken critic of CIA covert actions and known for something of a loose lip.

Democrats feared that any time sensitive intelligence information was leaked, a finger would be pointed at them — via Leahy.



# CIA: the Reagan restoration

The Central Intelligence Agency, under President Reagan's old friend William Casey, is the fastest growing part of the federal government.

Although the budget of the CIA is appropriately secret, recent reports suggest that funding has expanded more rapidly than Pentagon spending. In 1981, 2 percent of CIA's budget was devoted to what is euphemistically termed clandestine services. Today the portion of its budget for undercover operations is about 10 percent.

These figures outline a crucial change in the way the silent sector of the American government operates. In the 1970s most Americans were shocked and chagrined to learn that, acting in their name, the CIA overthrew elected governments; hired Mafia hit men; helped to transport heroin from Indochina to the South Bronx; and ran phony banks and businesses to launder money and finance a myriad of conspiracies and counterrevolutions.

President Carter reduced the CIA's clandestine services. Eight hundred operatives were cut from the agency payroll. Reagan has restored them all.

Recent disclosures of illegal CIA activities in Central America — the mining of Nicaraguan harbors and the destruction of oil storage facilities — may be the tip of a covert iceberg. "New CIA offices have been opened around the world," according to an investigative report in last Sunday's Globe. "And new plans have been laid for supersecret projects built on human intelligence techniques, involving spies, saboteurs, guerrilla warfare specialists and many other kinds of secret operatives."

This groundwork for restoring the CIA's clandestine capability was accomplished before the April announcements of a "new" tough policy ostensibly directed against international terrorism. On April 3, the President signed National Security Decision Directive 138 outlining a range of antiterrorist measures, including preemptive actions.

The Administration has openly declared that the new policy will stop short of authorizing assassinations. Yet, in a reprise of "earlier, good days," a congressional source cited in the Globe article indicated that Fidel Castro "may be back on a hit list as a potential target for non-Americans, possibly with the unspoken acquiescence of the CIA."

Terrorism does exist. It threatens innocent people and serves as a policy tool for regimes such as those of Hafez Assad in Syria, Moammar Khadafy in Libya, Saddam Hussein in Iraq or Ayatollah Khomeini in Iran. The suicidal truck bombing that killed 241 US servicemen at the Beirut airport demonstrated that state-sponsored terrorism can be an effective weapon against American policy and American interests.

Nonetheless, any American program to fight political terrorism by means of a commensurate counterterror has intrinsic limitations and nasty implications.

There is the moral dilemma of hiring murderers to kill other murderers — or to kill anyone defined as an enemy. The CIA's Phoenix Program in South Vietnam, a conscious effort to assassinate the political cadres that made up the "infrastructure" of the Vietcong, caused many Americans to think of their government as a branch of Murder Incorporated.

There is also evidence that counterterror simply does not work as a deterrent to state-sponsored terrorism. Iraq and Syria have used terrorism against each other to no avail. Fanatical Iranian terrorists, who immolate themselves to fulfill Khomeini's promises of a quick trip to paradise, will ignore efforts to punish them for their martyrdom.

The Reagan Administration has insisted, at every opportunity, that the Soviet Union and its satellites sponsor terrorism. There is evidence that they do, but their terrorism is a sideshow. As America enters the lists of international terrorism, it will compete against the Assads, Khomeinis and Khadafys. One unintended result of Reagan's Directive 138 may be to make explicit what has often been concealed: that the President's vision of a "resurgent America" leads to confrontations not merely with Moscow, but also with the disparate forms of Third World nationalism.

The stir the Reagan Administration has created to launch its antiterrorist policy looks like a rationalization for a CIA comeback in clandestine operations. Once again, officials of democratic America will forsake the wisdom of Jefferson and Thoreau for the bloody instructions to be found in Machiavelli's "The Prince" or Mario Puzo's "The Godfather."

ARTICLE APPEARED  
ON PAGE A-23

WASHINGTON POST  
27 April 1984

Stephen S. Rosenfeld

## So We Won't Invade?

The painful and, in official quarters, unsuspected inadequacy of the administration's Central American policy is etched in the remarkable joint statement of April 10 by George Shultz, Caspar Weinberger, William Casey and Robert McFarlane. These worthies threw their collective weight behind a declaration that the United States is not planning to invade Central America, now or after the election.

Given the pervasive suspicion that such a plan is exactly what President Reagan has in mind, this latest affirmation of non-intervention would seem to be extremely important, the very pledge of self-denial that Reagan's critics have been demanding.

Many of them, however, still suspect that the administration merely intended to put out that particular day's fire. It is further suggested that this latest gang of four was playing with words: the United States isn't "planning" an invasion but is preparing to have one thrust upon it and may even be doing its provocative bit to bring one on. Hence the bases and maneuvers (scheduled until 1989!) in Honduras, the inching toward combat in El Salvador, the barely offshore role in Nicaragua.

If a full-fledged invasion is in the works, then Shultz, Weinberger, Casey and McFarlane—and their chief—are being cynical and will deserve contempt.

But this is an unkind and surely a premature verdict. I think the gang of four means its vow of restraint. As eager as its members may be to intimidate the Sandinistas and the Salvadoran guerril-

las, they realize that an American invasion would inflict heavy military costs, rip the United States apart in the Vietnam-War fashion, and damage American standing in the hemisphere and elsewhere. It would also burden Reagan's reelection prospects, the success of the Grenada invasion notwithstanding.

Therefore, they have spoken out against an invasion, in a newly vigorous and explicit style, on the theory that a Congress thus relieved is more likely to vote the requisite aid to allow friendly Latins to fight their own battles.

This is the explanation one hears from administration officials, who note that Reagan has repeatedly said that although he plans no invasion, a president should "never say never." Reagan wants to calm Congress but to give some pause to the Marxists at the same time.

The new statement, however, merely underlines his dilemma. Partly because of its own rigidities and partly because of its adversaries', the administration has been conducting a policy based chiefly on applying force. To the extent that it now removes the threat of invasion, it torpedoed that policy.

For removing the threat only makes sense if simultaneously a negotiating passage is opened—something the administration has not yet done. Otherwise it risks encouraging its foes to believe that they have just seen the United States blink, big, and if they hold on the United States may eventually blink its way right out of Central America.

I find it almost impossible to imagine that a conservative president such as

Ronald Reagan is prepared to ignore the principal thrust of American postwar policy and—at least on his watch—to see parts of Central America "lost" to armed, Marxist-led, Soviet-linked revolutionary forces. Jesse Jackson and Gary Hart talk as though they could live with that outcome. The prospect agitates Walter Mondale greatly, though he is not sure what could be done at this late date to prevent it. But for Reagan the prospect is unthinkable, right?

How, then, does he intend to prevent a slide in that direction as long as he rules out an American intervention on the one hand and fails to move toward a negotiated solution on the other? The narrow alternative he reserves for himself is to keep on pursuing the policies that have brought him to his present, deepening discontent. One result of those policies is the current crisis of aid.

Here lies the trouble Reagan has courted by having the Pentagon and CIA run his policy. The danger is not that these agencies mean to sneak the United States into a war, or even that they will lose control, as much anxious and hostile comment on the American and Latin left suggests. The danger is that Casey and Weinberger—even Weinberger, with his passionate aversion to messy Third World military involvements—may leave the president no other way of averting El Salvador's "loss."

Reagan's intent is to be strong. His grasp of his dilemma is weak. Central America is torn and he is tearing further, not mending.

ARTICLE APPEARED  
ON PAGE A-3

WASHINGTON TIMES  
27 April 1984

## Casey apologizes to Senate committee

By George Archibald  
THE WASHINGTON TIMES

William J. Casey, director of the Central Intelligence Agency, apologized yesterday to members of the Senate Select Committee on Intelligence for the CIA's failure to inform the panel fully on American involvement in the mining of Nicaraguan harbors.

According to committee members, the apology came in a stormy closed session in which senators and Mr. Casey had "a spirited, sharp exchange" about the CIA's incomplete disclosure of the U.S. role in the harbor mining that started in early January.

The apology led Sen. Daniel Patrick Moynihan, D-N.Y., to agree to stay on as vice chairman of the panel. He had resigned Wednesday, protesting that the CIA had broken its "relationship of trust" with the Senate committee.

Mr. Moynihan helped write the law that requires the CIA to keep its congressional oversight committees "fully and currently informed of all intelligence activities," including "any significant anticipated intelligence activity."

"The committee agreed that it was not adequately informed in a timely manner of certain significant intelligence activity in such a manner as to

permit the committee to carry out its oversight function," the panel said in a statement issued by senators after yesterday's meeting.

"The director of central intelligence agreed in that assessment," the statement said.

"The committee and the CIA have agreed on the need for more thorough and effective oversight procedures, especially in the area of covert action," the statement continued. "The committee will move promptly to develop new procedures to ensure that the Senate will be fully and currently informed."

Senators said the panel and CIA officials will meet again May 2 to discuss such procedures. The committee will also "reorganize" its staff, Mr. Moynihan told reporters.

"The Central Intelligence Agency has pledged its full cooperation in this effort and recognizes the requirement to provide the committee with prior notice of any 'significant anticipated intelligence activity,' as provided by the Intelligence Oversight Act," said the committee statement.

"At the request of the committee, and in light of the director's acknowledgment, Sen. Moynihan withdrew his resignation as vice chairman," the statement concluded.

Sen. Barry M. Goldwater, R-Ariz., chairman of the committee, said,

"They [the administration] have a very heavy responsibility to us. We received a complete briefing on the history of the decision by the president to use mines in harbors in Central America."

Mr. Moynihan said the committee was assured that no other covert actions were going on in Central America beyond those already revealed to the panel.

Sens. Lloyd Bentsen, D-Texas, and Richard Lugar, R-Ind., who jointly drafted the committee statement, said the CIA director admitted that the panel was inadequately briefed.

There was "a very spirited, sharp exchange [with] strong statements made on both sides," said Mr. Bentsen. "Mr. Casey said, 'I apologize,' he used that word," he reported. The CIA director promised to be "not a little more forthright — a damn sight more forthright. I have confidence in Mr. Casey," Mr. Bentsen added.

"The bipartisan character of this committee has been extremely important" in resolving the dispute with the CIA, said Mr. Lugar. "It [intelligence oversight] does not work well if these issues become polarized," he added.

"The CIA was very wrong not to have informed the committee. It was a dumb thing," said Mr. Bentsen. "Now it's time to have a cease-fire between the committee and the CIA," he added.

FILE ONLY

# Senators Get Apology From Casey on Mining

By DON SHANNON,  
*Times Staff Writer*

WASHINGTON—CIA Director William J. Casey apologized to the Senate Intelligence Committee at a closed-door meeting Thursday for failing to inform it adequately about the CIA's key role in the mining of Nicaraguan ports, the committee said in a statement.

Casey's acknowledgement, made in a spirited three-hour session with committee members, helped persuade Sen. Daniel Patrick Moynihan (D-N.Y.) to withdraw his resignation as vice chairman of the panel. Moynihan had resigned to protest CIA briefings on the mining operation that he said were not adequate under the law, which states that the agency must keep congressional intelligence oversight panels "fully and currently informed."

## Bipartisan Spirit

On behalf of the committee, Moynihan read a statement that declared: "At the conclusion of this review, the committee agreed that it was not adequately informed in a timely manner of certain significant intelligence activity in such a manner as to permit the committee to carry out its oversight function. The director of central intelligence concurred in that assessment."

After the meeting, at which Deputy Secretary of State Kenneth W. Dam and other CIA officials also testified, both Democratic and Republican committee members expressed their satisfaction at the restoration of the bipartisan spirit that has prevailed on the panel in the past.

Chairman Barry Goldwater (R-Ariz.), who on April 9 addressed a blunt, angry letter to Casey over the

secret U.S. role in the mining, said he was satisfied on the settlement calling for "more thorough and effective oversight procedures."

However, several members of the committee made it clear that the new cooperation between the senators and the CIA could disintegrate if the Reagan Administration fails to live up to its commitments.

Indeed, Moynihan said one committee member had asked a CIA official if there was any direct U.S. military involvement in Nicaragua now. "The answer was no," Moynihan said.

The question was asked, Moynihan said, because the committee members had heard new reports of U.S. aircraft flying reconnaissance missions over Nicaraguan territory. However, he added, the matter of the flights was not referred to directly.

"And with the new rapport we have established, I would assume the answer would cover the air—that they wouldn't come back and say: 'But you didn't ask me about the air.'"

Sen. Lloyd Bentsen (D-Tex.), who with Sen. Richard G. Lugar (R-Ind.) drafted the panel's statement and helped persuade Moynihan to resume his post, underlined his expectations of future CIA cooperation.

He said Casey and his aides must be "not a little more forthright, but a damned sight more forthcoming" in informing the committee under new ground rules that will be formulated at a meeting next Wednesday.

At Thursday's session, Casey again confirmed that the mining operation, which began early this year, has been stopped, according to committee members.

While the CIA director made his peace with the Senate panel, the Administration's Central American policy came under attack on two fronts in the House.

In one case, Democrats in the House Appropriations subcommittee on foreign operations attacked Administration requests for \$61.8 million in emergency military aid for El Salvador, asserting that \$35 million is currently available and that an additional \$19 million could be made available if a verdict is reached in the case of four murdered American churchwomen.

In a second confrontation, Atty. Gen. William French Smith denied a request by House Judiciary Committee Chairman Peter W. Rodino Jr. (D-N.J.) and 12 other Democrats that a special prosecutor be named to investigate whether Casey, Secretary of State George P. Shultz or Defense Secretary Caspar W. Weinberger violated the 1974 Neutrality Act in carrying out the Nicaraguan mining operation.

The act bans military actions against any nation with which the United States is at peace, but Smith held that it applies only to private individuals, not to government officials.

26 April 1984

NICARAGUA/  
CIA MINING

BROKAW: William Casey went back to Congress today trying to mend fences with the Senate Intelligence Committee. The subject, the CIA and Nicaragua. And as John Dancy reports tonight, he called to mind the bad kid who wants some forgiveness.

DANCY: CIA Director William Casey ducked reporters going into the meeting, perhaps because he knew he was taking a trip to the woodshed. The Senate is outraged about not being kept fully informed on the Nicaraguan port mining operation. Biden of Delaware drew this analogy. SEN. JOSEPH BIDEN (D-Del.): It's like when you go into, uh, when your son confesses to ya that he stole a gold chain, and you find out later there's a \$300 watch attached to it.

DANCY: Casey kept his distance from reporters after what was apparently a humbling experience. Senators say he was sharply questioned and criticized. Casey admitted he had not kept the committee fully informed, as he is required to do. SEN. RICHARD LUGAR (R-Ind.): Well, the director has apologized for oversights. He has assured us that it is his intention to work with us in bringing about new procedures...

DANCY: Those new procedures will include stringent new rules on how much the CIA must report to the committee in order to keep it fully informed of covert operations. Casey agreed the CIA will cooperate in drafting the rules. Casey's apology was enough to make New York Sen. Patrick Moynihan withdraw his resignation as committee vice chairman. He'd submitted the resignation to protest not being kept fully informed. SEN. DANIEL P. MOYNIHAN (D-N.Y.): I'm willing to forgive, but not to forget.

DANCY: This blowup has been a long time coming. The CIA has never liked the idea of reporting to the intelligence committee. But now, as a result of Casey's less-than-candid approach, it will probably be required to report more, more detail, more often. John Dancy, NBC News, at the U.S. Capitol.

## Casey says Congress poorly briefed

Special for USA TODAY

WASHINGTON — CIA Director William Casey acknowledged Wednesday that his agency could have done a better job keeping Congress informed about covert operations in Central America, according to Sen. Daniel Inouye, D-Hawaii.

Casey met with several members of the Senate Intelligence Committee Wednesday. He has come under fire from senators who felt the agency kept them in the dark about its

role in the mining of Nicaraguan harbors.

Said committee member Inouye: "He made it clear that he realizes they could have done a better job and one could with some justification criticize them for not following the letter of the law."

Despite Casey's attempt at fence-mending, Sen. Daniel Moynihan, D-N.Y., carried out his decision to step down as vice chairman of the intelligence committee. Moynihan had said earlier he would re-

sign to protest the lack of briefings on the mining operation.

Casey's meetings came on the eve of closed hearings before the committee today in which the CIA is expected to face tough questioning.

"It is going to be a tough session where the members are going to want straight answers and will probably tell them if they can't have straight answers they are going to find some other way to get them," said committee spokesman Sam Bouchard.

ARTICLE APPEARED  
ON PAGE A-3

WASHINGTON TIMES  
26 April 1984

# Moynihan refuses advice, quits post

By Thomas D. Brandt  
THE WASHINGTON TIMES

Sen. Patrick Moynihan, D-N.Y., turned aside the last-minute advice of his party's leader yesterday and signed a letter of resignation as vice chairman of the Senate Intelligence Committee.

The letter follows his April 15 announcement that he would resign the post because the CIA broke its "relationship of trust" by failing to adequately inform the committee about its role in the mining of Nicaraguan harbors.

"I would like for him to continue" as vice chairman, Senate Minority Leader Robert Byrd, D-W.Va., said yesterday. He later asked Mr. Moynihan to reconsider when the issue was brought up during the regular weekly luncheon meeting of Senate Democrats.

Sen. Barry Goldwater, R-Ariz. and the Intelligence Committee chairman who strongly criticized CIA Director William Casey for not briefing him on the minings, had also asked Mr. Moynihan to keep the post immediately after his decision.

In his letter yesterday, Mr. Moynihan said he will continue to serve as a committee member and his office said he

will serve as vice chairman until the Democratic caucus selects a replacement.

The intelligence panel limits membership to eight years and Mr. Moynihan's time will be up in January, 1985.

The CIA has issued a statement saying it complied with "the spirit and the letter of the Intelligence Oversight Act," which requires that the CIA keep the intelligence committees fully informed on planned activities. Since the beginning of the year, according to the CIA, the subject of the Nicaraguan port minings has been discussed with members of Congress, or their authorized staff, at least 11 times.

The chairman of the House Intelligence Committee, Rep. Edward Boland, D-Mass., said after Mr. Moynihan's April 15 decision that he and his committee were informed of the mining operations on January 31, though he opposes them.

After news accounts of the minings, conducted by anti-Nicaraguan government guerrillas with the assistance of the CIA, both the House and Senate passed resolutions by large margins against any further U.S. funds for the operations.



Sen. Daniel P. Moynihan

AP

26 April 1984

STAT

NICARAGUA/  
CIA MINING

JENNINGS: And now Central America, Congress and the CIA. CIA Director William Casey went to face a very angry Senate Intelligence Committee today. Afterwards, senators said Casey admitted he could have done a better job of informing them about the mining of Nicaragua's harbors. That is why Senator Moynihan said again yesterday he would resign as vice chairman of the committee. After Casey's apologies and press from his fellow senators, Moynihan has changed his mind.

JENNINGS: Richard Threlkeld has a status report on the CIA tonight. Once again, the agency's image is pretty badly tarnished.

THRELKELD: No secret war was ever less secret than the one the CIA is running against Nicaragua. Its secret army, the so-called contras, seem to show up on the TV news every night. The CIA might as well be bankrolling the Los Angeles Raiders. The president won't talk about it. PRESIDENT RONALD REAGAN: That's a subject I will pick another time to talk about.

THRELKELD: But everybody else is and saying not very nice things about the CIA's handiwork mining Nicaragua's harbors. REP. THOMAS P. O'NEILL (D-Mass.): America is a country that abhors terrorists, and that certainly is an act of terrorism.

THRELKELD: The last time the CIA became such a cause celebre was in 1975. In hearings chaired by the late Senator Frank Church, the CIA was called to account for a number of misdeeds and ultimately punished in the Carter years. Half its staff and close to half its budget were blue-penciled. The Reagan administration raised the CIA's budget to an estimated \$1.5 billion a year and brought in as director Mr. Reagan's campaign manager and close friend, William Casey, to put the CIA's 18,000 employees into fighting trim and get back in the business of covert secret action. DAVID WISE: Both in number and in scope and size, the covert operations have increased. The budget of CIA has increased as well, especially in the covert area.

THRELKELD: As author and CIA-watcher David Wise notes, the CIA is now secretly active in at least a dozen countries around the world. Yet from Nicaragua's Puerto Sandino all the way back to the Bay of Pigs, covert action has often come back to haunt the CIA and whoever was president. MORTON HALPERIN (Center for Nat'l Security

Continued



# Pat rips CIA chief, quits watchdog post

By DEBORAH ORIN  
 WASHINGTON — Sen. Pat Moynihan, making it clear that he lacks confidence in CIA chief William Casey, officially resigned yesterday as vice chairman of the Senate Intelligence Committee.

"The relations can't be described as good [between Casey and the committee charged with overseeing CIA actions]," Moynihan said.

An even tougher line was taken by Delaware Sen. Joe Biden, who could replace Moynihan.

"I don't think much of Bill Casey," Biden said. "I think relations are at an all-time low."

Moynihan made headlines 10 days ago by telling a TV audience he would quit his post because the CIA broke its "relationship of trust" by what he described as a failure to fully brief the Intelligence Committee on the U.S. role in mining Nicaraguan harbors.

Moynihan didn't flatly

rule out withdrawing his resignation.

He did reveal that Casey on Tuesday came to his Senate office for a private meeting that Moynihan described as "very candid" — but added that it didn't change his mind.

The most immediate candidate to replace Moynihan is Sen. Pat Leahy (D-Vt.), a liberal who opposes most CIA covert actions.

ARTICLE APPEARS  
ON PAGE A-1

WASHINGTON POST  
26 April 1984

# Casey Said To Admit To Lapse

## CIA Chief Mends Fences on Harbor Mining Briefing

By Helen Dewar  
Washington Post Staff Writer

CIA Director William J. Casey acknowledged in a two-day fence-mending expedition to Capitol Hill this week that he failed to give the Senate Intelligence Committee adequate information about his agency's role in the mining of Nicaraguan harbors, committee members said yesterday.

Under fire on the issue from members of both parties, Casey also pledged cooperation with senators to avert repetition of the situation that led the GOP-controlled Senate and the Democratic House earlier this month to vote nonbinding resolutions condemning the mining.

"I think there is a general consensus shared by the director that, whatever briefing there was, it was not a satisfactory way of proceeding," said Sen. Richard G. Lugar (R-Ind.), an Intelligence Committee member visited by Casey on Tuesday.

"At the time, he thought it was adequate," Sen. Lloyd M. Bentsen (D-Tex.) said after talking yesterday with Casey, "but in retrospect he believed it [the mining] was not highlighted sufficiently."

"Now he realizes he could have done it better," Sen. Daniel K. Inouye (D-Hawaii) said.

"He wasn't apologizing for doing anything wrong," Sen. David F. Durenberger (R-Minn.) added, "but he wished he'd done things differently."

Committee Chairman Barry Goldwater (R-Ariz.) and Vice Chairman Daniel Patrick Moynihan (D-N.Y.)

have complained that they were not properly briefed about the mining. Although other committee members have said the mining was discussed in a briefing session early last month, the adequacy of the explanation has become a flashpoint in increasingly fragile relations between Congress and the White House over Central American policy.

Moynihan reiterated yesterday in a Senate Democratic caucus that he intends to resign the vice chairmanship in protest, and other senators said he dissuaded them from trying to persuade him to reconsider.

Among those trying to persuade Moynihan to remain was Goldwater, who sent Moynihan a letter saying he would refuse to accept the resignation. An aide said Moynihan had agreed to stay in the post only until a successor is chosen.

A Republican Senate source said Casey sent a handwritten "fence-mending" letter to Goldwater yesterday and plans to meet with him today, but Goldwater said late in the day that he had not received any communication from the CIA director, to whom he had addressed a scathing letter of complaint earlier this month.

Casey also called Majority Leader Howard H. Baker Jr. (R-Tenn.), and a Baker aide said later that Casey was "trying to assess the damage and make amends . . . . He's trying to find ways to do it."

Casey is scheduled to discuss the situation further in a closed-door committee meeting today, and some members indicated that efforts may be made there to gain agreement on tightening rules for keeping Congress informed of CIA covert operations.

Lugar and Bentsen have been leading a bipartisan effort to draft new rules.

Bentsen described the effort as "just exploratory" but expressed hope that he and Lugar would have something to suggest to the committee today.

"I want a cease-fire," Bentsen said. "Let's go back to work . . . and lay down some strict ground rules."

"I would not be surprised if there is a general clearing of the air and a pledge made on all sides . . . to do better," said Lugar, who added: "He [Casey] is certainly going to pledge to do better."

Bentsen said he told Casey that CIA briefings on the mining had not been "forthcoming" and that it was a "wrong and serious omission" not to inform the committee more fully in light of the fact that the mining constituted a "definite policy change." He said he added that procedures for briefing must be tightened.

"He [Casey] told me he agreed with all that . . . in retrospect," Bentsen said.

Durenberger said he told Casey that, even if Casey was following his usual method of operation in giving legislators a general overview and then leaving it to them to ask specific questions, he should have been more explicit on something as sensitive as the harbor mining.

"He agreed with that," Durenberger said.

Another senator, who asked not to be named, appeared less satisfied with Casey's response.

"He said what didn't happen won't happen again," the senator said.

## MOYNIHAN RESIGNS SENATE PANEL JOB

Takes Formal Step at Session  
 of Democratic Caucus —  
 He Meets With Casey

By JANE PERLEZ

Special to The New York Times

WASHINGTON, April 25 — Senator Daniel Patrick Moynihan officially resigned as vice chairman of the Senate Select Committee on Intelligence today to protest what he called the failure of the Central Intelligence Agency to inform the panel fully on American involvement in the mining of Nicaraguan harbors.

The New York Democrat said he would remain on the committee until his term expired at the end of the year.

Concerning his continuing dispute with the C.I.A., Mr. Moynihan said he had met with William J. Casey, the Director of Central Intelligence, on Tuesday. He described the 45-minute meeting as "civil."

A staff aide to Mr. Moynihan said that Mr. Casey had "come as close to an apology as could be expected" and had at the same time pressed Mr. Moynihan to try to save the program of covert aid to Nicaragua.

A Senate aide said Mr. Casey had "been making the rounds" in the Senate, "trying to mend fences." He said Mr. Casey had been saying that he would take steps to insure that briefings were improved.

In addition, Mr. Casey sent a personal note to Senator Barry Goldwater, Republican of Arizona and chairman of the committee, responding to an angry message from Mr. Goldwater. The aide said Mr. Casey's note was conciliatory.

### Can't Be Dissuaded, Senator Says

Mr. Moynihan had announced his intention to resign 10 days ago on a television program. He took the formal action today at a meeting of the Democratic caucus, where he was urged by the Democratic leader, Robert C. Byrd, and others to stay on. But Mr. Moynihan said he could not be dissuaded and distributed a brief letter of resignation.

"As I indicated I would in a statement of April 15, I herewith submit my resignation as vice chairman of the Select Committee on Intelligence," the letter said. "May I take the opportunity to express to you and to the Democratic caucus the great honor I felt at having been appointed to the committee and allowed, latterly, to serve as vice chairman. I will, of course, finish out the remaining months of my appointment."

Mr. Moynihan was asked at a news conference in his office whether, with the exception of the C.I.A.-directed mining of Nicaraguan ports, he still supported the covert aid program. "I'm not saying," he replied.

Pressed further, the Senator said he believed the covert program he had voted for on April 5 was "defensible but I'm not sure that is the program anymore."

### Uncertainty Over Successor

Senator Byrd told the caucus that a new vice chairman would be selected by the Democratic Steering Committee. There was uncertainty over who would assume the position, since three of the four Democrats in line for the post on the basis of seniority said today they did not want it.

Senators Joseph R. Biden of Delaware, Daniel K. Inouye of Hawaii and Patrick J. Leahy of Vermont all said today they did not seek the position, which along with the chairmanship entails fuller briefings from the intelligence agency than those received by other committee members.

Senator Walter D. Huddleston, Democrat of Kentucky, who is immediately behind Mr. Moynihan in seniority, is already the ranking member of the Agriculture Committee and party rules bar a senator from being a ranking member of two committees.

"They asked if I would not stay on," Mr. Moynihan said after the caucus accepted his resignation from the vice chairmanship. "I said this was very kind but I was not leaving the committee. I felt I had to bring attention to the breakdown of our procedures and this was one option directly available to me."

### Support Voiced for Inouye

Mr. Biden, who is a member of the Steering Committee, said he supported Mr. Inouye, who was chairman of the intelligence panel during the Carter Administration, to fill the vacancy. "He's tough, he didn't let them get away with anything, he could be of help to reinforce Barry's decisions," Mr. Biden said.

But Mr. Inouye said before entering the caucus meeting, "I've been there," adding that he did not want to take on the vice chairmanship.

Mr. Leahy, who urged Mr. Moynihan publicly and privately to stay on, said he was not seeking the post.

Mr. Moynihan asserted when he announced his intention to resign that the C.I.A. had failed to adhere to provisions of the 1980 Intelligence Oversight Act, which he helped to write and which calls for the oversight committee to be "fully and currently informed of all intelligence activities," including "any significant anticipated intelligence activity."

26 April 1984

PANEL SAYS THERE'S NO EVIDENCE OF CIA LINKS TO DEATH SQUADS  
BY W. DALE NELSON  
WASHINGTON

The House Intelligence Committee turned thumbs down Thursday on a Massachusetts congressman's bid to obtain intelligence documents that the congressman said would show whether the CIA is involved in death squad activity in El Salvador.

The committee, in a report on a resolution of inquiry introduced by Rep. James Shannon, D-Mass., said that after a "rigorous review of intelligence documents and records" it had "found no evidence of any agency complicity in death squad activities."

The panel recommended that the House reject Shannon's resolution, which would call upon the president to turn the documents over to Congress.

Instead, the committee said, it had asked the CIA to conduct "a review of all agency relationships with the aim of providing a reliable and comprehensive report on the subject of death squad activity ... and any possible improper CIA involvement therein."

It said CIA Director William J. Casey agreed to undertake such a review.

Shannon, saying the committee's decision "leaves the American people in the dark about how far the CIA has gone in El Salvador," asked the panel to conduct an investigation of its own. Shannon is not a member of the committee.

In the resolution, Shannon asked whether either Col. Nicholas Caranza, chief of the Treasury Police of El Salvador, or Roberto D'Aubuisson, a former Salvadoran army officer and now a presidential candidate, had received any remuneration of any kind from the CIA.

The resolution was introduced after reports linking Caranza and D'Aubuisson to death squads which have been blamed for political murders in El Salvador and saying the two men may have had a clandestine relationship with the CIA.

Both men have denied any involvement with death squads.

The committee, in its report, cited a presidential order providing that, "no person employed by or acting on behalf of the United States government shall engage in or conspire to engage in assassination."

The order also states, "No agency of the intelligence community shall participate in or request any person to undertake activities forbidden by this order."

"Both provisions act to prohibit absolutely U.S. participation in activities engaged in by the death squads in El Salvador," the committee said.

The report went on to say:

Continued

NICARAGUA/  
MINING

RATHER: The CIA's heavy involvement in covert war operations against Nicaragua has triggered a bitter feud between the agency's director, William Casey, and members of Congress. Many lawmakers have been calling for Casey's resignation. CBS News congressional correspondent Phil Jones tonight reports that Casey now has sent a hand-written letter to Senate Intelligence Committee chairman Barry Goldwater, and in it, Casey apologized for the way he has been dealing with Congress. But as Robert Schakne reports, there remains considerable congressional concern.

SCHAKNE: CIA Director William Casey, says a Republican senator on the Intelligence Committee, rates 'two on a scale of 10' in matters of trust. A Democratic member of the Senate staff once said that Casey's attitude toward Congress adds up to 'criminal casualness.' Not since the mid-1970s have relations between the CIA and Congress been so poisonous and that the eye of the storm is the CIA director himself, with his emphasis on covert operations, his fixation for secretiveness. REP. NORMAN MINETA (D-Calif.): He's the type of person unless you ask the right question, you don't get an answer. A Republican member of the Senate described him as a person who, if you're coat was on fire, he wouldn't tell you unless you asked him. SEN. DAVID DURENBERGER (R-Minn.): We have to be able to say, you know, 'We trust you. We trust that you've told us everything there is to know on which we can base our judgment.' If we don't have that trust, then the whole system collapses.

SCHAKNE: Congressional fury centers around Casey's delay in disclosing the CIA's role in the raids that blew up Nicaragua's oil storage tanks last fall and in the mining of Nicaragua's harbors this winter. A 1980 law requires the CIA director to keep congressional intelligence committees, quote, 'fully and currently informed,' unquote and when new operations are planned, to inform the committee's in advance of, quote, 'any significant anticipated intelligence activity,' unquote. CIA spokesmen say that Casey or his deputies met the requirements of the law in 30 meetings about Central

Continued

LIGHTLY**By the dawn's early light**

---

By Guernsey LePelley

---

**J**UST about the same time America's attention was diverted to watching the miniseries "George Washington" on television, someone was busy putting little American bombs all over Nicaraguan harbors.

People who came away from their television sets all misty-eyed and worried because Congress didn't give George Washington enough bombs to fight the British can now rest assured the present-day United States has enough bombs to go all over the world.

Well, it never rains but it pours.

Some consolation can be found in the case of Nicaragua because they were only "firecracker" bombs. They don't sink anything except policies in Washington.

Pro-communist Nicaragua, with practically no sense of humor, doesn't see the fun-and-games aspect of firecracker bombs in the harbor. Thus it is planting word-bombs in the World Court and on American television. As a result, the US will have to find some other way to prevent the export of arms and revolution from Nicaragua to other parts of the hemisphere.

Ronald Reagan understands this. It is like fumbling the football, and he has played games similar to this in the movies.

Sen. Daniel Patrick Moynihan doesn't understand this and has resigned as vice-chairman of the Senate's Committee on Intelligence, in indignation, because he said he wasn't informed by the CIA what was going on. It turns out that he probably was informed, but the CIA speaks only in whispers.

Apparently it will take more than this kind of fumbling to get CIA Director William Casey to resign, as much as Congress might dream of it. According to some sources, as soon as Cuban-Soviet plans for the area become established, another tidal wave of immigration, larger than that from Cuba, would sweep into the US.

Americans seem to follow this pattern quite often, bringing their troubles home to roost.

ASSOCIATED PRESS  
24 April 1984CONGRESS-CENTRAL AMERICA  
WASHINGTON

Senate Majority Leader Howard H. Baker Jr., R-Tenn., said today he does not agree with critics who say CIA Director William J. Casey gave "deceitful or . . . incomplete" answers to a congressional committee about the agency's role in mining Nicaraguan ports.

"I see nothing to indicate he is unfit for his office," Baker told a reporter who had asked whether he still trusted the CIA director in the light of charges that he failed to inform the Senate Intelligence Committee that the CIA was taking an active part in the mining.

Baker, an ex-officio member of the Intelligence Committee, said he attended the briefing Casey gave the panel last month and "it is clear to me that on at least two occasions, perhaps three, there was mention made of mining."

"Whether it was express and explicit enough is a judgment each member of the committee must make for himself," the majority leader said, "but I am not among those who found his answers deceitful or even incomplete."

Minority Leader Robert C. Byrd, D-W.Va., when asked the same question, said, "It's one thing to say you have no faith in him. The fault might lie somewhere else."

Meanwhile, a committee source who asked not to be named said the panel has called CIA officials responsible for covert activities to testify in a closed session on Thursday about the mining.

House Majority Leader Jim Wright, D-Texas, asked whether Casey is a good CIA director, said, "I am not setting myself up as a judge of who is or is not a good CIA director."

Wright also said he hopes that a House-Senate conference committee on military aid to El Salvador and funds for covert operations in Nicaragua will begin its meetings this week. He said he believed it "could and should" finish its work before the May 6 Salvadoran elections.

Wright said he hopes for continued House support of military aid to El Salvador, but added, "I don't believe we could pass any bill that had any money for covert activity; I believe it has been too thoroughly discredited."

WASHINGTON POST  
24 April 1984

# Reagan Worsening Latin Conflicts,

By Bill Peterson  
Washington Post Staff Writer

Democratic presidential candidate Walter F. Mondale yesterday charged that Reagan administration policies "are leading in a direction that can involve the use of U.S. combat troops in Central America."

Mondale, noting a growing level of U.S. involvement in the region during the last three years, said Reagan policies "are Americanizing, militarizing and widening the dispute in Central America," adding, "Things are getting worse all the time."

Mondale said he expects President Reagan's conduct of foreign policy in the Mideast and Central America to be "big issues" during the presidential campaign this fall, adding that they have "led clearly to a less safe world."

"There's a steady pattern here of a president who's not in charge and he's not leading," he said in a meeting with Washington Post editors and reporters.

Mondale condemned CIA covert actions in Nicaragua, describing them as "counterproductive." He said the administration has an "exaggerated notion of what can be done through covert actions" and has put the nation in the position of "playing games with the truth."

The administration, he added, "in some sentimental way wants to restore the day when they thought you could have your way with a trench-coat, when you can't have it any other way."

He staunchly defended the two congressional committees that oversee CIA activities. "If you did away with those two committees or the reporting, you'd really be in trouble, because the fact of it is that you don't get away for long with things without reporting to those committees or without the committees knowing about it."

He said the reason that the system appeared to break down recently is that CIA Director William J. Casey has a "fairly limp notion of his

## Mondale Says

responsibilities to the Congress in terms of reporting."

The system, he added, "should work clearly better than it is, but the institutional basis there is a very important thing to build on and not to lose confidence in."

As vice president in the Carter administration, Mondale said he thought he "knew most everything" that the CIA was doing. He said he believes in "a strong CIA" and that there are times when covert actions are necessary.

If elected president, he said, he would fire Casey and replace him with someone with "a sense of history and understanding and professionalism."

Repeating statements he has frequently made on the campaign trail, Mondale said he would also remove combat troops from Honduras, while continuing military assistance to that nation; "severely limit" U.S. aid to El Salvador unless there are improvements in human rights, and "try very hard to work to strengthen what's left of the moderate center" throughout the region.

He charged that "about 50 or 40 percent" of arms and military equipment sent by the U.S. government to El Salvador "ends up on the other side," a claim the Reagan administration has denied.

He said that as president he would try to resolve problems in the region through negotiations. Asked how successful the Carter administration had been in taking this approach, he replied that it had made "some modest" progress "toward elimination of death squads" in El Salvador.

"I think it's clear that now, that after 3½ years, things are much worse, the guerrillas are much stronger," and "the middle has been undermined, and is much weaker."

Asked if he would intervene militarily to prevent a communist takeover in the region, Mondale said he would consider doing so only if "a Cuban or Russian military facility" were involved.



# The exporting of counterrevolution

PARIS—If Nicaragua can export revolution to El Salvador, why should not the United States export counterrevolution to Nicaragua? There are two replies to that question. One is moral and legal—that to do so undermines the political order upon which much depends that has nothing to do with Central America. The other is that the United States does not break the law cleverly or well.

It seems so easy, reading about it in the thrillers. William Casey of the CIA can remember the heroic days of resistance and subversion in Occupied Europe—when Europe was "set ablaze," as Churchill had urged upon his Special Operations executive. Why doesn't this kind of thing work now?

It is not good enough to say, as the Reagan administration does, that the press discovers the government's secret operations and irresponsibly publishes them. The United States does not have a united government, nor a united public, to support its Central American policies. Given the nature of the American system, this means that what this government does is going to be leaked, publicized and mercilessly criticized.

The executive no longer possesses the authority to act in clandestine matters that Congress had conceded it during the 1950s and 1960s. The current need to go regularly and publicly to Congress for money and authority to conduct "covert" operations against Nicaragua has made this whole affair grotesque from the start.

The administration believes that the Soviet Union is responsible for what is going on in Central America. It has set out to do the same in reverse. It fails to

## William Pfaff

grasp, however, just what the Soviet Union does when it chooses to back a Marxist party or revolutionary group in a troubled country.

The Soviets act in terms of what is already there. They say to the local people: What do you need? Money? That's simple. Arms? Training? The Soviets do not announce to the people they wish to support what Moscow has decided the plan is to be, and who the leaders are to be. They do not take over.

There are, one notes, no Soviet boats mining El Salvador's waters. No Soviet battalions are deployed in Central America to intimidate the Salvadorans. The Soviet embassy in Managua is not running Nicaragua, nor the war in El Salvador. But there are tens of thousands of Americans in Central America. The American Navy cruises the coasts and the Air Force flies overhead. Yet which side is winning?

The United States might have said to those Nicaraguans who do not like what has been happening in their country under the Sandinistas: What do *you* need? What is *your* plan? Possibly we can help. Instead, it has mounted what amounts to an undeclared war by the United States of America upon the Republic of Nicaragua. No wonder the Nicaraguans want help from the World Court.

It is an old lesson which the United States government obstinately refuses to learn: People have to do things for themselves.

© 1984, William Pfaff

# 8 stage sit-in at local CIA office, protesting Latin American actions

By Beth Gillin  
*Inquirer Staff Writer*

Eight demonstrators, including three clergymen and a rabbinical student, were carried from the Federal Building by security guards yesterday after staging a 2½-hour sit-in at the Central Intelligence Agency to protest CIA actions in Central America.

While about a dozen supporters stood on the first floor of the building at Sixth and Arch Streets chanting, "CIA, U.S.A., out of Nicaragua," the demonstrators, their arms and legs deliberately limp, were carted from elevators and dragged across the polished lobby floor by uniformed Federal Protective Service officers.

"Stop the U.S. war in Central America," shouted the Rev. David Funkhouser, an Episcopalian priest, as a pair of officers lifted him over the threshold of the Arch Street entrance and deposited him gently on

the rain-soaked pavement.

There were no arrests, and the demonstrators were not cited. When they were carried out of the building, they left the area.

The demonstrators, protesting the CIA's mining of harbors and roads in Nicaragua, arrived at the local CIA branch — a suite of two offices, a reception area and a tiny anteroom behind an unmarked door on the tenth floor — at 11 a.m.

They carried a letter, signed by 11 peace activists and addressed to director William J. Casey, that called for Casey's resignation and the dismantling of the CIA. "We believe it is too late for reforms, congressional investigations or other measures short of the complete and total dissolution of the agency," said the letter, which accused the CIA of violating several international treaties and the Neutrality Act.

After handing the message to Jeremiah Williams, who said he was the

CIA's personnel representative here, the protestors sat on the floor in the anteroom saying they would await Casey's reply.

"I told them I would be glad to mail their letter," Williams said as he was escorted from his office by security guards an hour and a half later. Inside the office, paintings rested on the floor and furniture was tagged with moving-company stickers. Williams said the CIA was leaving the city "for economy reasons."

During the sit-in, the protestors politely refused several requests by security guards that they leave, ate sandwiches and nuts and sang a Nicaraguan peasant song.

"I think as children of the light we need to bring light to this dark place and expose the evil," said demonstrator Raymond Torres, a staff member of Calvary United Methodist Church in West Philadelphia, shortly before he was evicted for violating building regulations.

# U.S. Latin Force in Place If Needed, Officials Report

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, April 21 — The Pentagon is now in a position to assume a combat role in Central America should President Reagan give the order, in the view of military specialists and members of Congress.

They say the Defense Department has achieved this state of readiness over the last year through the coordinated buildup of United States forces in the region and construction of new military installations.

"What has been set up is a forward base structure that enables the U.S. South Command in Panama to act quickly if they have to," said Edward L. King, a retired Army lieutenant colonel who formerly served as liaison for the Joint Chiefs of Staff with the Inter-American Defense Board.

"Now," he said, "they can operate in Central America without having to operate out of Panama, which goes against the political grain of the Panamanian Government."

The President and Secretary of Defense Caspar W. Weinberger have both said repeatedly they had no plans to send United States soldiers to fight a war in El Salvador or Nicaragua. But over the last year the guerrilla forces in El Salvador have increased their strength and scale of operation, holding off the Salvadoran Army and pushing the United States toward deeper involvement.

Last spring, when Mr. Reagan was appealing for public support for his policies in Central America, he promised in a speech on March 10, 1983, not to "Americanize the war" by sending a lot of combat advisers or by committing American soldiers to combat. He has kept his pledge not to send United States fighting units into action.

## New Bases in Honduras

But critics in Congress contend that the Administration is being drawn in that direction. The last year has brought a dramatic expansion of the United States presence and role in Central America. It has seen a gradual growth of United States involvement in actual operations in El Salvador and Nicaragua, the first reported incidents of Americans coming under hostile fire

in the field and the rapid development of a network of bases in Honduras.

A year ago, the Pentagon reported a total of about 150 American military advisers in El Salvador and Honduras. Today, the number has increased more than tenfold. By Government count, roughly 1,800 American military personnel are on continuous duty in those two countries and 800 more on a temporary exercise.

Americans now fly regular tactical missions over El Salvador, man radar outposts that scan Nicaraguan waters and airspace and work closely with Salvadoran brigade commanders in contested provinces, where they must carry more arms than last year because of their increased exposure.

The operations of the Central Intelligence Agency have grown, Administration and Congressional sources say, to a point where the three Nicaraguan rebel forces it arms and finances now total 15,000, nearly triple their size in early 1983.

Six airfields in Honduras have been built or improved by United States Army engineers or Navy Seabees at a cost of more than \$50 million; two more are now being built. They serve as landing and jump-off points for thousands of United States troops engaged in a stream of quick-notice military exercises or larger, longer war games. They also serve as supply depots for Nicaraguan rebels, officials say privately.

## Major War Game Conducted by Navy

The Navy, which has also made a visible show of force, is now conducting its most extensive exercise in the Caribbean this year. This maneuver, called Ocean Venture I, began Friday and will eventually deploy 350 ships led by the aircraft carrier America and involve 30,000 American servicemen.

"I don't think a year ago outside of the Administration we had any inkling all of this was coming," said Representative Michael D. Barnes, a Maryland Democrat and prominent critic of Administration policy. "There is a constant continued escalation of the war down there and since we're running it, there's been a constant escalation of our activities."

"We've been misled consistently about where we were headed," Mr. Barnes went on. "They do seem to want to keep the direct involvement of U.S. personnel out of it, but the line they have drawn appears to be difficult to adhere to."

Facing renewed questions about the Administration's intentions, Defense Secretary Weinberger on April 8 reasserted the Administration's position that there was "no plan, no strategy, no thought of putting U.S. combat troops" into Central America.

## Significant Policy Shift Reported

He said the Pentagon had no contingency plans for using American combat forces, but other high-ranking Pentagon officials said the Defense Department had recently begun drafting contingency plans for possible use of combat troops. In what they called a significant shift in Pentagon thinking, the Defense Department, they said, has adopted the political policy of being prepared to use combat troops if leftist forces cannot be defeated any other way.

Within the Administration and on Capitol Hill, the steady expansion of the American military role is seen as a deliberate strategy promoted by some senior military commanders with support from top civilian officials, outflanking the slower-moving diplomacy of the State Department.

"I think American policy toward Central America is largely dictated by military concerns," commented Senator Jeff Bingaman, a New Mexico Democrat, expressing a view widely held on Capitol Hill.

"The military, mainly in the South Command, has a fairly well thought-out, long-range plan," said Mr. Bingaman, a critic of Administration policy. "The Administration's lack of any real diplomatic strategy in the region has meant that the military strategy of increasing our pressure has taken the place of a foreign policy down there."

## Area Commander a Key Advocate

The most vigorous proponent of the military buildup, officials say, is General Paul F. Gorman, commander of the Southern Command with headquarters in Panama, an officer with a reputation as a hard-charging, vocal anti-Communist and with command authority over all military operations in Central America.

Other important advocates of the buildup in the Administration are reported to be Gen. Wallace T. Nutting, commander of the Readiness Command based in Tampa, Fla., and Lieut. Gen. Robert L. Schweitzer, a former Reagan White House national security aide who is now chairman of the Inter-American Defense Board affiliated with the Organization of American States.

Continued

## CENTRAL AMERICAN STANDOFF

# Showdown on covert financing a crucial test for Reagan policy

By Richard Whitmire  
and Mike Connolly  
USA TODAY

WASHINGTON — Congress returns Tuesday from the Easter recess to continue a battle with the White House over covert aid to rebels fighting the Marxist government in Nicaragua.

At the heart of the feud — fueled by news of the CIA-directed mining of Nicaraguan harbors — is a White House request for \$21 million more in covert funds for anti-Sandinista guerrillas. Congress already has appropriated \$24 million this year for covert funds, but the administration says that is not enough.

The mining controversy has led to calls for the resignation of CIA Director William Casey. It may also kill the aid to the rebels and hurt the \$62 million in emergency military aid for El Salvador.

House Speaker Thomas P. O'Neill says he is opposed to the additional funds for the Nicaraguan contras. Faced with such a mood in Congress, President Reagan is expected to try to shift the focus away from the CIA and toward the Soviet-sponsored "crisis on our doorstep," as he has described it.

A key foreign aid voice is Rep. Clarence Long, D-Md., chairman of the House Foreign Operations Appropriations Subcommittee, who wants to wait until after May 6 for a decision on Salvadoran funds and CIA money — a proposal that seems to be gaining ground. That's the day of the presidential runoff election between Christian Democrat Jose Napoleon Duarte and rightist Roberto d'Aubuisson in El Salvador.

White House spokesman Larry Speakes said the administration would be in a bind if the money fails to win approval. "You can't get covert aid anywhere else except through appropriation."

Most observers think the CIA could manage to keep the operations alive. But what happens to the 12,000-18,000 guerrillas fighting Nicaragua's leftist government if the CIA shuts down the operation?

Hardest hit of the three contra groups would be the Nicaraguan Democratic Force (FDN), which numbers between 8,000 and 11,000 and receives most of the CIA money. The FDN, made up partly of former Somoza National Guardsmen, is based in Honduras.

The other two groups are smaller, 3,000 to 5,000 in the Democratic Revolutionary Alliance fighting along the Costa Rican border and 1,500 Miskito Indians, active in northern Nicaragua. The New York Times reported Sunday that the CIA has been supplying the Democratic Revolutionary Alliance through air-

lifts and is directing the group's military strategy.

ABC reported the CIA has tripled the number of agents in Costa Rica and is funneling more than \$300,000 a month to the Nicaraguan rebels.

The rebels' fate appears balanced on the edge of congressional displeasure. "I think the White House could have handled the Central America situation much better," said Sen. Daniel Inouye, D-Hawaii.



Washington, D.C. 20505

23 April 1984

MEMORANDUM FOR ALL EMPLOYEES

SUBJECT: Pursuing Excellence

I am very pleased with the reports I have received from the Deputy Directors on the progress being made in following up on many of the suggestions you made to me in February.

I also have drawn on your papers in preparing an expanded goals statement. I like to think of it as a checklist of principles and operating standards. I am sending a copy to each of you, and am particularly interested in having it used in orienting and indoctrinating new employees to the mission, standards, and work ethic of our organization.

A handwritten signature in cursive script that reads "William J. Casey".

William J. Casey  
Director of Central Intelligence

Attachment

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2  
Interview With William Casey, Director, Central Intelligence Agency

# What's Behind Reagan Strategy in Nicaragua

Washington's ultimate goal, the CIA chief contends, is heading off a massive refugee crisis on America's southern border.

Q Mr. Casey, with so much attention focused right now on Nicaragua and the *contras*, can you give us your assessment of the impact of the anti-Sandinista guerrillas?

A They're creating a great deal of disarray and pressure on the regime. They've damaged the economy. Daniel Ortega Saavedra [leader of the Sandinista junta] said a couple of weeks ago that the *contras* have cost them about one third of their exports.

The main impact, however, is to divert Sandinista leaders from supporting the insurgency in El Salvador and bring pressure on them to negotiate sensibly to a more peaceful situation in that whole area. They are perceived to be the threat to the peace by all the surrounding countries because Nicaragua is the base for supporting insurgencies not only in El Salvador but in Costa Rica, Guatemala and Honduras as well.

Q While the United States may want to pressure the Sandinistas to end support for Marxist guerrillas elsewhere, is that really the goal of the *contras* in Nicaragua? Aren't they bent on overthrowing the regime?

A Those things are always mixed. They would like to unseat the regime. The question is: What is the U.S. government's purpose? After all, in World War II we were helping the Communists, the Royalists, the Gaullists and everybody. They were all trying to get power. We didn't care about that; we just wanted to get help against the Nazis. It's an analogous situation we have here. Our own national interests need not be strictly tied to any one group's goals.

Q What chance do the *contras* have of overthrowing the Sandinista regime?

A I think there's no chance that they will be able to overthrow the government. In the resistance, you have, it is said, perhaps 15,000 men with rifles scattered around the open, unpopulated parts of the country, which is where guerrillas can hide. They can't go into the cities, which the government is protecting with tanks and 75,000 men in the Army, the militia and the security forces. So they're not going to overthrow that government.

It could be—but it's a very long shot and unlikely—that the government would dissolve because the people would get fed up and fall away from the regime. But it's hard to change a government that operates a system of control where everybody in every block is counted and any strangers who show have to explain themselves.

Q What is your response to published reports that the CIA was involved in the mining of the Nicaraguan ports?

A I can't comment on such allegations.

Q What about reports that the CIA is actively running this



mining operation with a mother ship offshore?

A I never comment on such reports.

Q Are the Cubans still heavily involved in Nicaragua or have they reduced their presence there as some recent reports suggest?

A While the Cubans have been talking about lowering their presence, they've actually been moving in *more* people. The Cubans run the security services that manage the block-population-control system.

There are about 7,000 to 9,000 Cubans in Nicaragua including 3,000 to 3,500 military advisers intertwined with the Nicaraguan military. They also have 5,000 to 6,000 teachers, construction and health workers who are regularly taken back to Cuba on rotation. The replacements now being sent have had military training and are under 40.

As we saw in Grenada, Cuban construction workers carry rifles as well as shovels. There have been occasions where these Cuban construction workers joined in the fighting in Nicaragua when *contras* tangled with the Nicaraguan military.

Q Is there any evidence that Cuba or the Soviet Union is converting Nicaragua into a kind of strategic base along lines you've warned about in the past?

A We were concerned about that because they were lengthening airfields in Nicaragua to make them long enough to handle supersonic planes. And we know, Nicaraguan fliers were going to Bulgaria, to the Soviet Union and Cuba to be trained. Now, that has continued. The training has been completed. We believe that MiG-23s are in Cuba earmarked for Nicaragua and that Nicaraguan pilots are practicing in them. We believe the planes haven't been sent over to Nicaragua, because they're concerned about our response.

Q How many Nicaraguan pilots have been trained?

A We don't have an exact figure, but it's substantial—something like 40 pilots, enough to handle a squadron of planes, which is what we think they have in Cuba.

One thing you've got to understand is that both the Soviets and the Cubans go to great lengths to keep their military support for Nicaragua quiet and ambiguous. The heavy Soviet weapons come largely in Bulgarian and Algerian ships. Soviet and Cuban ships bring in the lighter stuff mixed with commercial cargo. We have intelligence that the Cubans in Nicaragua shave their mustaches and hide their dog tags. They are mixed in with Nicaraguan units, not kept in separate Cuban formations that could be identified.

Q You mentioned that an objective of the *contras* was to divert the Sandinistas from their support of the Marxist guerrillas in El Salvador. Are they having an impact on the flow of supplies to the Salvadoran rebels?

A Oh, they certainly have had an impact, though it's hard to quantify. To start off with, the Nicaraguans have to use their weapons and ammunition to fight the *contras* instead of sending them to El Salvador to fight the government. That's got to have an impact. The supplies are still coming in from Nicaragua, but we think it's in reduced

Interview With William Casey, Director, Central Intelligence Agency

# What's Behind Reagan Strategy in Nicaragua

Washington's ultimate goal, the CIA chief contends, is heading off a massive refugee crisis on America's southern border.

**Q** Mr. Casey, with so much attention focused right now on Nicaragua and the *contras*, can you give us your assessment of the impact of the anti-Sandinista guerrillas?

**A** They're creating a great deal of disarray and pressure on the regime. They've damaged the economy. Daniel Ortega Saavedra [leader of the Sandinista junta] said a couple of weeks ago that the *contras* have cost them about one third of their exports.

The main impact, however, is to divert Sandinista leaders from supporting the insurgency in El Salvador and bring pressure on them to negotiate sensibly to a more peaceful situation in that whole area. They are perceived to be the threat to the peace by all the surrounding countries because Nicaragua is the base for supporting insurgencies not only in El Salvador but in Costa Rica, Guatemala and Honduras as well.

**Q** While the United States may want to pressure the Sandinistas to end support for Marxist guerrillas elsewhere, is that really the goal of the *contras* in Nicaragua? Aren't they bent on overthrowing the regime?

**A** Those things are always mixed. They would like to unseat the regime. The question is: What is the U.S. government's purpose? After all, in World War II we were helping the Communists, the Royalists, the Gaullists and everybody. They were all trying to get power. We didn't care about that; we just wanted to get help against the Nazis. It's an analogous situation we have here. Our own national interests need not be strictly tied to any one group's goals.

**Q** What chance do the *contras* have of overthrowing the Sandinista regime?

**A** I think there's no chance that they will be able to overthrow the government. In the resistance, you have, it is said, perhaps 15,000 men with rifles scattered around the open, unpopulated parts of the country, which is where guerrillas can hide. They can't go into the cities, which the government is protecting with tanks and 75,000 men in the Army, the militia and the security forces. So they're not going to overthrow that government.

It could be—but it's a very long shot and unlikely—that the government would dissolve because the people would get fed up and fall away from the regime. But it's hard to change a government that operates a system of control where everybody in every block is counted and any strangers who show have to explain themselves.

**Q** What is your response to published reports that the CIA was involved in the mining of the Nicaraguan ports?

**A** I can't comment on such allegations.

**Q** What about reports that the CIA is actively running this



mining operation with a mother ship offshore?

**A** I never comment on such reports.

**Q** Are the Cubans still heavily involved in Nicaragua or have they reduced their presence there as some recent reports suggest?

**A** While the Cubans have been talking about lowering their presence, they've actually been moving in *more* people. The Cubans run the security services that manage the block-population-control system.

There are about 7,000 to 9,000 Cubans in Nicaragua including 3,000 to 3,500 military advisers intertwined with the Nicaraguan military. They also have 5,000 to 6,000 teachers, construction and health workers who are regularly taken back to Cuba on rotation. The replacements now being sent have had military training and are under 40.

As we saw in Grenada, Cuban construction workers carry rifles as well as shovels. There have been occasions where these Cuban construction workers joined in the fighting in Nicaragua when *contras* tangled with the Nicaraguan military.

**Q** Is there any evidence that Cuba or the Soviet Union is converting Nicaragua into a kind of strategic base along lines you've warned about in the past?

**A** We were concerned about that because they were lengthening airfields in Nicaragua to make them long enough to handle supersonic planes. And we know, Nicaraguan fliers were going to Bulgaria, to the Soviet Union and Cuba to be trained. Now, that has continued. The training has been completed. We believe that MiG-23s are in Cuba earmarked for Nicaragua and that Nicaraguan pilots are practicing in them. We believe the planes haven't been sent over to Nicaragua, because they're concerned about our response.

**Q** How many Nicaraguan pilots have been trained?

**A** We don't have an exact figure, but it's substantial—something like 40 pilots, enough to handle a squadron of planes, which is what we think they have in Cuba.

One thing you've got to understand is that both the Soviets and the Cubans go to great lengths to keep their military support for Nicaragua quiet and ambiguous. The heavy Soviet weapons come largely in Bulgarian and Algerian ships. Soviet and Cuban ships bring in the lighter stuff mixed with commercial cargo. We have intelligence that the Cubans in Nicaragua shave their mustaches and hide their dog tags. They are mixed in with Nicaraguan units, not kept in separate Cuban formations that could be identified.

**Q** You mentioned that an objective of the *contras* was to divert the Sandinistas from their support of the Marxist guerrillas in El Salvador. Are they having an impact on the flow of supplies to the Salvadoran rebels?

**A** Oh, they certainly have had an impact, though it's hard to quantify. To start off with, the Nicaraguans have to use their weapons and ammunition to fight the *contras* instead of sending them to El Salvador to fight the government. That's got to have an impact. The supplies are still coming in from Nicaragua, but we think it's in reduced

amounts. We know that the Nicaraguan government and the Army are having to pay greater attention to dealing with the internal resistance, which means that there's much less attention they can give to exporting revolution. But I can't be very much more specific than that.

**Q** If Nicaragua is being forced to divert its attention from El Salvador, why do the Marxist guerrillas in El Salvador seem to have been gaining in recent months?

**A** Well, they might be doing better without that diversion. We do know that the Salvadoran guerrillas have been able to increase their numbers by training and arming some of their support people. At the same time, we have pretty good reporting that they're short of ammunition and they're short of funds and they're not as effective as they would be if Nicaraguan support were unimpaired.

Also, the Salvadoran Army has been getting more effective. Before the period leading up to the elections, the Army had the guerrillas pretty well broken up and pushed back into their bases in mountainous areas.

**Q** How do you reconcile your claim that the Salvadoran Army is getting better with the constant criticism that it's still too incompetent to make headway against the guerrillas?

**A** It has a lot of deficiencies but it is improving steadily through better training, better leadership, more-aggressive tactics and more-sustained operations. It needs more mobility. It is not a perfect world, and there is still plenty of room for improvement. That can be said about any army.

The main problem in El Salvador from the military standpoint is this: As a rule of thumb, experts say that an army needs an 8 or 10 to 1 advantage to win a guerrilla war. Look at the Nicaraguan Army and militia—75,000 men under arms—and they are unable to cope with 15,000 *contras*. Now the ratio of the Salvadoran Army to the guerrillas is something like 4 to 1, and the guerrillas have a safe haven, a supply and a command-and-control base right across the border in Nicaragua. Given that situation, the Salvadoran Army is not doing badly.

The only way you're going to resolve the conflict in El Salvador is if two things happen: You have to deprive the guerrillas of their safe haven and further reduce the flow of

supplies and build up the Salvadoran Army by 25 percent to 40 percent to improve the ratio of Army to guerrillas.

**Q** How do you handle the growing pressure in Congress to cut off military aid to El Salvador if the death squads continue to operate there? Why is the Salvadoran government unwilling or unable to deal with the death squads?

**A** I think it's a cultural problem. It's a violent society like most of the societies down there. Everybody talks about the right-wing death squads. During recent months, most of the assassination victims have been supporters of the Roberto D'Aubuisson movement, the so-called right wing. So there are left-wing death squads. The guerrillas practice intimidation, and they slaughter people as they did in Vietnam. It's a civil war. And they also have this special kind of free-lance, nongovernmental death squad that practices revenge. That works both ways right across the society.

Besides that, the judicial system in El Salvador leaves much to be desired. They have a hard time getting any convictions. But basically what we're talking about is whether our primary purpose is to establish a better society in El Salvador, which isn't likely to happen quickly under present circumstances, or to protect the security interests of the United States and give Salvadoran democracy a chance to develop.

**Q** Are you worried that Central America will become a major issue in the political campaign and undermine popular support for the administration's strategy there?

**A** I think that people in the long run are less concerned about reports of mining Nicaraguan harbors than they are about the danger of creating a wave of immigration into this country if Central America or any part of it should fall under Soviet-Cuban domination. If we have another Cuba in Central America, Mexico will have a big problem and we're going to have a massive wave of immigration. The effort to prevent this from happening is not going to excite Americans as much as the threat they would face if things go wrong.

Also, I think people are concerned about the military danger. If the Communists solidify their hold on Nicaragua, the other countries down there would have to accommodate in some way. The Communists would next be looking at Mexico, to find problems that they specialize in exploiting. So what you're looking at for your children and your grandchildren is a long-term prospect of a hundred million hostile people immediately south of our border if we fail to give democracy a chance to develop in Central America.

**Q** To turn to the other spot that worries Americans—the Middle East: What is the likelihood of an Iranian victory in the war with Iraq?

**A** The Iraqis should be able to stave off this current offensive because they have such a preponderance of air power and artillery and tank power. But the Iranians have the numbers; they have the staying power; they've got the economic resources. The Iraqis are in bad shape economically. They've also got a big Shia population with religious ties to Iran. I think the prevailing opinion is that in the long run the Iranians have some important advantages.

**Q** What dangers might the United States face if Iran does win?

**A** If Iran prevails and a radical Shiite regime is established in Baghdad similar to the Khomeini regime in Teheran, there are a lot of people they could turn loose against Kuwait, Saudi Arabia and the gulf states, which have supported Iraq.

The Iranians are in a vengeful frame of mind. We have seen what they can do with the terrorist attacks on the American Embassy in Kuwait and the Marine barracks in Beirut. They are taking people from those gulf states to camps in Teheran for terrorist training and sending them

Continued

**Main Points Made by CIA Director**

- Controversy over mining.** "People are less concerned about reports of mining Nicaraguan harbors" than they are about dangers of "another Cuba" in Central America.
- Impact of *contras* in Nicaragua.** While "they're creating a great deal of disarray and pressure on the regime... there's no chance that they will be able to overthrow the government."
- Arms to Salvadoran rebels.** Guerrilla operations against Nicaragua's Sandinista regime "certainly have had an impact" on flow of weapons to Marxist insurgents in El Salvador.
- U.S. concern about death squads.** The real issue is "whether our primary purpose is to establish a better society in El Salvador... or to protect the security interests of the United States."
- Iran-Iraq War.** "Prevailing opinion is that in the long run the Iranians have some important advantages" that would pose grave dangers for entire gulf region.
- State-sponsored terrorism.** International community should isolate diplomatically and impose sanctions against countries sponsoring terrorism.



back. So already they have a pretty potent subversive potential in those small countries.

**Q** What would the United States do if Iran moved against these oil states in the gulf region?

**A** I can't speculate on that. The U.S. government said that we would keep the Strait of Hormuz open. As to something happening in one or another of these countries around the gulf, any reaction, I would suppose, would depend upon the circumstances at the time.

**Q** That brings up the problem of state-sponsored terrorism that Secretary of State Shultz has been talking about: What can the United States do to counter terrorism sponsored by Iran and other governments—assassinate their people, bomb their capitals or what?

**A** Don't put words in my mouth. As Secretary Shultz said, we're dealing with a new phenomenon in state-sponsored terrorism—a new weapons system that obliterates the distinction between peace and war.

The Iranians use their diplomatic facilities as a platform to make revolutionary guards, communications facilities and money available for terrorist planning and action. They've attacked us twice in Beirut—the American Embassy and the Marine barracks. They turn up in many countries in Africa, Asia and Europe, and we are likely to see them here. They send their missionaries across the whole Moslem world, from Morocco to Malaysia and Indonesia, preaching Khomeini's brand of radical religious-social gospel. It's a force that we're going to have to reckon with in many dimensions.

**Q** But what can you do about it? Do you get into the business of assassinating terrorist leaders?

**A** We don't engage in assassinations. We have to depend on a combination of strong security measures and international cooperation to deter and defeat terrorism.

Let's look at the problem of state-sponsored terrorism and international terrorism in a little more detail. There are more than 50 major terrorist organizations, and hundreds of mom and pop shops—little groups that take on operations for hire. We can count scores of terrorist-training camps in Iran, Libya, Syria, South Yemen, Bulgaria, the Soviet Union, Romania, Cuba and other bloc countries.

Now, there are several things you can do to cope with this kind of terrorism. You can handle it by defending yourself, defending potential targets. That's pretty tough because you haven't got enough policemen to protect every target and you don't know where they're going to hit.

So we are engaged in helping security organizations in a great many countries to improve their training and operational proficiency. These countries have their own intelligence capabilities to watch the terrorists. They're apt to be better at it than we are because they've got to live with them all the time and they're closer to them. A qualified antiterrorist network has developed through the liaison relationship between intelligence and security organizations. It is being improved by intensified intelligence exchanges and by training and other forms of assistance.

On top of that, there's a question of deterring terrorism



**Contras:** "Perhaps 15,000 men with rifles scattered around the unpopulated parts of the country."

by sending the message that if the terrorists attack there will be retaliation. It's not necessarily a matter of striking back directly at the terrorists. The Israelis, for example, send the message: "If we're hit from your territory, that's your responsibility and we're going to kick you in the teeth somehow." I think you will see more of that—retaliation against facilities connected with the country sponsoring the terrorists or retaliation that just hurts the interests of countries which sponsor terrorism.

Some people say that you've got to find out who the terrorists are and make sure you hit the people who hit you. Well, usually that means you're not going to do it at all. If retaliation is going to be a deterrent, the countries sponsoring terrorism have got to know it's going to happen quickly and with certainty.

Now, there's a third way to handle state-sponsored terrorism which, in my view, needs to be developed faster.

**Q** What's that alternative way?

**A** That's a kind of international, diplomatic counteroffensive against international terrorism. In effect, it would apply a modern version of the 18th-century international law on piracy that charged every nation with responsibility for picking up pirates and putting them away where they could do no more harm. It's a little hard to get acceptance of that in today's world, and I'm not quite sure just how you would implement it.

But nations could join together to invoke economic sanctions against and isolate diplomatically countries, such as Iran and Libya, that practice terrorism as a matter of state policy. They could collaborate more intensively on the screening and surveillance at entry and departure points of travelers and visitors suspected of terrorist connections. They could agree to respond more quickly and surely to requests from other countries for extradition and assistance.

So there are three ways you can deal with state-sponsored terrorism short of sending out hit squads. You can defend, you can retaliate and you can impose international barriers and sanctions of a nonviolent nature.

**Q** If we can turn finally to the Soviet Union: What, as you see it, has been the effect of the change in leadership there from Andropov to Chernenko?

**A** Minimal. Chernenko is clearly a transitional leader, but nobody knows whether he's going to be around six months, two years or five years, and it doesn't make much difference. We predicted that China's Mao Tse-tung would die 20 times before they finally buried him. So we are very shy about predicting how long Chernenko will last.

My view is that under the Soviet system today everything is worked out in a collegial way. Certainly with this kind of short-term leader, no one man is going to have the power to make a drastic change of direction. And there's no reason to assume that when Chernenko goes, the situation will change. What you've got in the Soviet Union is a generation of septuagenarians who are reluctant to forfeit their perquisites by passing power to a younger generation. They're intent on hanging on to power. □

# A Furor Over the Secret War

Ronald Reagan pays a political price for the CIA's mining of Nicaraguan ports.

When Barry Goldwater is angry, he sounds off, and last week the crusty Arizona Republican was in a towering rage. He had just discovered that the United States had taken a direct hand in mining the harbors of Nicaragua. As chairman of the Senate Intelligence Committee, Goldwater thought someone should have told him about that before he read it in the newspapers. The result was a "Dear Bill" letter to CIA Director William Casey, a broadside studded with the kind of expletives that statesmen normally delete from their formal correspondence. "All this past weekend, I've been trying to figure out how I can most easily tell you my feelings," Goldwater began. "It gets down to one little, simple phrase: I am pissed off!" The 75-year-old senator recalled that Ronald Reagan "has asked us to back his foreign policy." "Bill," Goldwater demanded, "how can we back his foreign policy when we don't know what the hell he is doing?" Goldwater wrote that the mining was "an act of war. For the life of me, I don't see how we are going to explain it."

The chairman's anger was understandable. Casey is a world-class mumbler who believes in telling his congressional overseers as little as possible (page 24). Briefing Goldwater's committee last month, he apparently left some members with the impression that Nicaraguan contras, the U.S.-supported rebels, had acted on their own in planting the mines. The House Intelligence Committee was better informed. And when it turned out that CIA agents had directed the operation, no one in Congress should have been surprised: who *else* would have put the contras up to it? But hell has no fury like a senator unwarned. After Goldwater's blistering complaint, the Republican-controlled Senate overwhelmingly passed a nonbinding resolution urging that no more U.S. funds be spent to mine Nicaraguan ports. The House of Representatives followed suit, and then Congress adjourned for Easter without voting a penny for the contras—or for Reagan's clients in El Salvador.

To some extent, last week's dispute between Congress and the White House was

just "another Washington story," as one of Reagan's men put it. In his weekly radio broadcast, the president himself complained that "much of the debate has ignored the most relevant fact: Central America has become the stage for a bold attempt by the Soviet Union, Cuba and Nicaragua to install communism by force throughout this hemisphere." The administration decided to draw on emergency funds to keep El Salvador's Army in the field. And although Washington said it had pulled the plug on the Nicaraguan mining operation, the contras weren't about to go out of business overnight. Reagan's crusade in Central America was far from lost, and most of his countrymen didn't seem to care much what he did there, as long as U.S. troops were not caught up in the fighting.

**Poor Timing:** Even so, the Nicaraguan mining flap could haunt Reagan in this election year. "It's the wrong issue for us," complained a White House aide, "and coming after everything else we've done wrong lately, it couldn't be more poorly timed." The wrangle with Congress may have put an end to any lingering hope for a bipartisan U.S. policy on Central America. The mining episode revived the old image of Reagan as a trigger-happy gunfighter. And when Washington tried to prevent Nicaragua from taking its grievances to the World Court, Reagan appeared to be flouting international law, to boot.

**Consequences:** Worst of all, the confusion over what was going on in Nicaragua cast new doubt on the administration's competence in the management of foreign policy. Apparently neither Reagan nor his top advisers had given much thought to the consequences of mining Nicaraguan harbors. Sources said Secretary of State George Shultz had some doubts about the wisdom of the operation but chose not to take a stand against it. The ensuing international furor, including complaints from friends like Britain and France, took the administration by surprise. As a result, many in Congress who agreed with Reagan's objectives disparaged his methods. "The issue isn't whether we're going to fight for our interests in Central America," Democratic Rep. David Obey of Wisconsin said during last week's debate. "The issue is, are we going to fight smart or fight stupid?" So far, the administration didn't look smart. "About the best thing you can say," admitted one Reagan adviser, "is that we look like we don't know what we're doing."

## An Exercise In Delicate Harassment

Washington's aim was to cause minimum damage without drawing blood. It turned out to be easier said than done.

The mining of Nicaragua's three major ports by American-financed guerrillas directed by the Central Intelligence Agency had a delicately calibrated objective: To disrupt commercial shipping without sinking large vessels or costing lives.

That mission—termed “harassment mining” by U.S. intelligence officials—has sunk three Nicaraguan fishing boats and damaged a dozen merchant freighters from six countries, including the Soviet Union, Britain and Japan. Some 15 crewmen have been injured.

Commandos operating at night in small speedboats laid hundreds of mines in the harbors at El Bluff on Nicaragua's Caribbean coast and at Puerto Sandino and Corinto on the Pacific. The rebel activities were coordinated by CIA operatives from a ship outside the 12-mile territorial limit recognized by the United States. Nicaragua's Sandinista government claims coastal waters up to 200 miles offshore.

The charges planted by the counter-revolutionaries are described as acoustic mines tethered to the ocean floor and detonated by the sound waves of passing ships. U.S. Navy experts, discounting reports that the weapons are home-made, stress their sophistication.

Unlike more powerful Navy mines that are designed to sink ships and are activated by the magnetic field surrounding a vessel or by actual contact with its hull, acoustic mines can be tuned to explode while a ship is still some distance away, thus minimizing the damage.

Nevertheless, a Dutch dredger that encountered a guerrilla mine last month at El Bluff is in port at Curaçao undergoing repairs estimated to cost more than 1 million dollars. When the Soviet oil tanker *Lugansk* hit a mine at Puerto Sandino, five merchant sailors were injured.

In the bay at Corinto, which handles three quarters

of Nicaragua's international trade, explosions rocked at least two other cargo ships—a British freighter loaded with Nicaraguan molasses and a Japanese ship preparing to load cotton bales bound for Tokyo's textile mills.

These incidents involving international shippers have stirred concern among some that the mining could cause a large loss of life or spark a major confrontation between Washington and Moscow, resulting in a wider conflict. American intelligence officials believe such an escalation is unlikely because of the limited explosive power of the mines.

To cope with the mining threat, Nicaragua has mounted a worldwide search for mine-sweeping equipment to clear its harbors. France, one of several U.S. allies that condemned the mining, offered to supply a mine sweeper if other European powers joined the effort.

Meanwhile, a primitive mine-clearing operation already under way using nets, cables and divers has detonated 27 charges, the Sandinistas said. But in the process, a number of Nicaraguans have been injured while dragging chains from shrimp boats to trigger mines.

Chief objective. The CIA-sponsored venture was aimed largely at driving up insurance rates of international shippers, thereby discouraging trade with Nicaragua.

Toward that end, harassment attacks against cargo ships by anti-Sandinista guerrillas in high-powered boats armed with machine guns and rockets supplied by the CIA are likely to continue long after the abandonment of the mining operation.

By ROBERT A. KITTLE

# Casey at the Bat

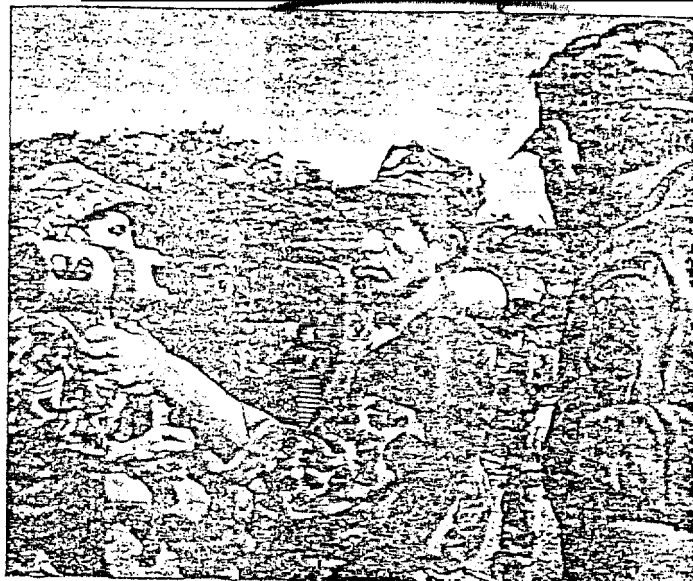
When it comes to dealing with Congress, CIA Director William Casey plays a cloak-and-dagger version of "Twenty Questions"—giving even the members of the authorized oversight committees only the most limited responses to those questions they already know enough to ask. Or, as one Republican legislator said: "Casey wouldn't tell you if your coat was on fire—unless you asked him." That grudging attitude, combined with the intelligence chief's way of mumbling his answers, made him few friends on Capitol Hill over the last three years, but last week's uproar over the mining of Nicaraguan ports finally brought relations between Congress and Casey to the breaking point—threatening his usefulness on the Hill, undermining support for the not-so-secret war in Nicaragua and endangering the larger U.S. strategy in Central America.

Past leaders of the CIA, such as Director Stansfield Turner and Deputy Director Bobby Inman, have recognized the political value of bringing Congress into their plans—in essence making them coconspirators. But even under fire last week, for allegedly failing to tell Congress about U.S. involvement with the mining, Casey was less than forthcoming. "I do not volunteer information," one participant in a closed-door briefing recalled him saying. "If you ask me the right questions I will respond." The legislators were understandably furious. "It was disastrous," said Tennessee's Democratic Sen. Jim Sasser. Said one Republican senator: "He was arrogant, confused, unknowing [and did] a miserable job of explaining this problem."

**Obfuscation:** Casey is disgusted with congressional intrusion on the president's ability to conduct foreign policy. He does not believe that current oversight legislation requires the CIA to report every new tactic (such as the mining of harbors under U.S. direction) in a previously approved covert operation (like the contra war in Nicaragua generally). And a reconstruction of the briefings he did conduct shows—at the very least—the oversight system's vulnerability to obfuscation and confusion. The mining began last December and the contras were claiming credit by January. Members of the House Intelligence Committee were briefed on the operation at the end of that month, but the extent of U.S. involvement required—U.S. advisers and technical experts operating on a CIA "mother ship" offshore—was not mentioned by Casey nor asked about. Members of the committee first learned about that in a mid-March briefing by Casey, and then only under persistent questioning from Democrats Wyche Fowler of Georgia and Norman Mineta of California.

Casey first said the mining was being done by "Latinos," according to a committee source. He was asked repeatedly who was directing the operation, picking the targets. "We are," Casey finally said. "We were stunned at what we had heard," said one committee Democrat. "We had been informed only because we had inquired . . . not because they thought it was anything they should have volunteered." Worse, there was little they could do with the classified information. "Once you know about it, who the hell can you tell?" griped another committee member.

The Senate Intelligence Committee had been given even less to work with, although the panel and its chairman, Arizona's Barry Goldwater, have not supported the CIA. Casey made only



MARIO RUZ—Picture Group

*U.S. trainers in Honduras: Should Congress know everything?*

single-sentence references to the mining in two March presentations to that panel, and none of the senators followed up as thoroughly as their House counterparts. Vermont Democrat Patrick Leahy learned more by missing a scheduled briefing and getting the story later from "second tier" CIA officials. Leahy says he assumed that his colleagues on the panel had learned as much, but there was little discussion of the matter among them; New York Democrat Daniel Patrick Moynihan felt so "betrayed" by inadequate briefings that he told colleagues he would resign as vice chairman of the intelligence committee.

**Open Secret:** If the CIA's congressional watchdogs really didn't know more about the mining than they were willing to admit in last week's uproar, they certainly had reason to be suspicious and demand more information—and Leahy says members of the oversight committees must immerse themselves more deeply in the process. But any covert operation that requires "hands on" involvement of U.S. personnel seems important enough for the CIA to point out to the intelligence committees. Indeed, some congressmen say they may insist on amended oversight legislation requiring more complete reporting by the CIA before they approve even part of the \$21 million Reagan wants for the open-secret war in Nicaragua.

As for Bill Casey, his old pal the president remains firmly behind him, but Congress is likely to be more hostile than ever. Even conservative veterans of the intelligence community—pleased by Casey's ability to pump up the CIA budget—are becoming upset over damage done to the agency's credibility by ham-handed covert action and running battles with Congress. After a luncheon attended by several hundred former intelligence officers at Bolling Air Force Base last week, one former senior official reported: "If you had taken a vote there on whether Casey should resign . . . the results would have been 'Godspeed'."

DAVID M. ALPERN with  
GLORIA BORGER, JOHN J. LINDSAY and  
ROCK in Washington



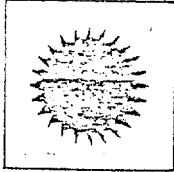
Wally McNamee—Newsweek

*The director: 'I do not volunteer'*

23 April 1984

# Explosion over Nicaragua

*Congress bitterly rebukes Reagan after reports of CIA-directed minelaying*



The physical damage wrought so far by the mines that *contra* guerrillas took responsibility for sowing inside the harbors of Marxist Nicaragua would hardly be noticed in a declared war. The highest reported tally: six Nicaraguan vessels and six ships of five other nations damaged but none confirmed sunk; ten sailors seriously injured but no one killed.

The political damage caused by the mining and by subsequent revelations that the American CIA had directed and supervised it from a mother ship off Nicaragua's Pacific coast is on another order of magnitude altogether. A troublesome rift has opened in the nation's alliances, symbolized by a French offer to help sweep the mines from Nicaraguan waters. The U.S. has been put on the defensive in world forums, first casting a veto in the

United Nations Security Council against a complaint by Nicaragua's Sandinista government about the mining and other U.S.-financed *contra* activities, then declaring last week that the U.S. will not accept the jurisdiction of the World Court on protests filed by Nicaragua.

But the loudest and by far most serious detonation of all went off in Congress. Enraged by a feeling that they had been misled about the Administration's Central American policy, and deeply worried about where that policy is leading, the Senate passed by a landslide vote of 84 to 12 a nonbinding resolution demanding that no U.S. money be used to mine Nicaraguan waters. Arizona Republican Barry Goldwater voiced his colleagues' anger and dismay in an astonishingly pungent letter to CIA Director William Casey. Said Mr. Conservative: "I am pissed off . . . The President has asked us to back his foreign policy. Bill, how can we back his

foreign policy when we don't know what the hell he is doing? Lebanon, yes, we all knew that he sent troops over there. But mine the harbors of Nicaragua? This is an act violating international law. It is an act of war. For the life of me, I don't see how we are going to explain it."

The fury of the response was startling. The mining was anything but secret, suspicions of CIA involvement were worldwide, and Administration briefings had offered Congress at least the opportunity to confirm them before the press did. Nonetheless, though Goldwater inexplicably voted against the antimining resolution, which was offered by Massachusetts Democrat Ted Kennedy, 42 of the Senate's controlling Republicans, including even Reagan's friend and campaign chairman, Paul Laxalt of Nevada, voted for it. Crowed California Democrat Alan Cranston: "The President asked for a bipartisan foreign policy. He's now got it." Reagan supporters closed ranks to make a House vote on an identical resolution closer and more partisan, but still it passed, 281 to 111. Said Daniel Ortega Saavedra, coordinator of the Sandinista junta: "We appreciate the efforts the United States Congress has made against the undeclared war the United States is waging against Nicaragua."

If the congressional rebellion stopped there, the White House could live with its consequences. Administration officials insisted that the mining had ceased more than a week before the Senate vote, and it would not have been resumed in any case. Reagan's supporters even struck a deal with Kennedy, under which the Senator withdrew a motion condemning U.S. refusal to accept World Court jurisdiction on Central American questions, and the White House in return made no effort to defeat the antimining resolution.

**B**ut many Senators and Representatives are determined to go further and cut off all U.S. aid to the Nicaraguan *contras*, crippling if not ending the guerrilla war they are waging inside Nicaragua. There the fighting intensified last week, with the *contras* launching coordinated attacks from across the Honduran border in the north and along the swampy Costa Rican border to the south. Fighting was especially fierce at the southern town of San Juan del Norte, where the rebels were hoping to establish a provisional government. *Contra* commanders told TIME that they

Congressional critics: House Speaker O'Neill; Senator Goldwater



Executive targets: President Reagan; CIA Director Casey

# End of a "Secret War"?

The CIA's Nicaraguan mining caper is producing an ironic result: U.S.-backed rebels rather than the Sandinista regime may end up as the real victims.

A political storm that struck with the suddenness and fury of a spring tornado has left the Reagan administration's Central America policy in disarray.

Congressional support for the "secret war" against Nicaragua's Sandinista regime shows signs of disintegrating. Further military aid for El Salvador is in jeopardy.

A shift in sentiment among European allies toward greater sympathy for U.S. strategy in Central America has been reversed, with Washington on the moral defensive worldwide.

The damage, in the view of Republican as well as Democratic lawmakers, has been largely self-inflicted by the administration.

Thunderclap. What set off the storm was the disclosure that the Central Intelligence Agency has directly supported the mining of Nicaraguan harbors. Ships of at least six nations, including a Soviet tanker, have been damaged.

While it has been willing to finance an army of anti-Sandinista guerrillas in Nicaragua, Congress reacted with indignation to word of the minelaying. The uproar was intensified by the

White House's rejection of World Court jurisdiction over a Nicaraguan suit to stop the mining.

The strength of the lawmakers' challenge to the administration was underscored by nonbinding resolutions—approved by the Senate and House—calling for an immediate end to the mining.

Before the vote, the White House, in an attempt to limit the political damage, signaled that the mining had been suspended and perhaps terminated. But there was no guarantee that this would neutralize the revolt against Reagan's Central America policy. The consensus among Capitol Hill observers is that the House will reject a measure providing an additional 21 million dollars in CIA funds to back the anti-Sandinista *contras*.

Without more money, agency officials say, the guerrillas will have to start pulling out of Nicaragua within several weeks. To bypass a roadblock on arms aid for El Salvador deemed vital by the White House, Reagan has diverted funds from an emergency Pentagon budget.

Why is the controversy over mining suddenly threatening to upset the administration's strategy for Central America?

One explanation: A number of lawmakers, who have supported the secret war in Nicaragua reluctantly, felt that American involvement in the mining crossed the line of what is morally and legally acceptable.

Senator Barry Goldwater, the venerable Republican chairman of the Senate Select Committee on Intelligence, issued the strongest protest. In a vitriolic letter to CIA Director William Casey, the Arizona Republican declared that the mining "is an act violating international law. It is an act of war."

Others in Congress were dismayed by the administration's refusal to argue its case before the World Court. It was another Republican senator, David Durenberger of Minnesota, who took the lead in speaking out on this issue: "Let us tell the executive branch that Congress would not run from World Court jurisdiction like some criminal jumping bail."

Growing U.S. role. Even more than the legal and moral considerations, the backlash against the administration's policy stems from renewed concern that U.S. troops may be drawn into fighting in Central America.

Said Senator Edward Kennedy (D-Mass.), who led the successful attack on the administration's strategy in the Senate: "President Reagan is moving us toward war. He has moved U.S. citizens up to the edge of combat, and he has involved U.S. citizens in the hostilities."

The mining incident came at a particularly sensitive moment, coinciding with published reports of planning for possible American military intervention if necessary to forestall a Marxist victory in Central America.

While Defense Secretary Caspar Weinberger categorically denies that the Pentagon is drafting any such contingency plans, other officials say that a political policy has now been accepted that the U.S. must be ready to send in

Continued

# Reagan Takes a Break From the Furor Over Central America

By HEDRICK SMITH

WASHINGTON

**P**RESIDENT Reagan takes off for China today, demonstrating the power and prerogative of an incumbent to walk away from frustrating deadlocks back home and shift the nation's attention elsewhere. As he makes his first visit to any Communist country, Mr. Reagan can look forward this week to upstaging the Democratic Presidential contenders as well as the Republicans who helped deliver a stinging rebuke 12 days ago over the mining of Nicaraguan harbors.

Nonetheless, Central America dogs him. Congress has put a hold on the aid that he believes is desperately needed, and the growing American involvement promises to be a major campaign issue this fall. As the President left for the West Coast Thursday, morning papers carried the news that an unarmed American helicopter ferrying two Democratic Senators around Honduras had been hit by heavy gunfire along the frontier with El Salvador and forced to land. Salvadoran guerrillas claimed responsibility and said the helicopter had flown over El Salvador's Morazan Province (where they are particularly strong.) American officials acknowledged that the helicopter might have strayed over the poorly defined border. Although the two Senators escaped injury, the incident underscored the hazards of the expanding conflict.

In Nicaragua, the possibility of still-deeper American involvement arose when a group of American-backed rebels, the Democratic Revolutionary Alliance, claimed its first Nicaraguan beachhead by capturing the southeastern port town of San Juan del Norte. According to information in San José, Costa Rica, the operation was part of a strategy directed by the C.I.A. The rebels an-

nounced plans to establish a provisional government there soon, an idea long favored by some Central Intelligence Agency officials. A State Department diplomat remarked warily that it was an improbable venture and that all Washington should do is "applaud quietly and wish them well." The rebels, however, announced that they had withdrawn after being counterattacked.

## More C.I.A. Involvement

The operations of these Nicaraguan "contras" still roll Washington. According to the latest disclosures, C.I.A. agents supervised not only the mining of Nicaraguan harbors but also two raids last fall against oil storage and pipeline facilities at Puerto Sandino and Corinto. Even before those revelations, New York's Senator Daniel Patrick Moynihan made the symbolic protest of resigning as vice chairman of the Senate Intelligence Committee. He charged the C.I.A. had not "properly" informed the committee about the scope of American involvement in the covert operations. In answer, the agency said that it had mentioned the port-mining 11 times in briefings for Congress this year, mostly for House members or staff aides. Some Senators conceded that if their Intelligence Committee had been more alert and aggressive in its oversight, it could have found out more on its own.

Generally, however, the Administration has decided that the best political tactic is to take the criticism in silence. But President Reagan and other top officials make no secret of their feeling that they are being limited in Central America by what they see as a nervous, obstructionist Congress.

The President complained that the political debate on Central America has "strayed too far from reality" and that more military aid is urgently needed. "Economic assistance, as much as some people on Capitol Hill would like to think otherwise, will not overcome the threat," Mr. Reagan declared.

For many in Congress, the basic problem is not that it won't deal with reality but that it feels kept in the dark about the Administration's real goals and actions. Conservative Republicans as well as liberal Democrats complain about being misled. The broad outlines of the covert war against Nicaragua have been an open secret for months. But the disclosures about the mining and sabotage raids triggered a new public awareness of the degree of direct American involvement and altered the political chemistry this spring. The idea spread that the Administration sometimes used covert warfare to get around Congress and that the C.I.A. and its controversial director, William J. Casey, were either outrunning other policy makers or actually calling the tune on policy. Reinforcing that view, officials said last week that the White House had rejected Nicaragua's proposed Ambassador to Washington at the insistence of the C.I.A., overruling the advice of Secretary of State George P. Shultz.

Continued

# Views

A portfolio from around the nation

MR. CASEY - WHAT ARE YOU REALLY  
UP TO IN NICARAGUA?



WE'RE JUST TRYING TO STOP THE FLOW  
OF ARMS TO EL SALVADOR



THE CONTRAS YOU FUND SAY THEY'RE OUT TO  
OVERTHROW THE NICARAGUAN GOVERNMENT



THAT WOULD STOP THE FLOW  
OF ARMS





ARTICLE APPEARED  
ON PAGE A-3

WASHINGTON POST  
22 April 1984

# Covert War in Central America Troubles a Hill GOP Overseer

By Charles R. Babcock  
Washington Post Staff Writer

During the summer of 1975, David F. Durenberger, an executive for a St. Paul, Minn., company that did considerable business selling paints and plastics in Central America, received a letter from his 12-year-old son, who was spending part of the summer in El Salvador.

"He talked about the disparity between rich and poor, about a 250-pound cop with a machine gun," Durenberger recalled. "It's so obvious when you go through those countries. You'll see something, their version of a modern shopping center, and go off the edge of the parking lot and there's a ravine and people living on the side of a hill with no running water."

Durenberger, a Republican from Minnesota who was elected to the U.S. Senate in 1978 to complete the unexpired term of Democrat Hubert H. Humphrey, said his business experience in Central America during the 1970s made him a strong supporter of long-range economic aid as a solution to that region's turmoil.

But as a member of the Senate Select Committee on Intelligence, Durenberger has had to grapple for more than two years with troubling short-term proposals: the Reagan administration's covert war against the leftist Sandinista government of Nicaragua.

The recent exposure of the CIA's direct involvement in the mining of Nicaraguan harbors has undercut congressional support for funding the secret war and raised new questions about the performance of the two congressional intelligence committees that were established to oversee the activities of the CIA.

Thus Durenberger finds himself being questioned about a secret war that isn't secret anymore. It is clear from a series of recent interviews that the moderate Republican has become increasingly frustrated by the administration's policy in Central America.

After opposing it earlier, he voted for funding the covert war for the first time last fall, but is trying to get Congress involved more directly in determining the policy. He mentions the "discomfort" he feels when Republican colleagues challenge his patriotism and that of others who ask questions about administration proposals.

Durenberger said President Reagan believes he can easily rally public support for his Central-American policies.

"He says, 'All I've got to do is go on television. I don't worry about the American public, because I know if I go on television and tell them, like I did on Grenada, remember how I went and turned the whole thing around?' So if push comes to shove in Central America he'll just go on television with his charts and pictures and have them eating out of his hand."

Dealing with the moral and pragmatic questions of attempting to oversee a secret war is more difficult from Durenberger's perspective. "When you put your objectives in the hands of someone else with a very different set of objectives and then hand him a rifle, you're just asking for it," he said.

Durenberger criticized U.N. Ambassador Jeane J. Kirkpatrick's statements that the United States should not unilaterally abide by international law while rivals flaunt it. "That's an eye for an eye. That's the Israeli way, the Libyan way, the Iranian way . . . The ends justify the means. That's a whole philosophy that America has disowned throughout our history," he said.

He doesn't feel, though, that the administration is using the same "eye-for-an-eye" rationale in the covert war against Nicaragua.

"They are interdicting, trying to hold the land. Some people are dying. That can be justified as a civil war that would have happened anyway. And theoretically we aren't doing it just to kill people. We are doing it for a political objective, which is to get the Sandinistas to agree to the original goals of their revolution."

Durenberger said he went to the Senate with a background that included training as an Army counterintelligence specialist in the 1950s and training at a Catholic college "totally dedicated to fighting world communism."

But he opposed funding for the covert war at first because he felt that the people of Nicaragua would turn on the Sandinistas without outside help. "I felt the only thing that would keep the people from turning on them was for us to appear to be turning on the revolution and that is, in effect, what happened with the covert action."

He also acknowledges that a review of his record on Central America "looks like I've been on all sides of this thing."

As a newcomer to the Senate in 1979, he was one of the few Republicans to support President Carter's plan to send aid to Nicaragua. And though he opposed the covert funding in the Intelligence Committee's secret votes in the spring of 1982, he supported President Reagan's policies during his own reelection campaign that fall.

A year ago, he said, he was so concerned by the vague objectives of the covert operations that he went to see William P. Clark, then Reagan's national security affairs adviser, and warned the administration that he would propose ending the secret aid. He did so. But when the administration came up with a new "finding" to justify the program last September, Durenberger voted in favor of it for the first time.

# Will We Ever Harness Our Rogue Agency?

The CIA doesn't lie, it just won't tell you your coat's on fire unless you ask

By George Lardner Jr.

JUST EIGHT YEARS ago, on April 26, 1976, the Senate Intelligence Committee headed by the late Frank Church (D-Idaho) concluded a remarkable investigation of the nation's foreign intelligence activities with a heavily censored report on the wasteful spending and questionable operations they so often entailed.

There was a lot of brave talk on Capitol Hill and in the Carter-Mondale campaign at the time about the need for a comprehensive legislative charter for the intelligence community, a new rule of law to cure the "secret practices that have eroded the processes of open democratic government," as the Church committee put it.

Instead, it took Congress four years, until 1980, simply to oblige the CIA, by law, to keep the by-now-permanent House and Senate Intelligence Committees "fully and currently informed of all intelligence activities." As for covert actions, the committees were, as a general rule, to be notified, in general terms, before they were initiated. In turn, Congress agreed to scuttle an older law that the CIA had always bemoaned, requiring the notification of other, potentially more obstreperous committees in addition to the intelligence panels.

In fact, the battle for candor has always been an unequal one, as the current furor over the mining of Nicaraguan harbors attests. CIA officials like to bill themselves as dutiful citizens, bound by the rigors of the law, but in fact, the agency has never been dedicated to genuine compliance with any measure meant to control it. It operates on a much more corrosive principle. It trims, it skirts, it looks for loopholes.

■ ■

The absurdities of the debate over U.S. backing for the Nicaraguan *contras* and their guerrilla warfare offer one example. Members of the House Intelligence Committee secured passage not long ago of a law stating that no U.S. funds could be used "to

purpose of overthrowing the government of Nicaragua." The straight-faced reply of the CIA and the Reagan administration has been that that is not our purpose, even if it is the *contras*. And so the funds have continued to flow.

"Probably no other organization of the federal government has taken such liberties in interpreting its legally assigned functions as has the CIA," Harry Howe Ransom, a leading scholar in the field, has written. It is an observation that cannot be stated often enough. The agency's foot-dragging in reporting its offshore control of Nicaraguan mining operations offers yet another example. CIA Director William Casey, the episode shows, is not in the habit of volunteering information, the Intelligence Oversight Act of 1980 notwithstanding.

It's been said that "Casey wouldn't tell you if your coat was on fire — unless you asked him."

"If you ask me the right question, I will respond," the director himself has been quoted as saying. This, of course, is the same Bill Casey who assured the Senate Intelligence Committee at his 1981 confirmation hearing:

"I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act. I intend to provide this committee with the information it believes it needs for oversight purposes."

And this, of course, is the same CIA that blithely asserted in a public statement a few days ago: "Mr. Casey believes the record will reflect that he and his staff have kept that pledge. . . . From December 1981 through March 1984, either the director or the deputy director briefed the congressional committees 30 times on Central America. . . . Since the first of this year, the subject of mining of Nicaraguan ports has been discussed with either members or staffers of the committees and other members of Congress 11 times."

That begs the question of how extensive the discussions were, of whether the committees were "fully and currently informed."

According to Sen. Daniel P. Moynihan (D-N.Y.), who plans to resign as vice chairman of the Senate committee in protest, Casey mentioned the word "mines" once in the course of a two-hour meeting March 8 and once again March 13, both

times as part of a "singularly obscure sentence."

One lesson to be learned from all this is that the House Intelligence Committee headed by Rep. Edward Boland (D-Mass.) does a far better job of oversight than the senators. House members and staffers, sources say, knew last October of the CIA "mother ship," and its early role in a raid last fall on the Nicaraguan port of Corinto. It learned in January of the CIA supervision of the mining of Puerto Sandino. But only by persistent questioning.

The committee started asking about things like "mining" as long ago as last June. It never got an inkling of the operation until after the fact. The committee has always had to "pull teeth" to find out what the CIA was doing, even when Stansfield Turner was director during the Carter years. And lower-level CIA officials have been even more exasperating than Casey.

In short, the CIA is not complying with the spirit and the letter of the oversight statute and it never has. Congress has a right to be "fully informed," not a duty to ask the right questions. But the oversight committees have let the habit set in.

Ever since Frank Church, who died this month, closed down his investigations in 1976, his Senate colleagues have been unctuously bowing and scraping to the CIA — to win the agency's "trust." Having uncovered all those peccadilloes, the good senators were afraid the CIA would stop talking to them altogether. And their counterparts in the House, headed by Rep. Otis Pike (D-N.Y.), were brought to heel by what happened to their widely leaked report. The House voted to suppress it. Remember?

# The war against terrorism

By BARBARA REHM

For five months the Reagan administration has grappled with scenarios like this, trying to find a moral and political strategy to deal with a frightening new kind of warfare: terrorism sponsored by such sovereign states as Libya, Iran, North Korea, Syria.

In the face of the threat, President Reagan signed a secret national security directive April 3 that administration officials say will improve America's ability to launch preemptive and retaliatory strikes against terrorist groups abroad. Under the broad mandate of the document, the United States will hold states that export terrorism accountable and will use "every legal means" to stop them. It represents a major new development in U.S. policy. For the first time, the United States will go on the offensive.

CIA Director William Casey calls state-sponsored terrorism "a new weapons system that obliterates the distinction between peace and war." He says there are 50 major terrorist groups and hundreds of "mom-and-pop shops" of terrorists for hire. Their training bases are strung out across—and under the protection of—Iran, Libya, Syria, South Yemen, Bulgaria, the Soviet Union, Romania and Cuba.

"The use of terrorism allows sponsoring states to act without fear of a reprisal attack," warns Benjamin Netanyahu, deputy chief of mission at the Israeli Embassy in Washington and a director of an Israeli institute that studies terrorism. The institute is named in honor of his brother, the only Israeli commando killed in the famous 1976 rescue raid on Entebbe.

THE SOVIETS, radical Arabs and Islamic fundamentalists, he says, "share one thing: a deep hostility to the institutions and governments of the Western world."

The policy review grew out of the anguish and frustration over the Oct. 23 bombing of the U.S. Marine Corps headquarters in Beirut that killed 241 American servicemen. It was the bloodiest terrorist attack ever on an

*Washington (News Bureau)—It is 11:10 on a brilliant spring morning. Tourists crowd into the Capitol to watch the Senate debate on the CIA's role in Nicaragua. Suddenly, a flash of blue-white light, a hollow roar, and the ceiling of the ornate chamber collapses under the force of a powerful bomb blast: 63 persons, including 14 senators, are dead; 101 persons injured.*

*The United States blames five Libyan nationals. Intelligence teams trace their movements across Europe and back to a base near Tripoli. An anguished America demands action.*

*What does the President do: Send in a commando squad to knock out the base? Impose sanctions against Libya for training and protecting terrorists? Bomb selected Libyan economic targets as punishment? Retaliate by hitting Tripoli directly?*

*And what if an intelligence agency had warned the United States three days before the bombing that an attack was imminent? Could the President have acted then? Without absolute proof? Should the United States get into the business of terror to combat terror? Should we have counterterror agents, licensed to kill?*

American target and demonstrated the flaws in the nation's counterterrorist strategy. The administration is also concerned that terrorists may strike in the United States during the Olympics this summer in Los Angeles or during the Republican and Democratic national conventions.

The President's new directive called on 26 federal agencies to develop detailed plans to fight terror. One official familiar with the drafting of the document said the United States is looking to redirect intelligence gathering—both here and abroad—and to develop a command center to coordinate and act upon intelligence tips about terrorists.

The directive does not envision mounting assassination plots against foreign leaders who sponsor terrorism.

But the administration is looking to better coordinate its military capability to respond. It has called for creation and training of special paramilitary forces by the CIA and the FBI and has moved to place a number of special forces under direction of a special operations agency controlled by the Joint Chiefs of Staff. The Pentagon is preparing a "menu of targets" that will make it easier to strike preemptively or retaliate quickly.

IN ADDITION, the White House will draft international treaties that cover extradition of terrorists, rules on landing rights and new laws to deal with nations that offer havens to terrorists or that use diplomatic missions as a base for terrorist activities.

As part of the administration overhaul of its counterterrorist operations, the White House also will present a package to Congress, setting up a \$10 million fund to pay out enormous rewards for information about terrorists, and expanding federal prosecution powers against people involved in terrorist conspiracies and political hostage-taking.

Joel Lisker, staff director of a Senate subcommittee on security and terrorism and for nine years an FBI agent, says there is "strong sentiment on Capitol Hill" for fighting terrorists in this election year. In 1983 there were

Continued

CHICAGO TRIBUNE  
22 April 1984

# Top spy Casey at eye of CIA's storm with Congress

By Terry Atlas

**W**ASHINGTON—Six months ago, William J. Casey was awarded the CIA's highest medal for, the citation said, restoring the agency's credibility and "bringing imagination to our operation."

Now there may be some at the Central Intelligence Agency who wonder whether it should recall its medal from the nation's top spy-master whose very secretiveness, ironically, has drawn the agency into its potentially most damaging confrontation with Congress in a decade.

The uproar over what congressmen claim they weren't told about the CIA's role in mining Nicaraguan ports has provoked the kinds of troubling questions about covert operations last heard in the mid-1970s amid disclosures that the agency spied on Americans and plotted to kill foreign leaders. And it raises doubts about the effectiveness of the congressional oversight process, which may lead to new restrictions on how the CIA is permitted to go about its cloak-and-dagger business in Central America and elsewhere.

"The recent furor is hurting the CIA, and I think that's really too bad," observes Lt. Gen. [ret.] Brent Scowcroft, national security adviser during the Ford administration and an informal adviser to President Reagan.

BESIDES COSTING the administration congressional acquiescence for its not-so-secret war against Nicaragua's Sandinista government,

the controversy is endangering support for its broader policies for Central America, including action on emergency military aid to El Salvador.

At the center of all this is Casey—wealthy businessman, Reagan confidant and manager of his 1980 presidential campaign, cold warrior and spy-master. His roots go back to the Office of Strategic Services, the CIA's predecessor, where he directed American spies dropped behind Nazi lines in World War II.

Seen emerging from a black limousine wearing a dark raincoat and hat, he looks like he could have been dispatched to the CIA's headquarters in nearby Langley, Va., by central casting for the part of the nation's top "spook."

Gruff and abrasive, his tendency to mumble when he speaks reinforces the impression that he is being less than forthcoming, which indeed is often the case. Friends and critics alike joke that he is the first CIA director who doesn't need a telephone voice scrambler to protect his conversations.

"HIS PERSONALITY tends to turn a lot of people off," says one Capitol Hill staff member privy to Casey briefings.

Since taking over as CIA chief three years ago, Casey has achieved his aims of getting more money for the agency, rebuilding its covert operations side and making it an active tool in Reagan's aggressively anti-Soviet foreign policy. He clearly continues to have the confidence of the President and his closest White House advisers. But his determined style has seriously hurt CIA relations



William Casey

Caricature by Kerry Waggoner

with many in Congress, who blame him for keeping them largely in the dark about the mining and the CIA's role in the previous attack on Nicaragua's oil supplies.

For his part, Casey makes little effort to conceal his scorn for Congress, which he feels has unfairly questioned his qualifications, his judgment and his integrity since his appointment in 1981.

Members of Congress faulted his selection as inappropriate because he had run the President's campaign. Later his judgment was challenged when the man he put in charge of the agency's clandestine operations was accused by a busi-

ness associate of violating securities laws and resigned (although he was never charged with violating any laws). And he was attacked for his personal financial dealings while head of the CIA.

MOST RECENTLY he has been interviewed by the FBI as part of its investigation of how the 1980 Reagan campaign obtained documents from the Carter White House.

In appearances before members of the House and Senate Intelligence Committees, Casey has proven a most reluctant, sometimes hostile, often arrogant witness who offers information only sparingly and grudgingly.

"He tells us the bare minimum," complains a staff member on the House Select Committee on Intelligence.

His problems reflect style as much as substance, appointing, for instance, a 30-year veteran of the CIA's clandestine operations, Clair George, to oversee congressional relations. "He is a full-fledged spy where, in my judgment, openness and communication are the skills that you want," says a staff member on the Senate Select Committee on Intelligence. "Instead, they've got somebody with a 30-year career for secrecy."

Continued

STAT

STAT

STAT

# CIA returns to cloak and-dagger

By James McCartney  
Inquirer Washington Bureau

WASHINGTON — A new anti-terrorist policy adopted by the White House includes plans for infiltration of secret operatives into terrorist organizations on a large scale in the Middle East, Central America and the Caribbean, according to sources in the U.S. intelligence community.

The new, aggressive plan to fight terrorism, these sources said, is part of a major administration effort to give the cloak and dagger back to the Central Intelligence Agency by rebuilding the agency's clandestine services.

The United States is going back into the spy business in a way that was largely abandoned during the Carter administration, using what the CIA calls "human collection" techniques — as opposed to technological intelligence-gathering through such means as spy satellites — the sources said.

The CIA's role in the mining of Nicaraguan harbors and attacks on oil facilities, exposed in recent days, illustrate part of the rebuilding program — but only part — according to several sources, some of whom have participated in secret briefings.

New agents have been hired by the score; more than 800 clandestine positions cut by Carter have been restored. New CIA offices have been opened around the world. And new plans have been laid for supersecret projects built on human intelligence techniques, involving spies, saboteurs, guerrilla warfare experts and many other kinds of secret operatives.

Some details of the get-tough policy on fighting terrorism came to light during interviews with present or former officials who have directed or monitored U.S. intelligence activities. They agreed to discuss the topic on the condition that they not be identified.

Aided in part by the close friendship of CIA Director William Casey with President Reagan, the CIA has become the fastest growing part of the federal government, expanding at a rate even faster than the Penta-

gon budget, according to sources.

Casey, 71, who was Reagan's 1980 campaign manager, has said that "the government turned its back on intelligence, and the process of gathering it" in the Carter administration. "I want to restore the earlier, good days," he has said.

Under Casey, the CIA budget now soars over \$1.5 billion, a substantial increase, and the amount apportioned to clandestine services increased from about 2 percent or 3 percent to about 10 percent, according to sources who helped draw up the budget.

The exact amount of the CIA budget has always been a closely held government secret. The CIA money is buried in the Pentagon budget, and only a handful of top administration officials know how much it is.

Today, the major projects are the secret war against Nicaragua, to which about 150 agents have been assigned, and the new anti-terrorist campaign.

The key to anti-terrorism, say several current or former officials, will be infiltration, even though problems raised may skirt the edges of the law and raise new controversies for the frequently embattled CIA.

"It is the only way you can penetrate," one longtime intelligence specialist said.

"You've got to get your own people on the inside of terrorist organizations to find out what plans for terrorist action are. That means they may have to participate in some pretty hairy activities to establish their credentials. They'll have to go along on the small stuff so that they can be found when big action is planned.

"Some of our people may have to be a part of low-level assassinations and will have to keep their mouths shut to protect their cover."

A congressional source suggested another possible indirect U.S. role in assassinations.

## Castro may be target

For example, this source said, Cuba's President Fidel Castro — once a specific target of CIA assassination attempts — may again be a potential target, this time of non-Americans

but possibly with the unspoken acquiescence of the CIA.

Asked about this possibility, a CIA spokeswoman, Pat Volz, said the CIA would adhere strictly to a presidential executive order signed by Reagan on Dec. 4, 1981, which says: "No person employed by or acting on behalf of the U.S. government shall engage in or conspire to engage in assassinations."

Casey said in a recent interview: "We don't engage in assassinations."

The administration's anti-terrorist campaign will include pre-emptive strikes and direct reprisals, and has been modeled on Israeli techniques, according to both administration and congressional sources.

"President Reagan has studied the Israeli approaches and likes what he sees," a source said. "He likes it because he thinks it works."

"The next time there is a terrorist attack on the U.S. we'll handle it like the Israelis handle theirs. We'll strike back."

A counterterrorism strike force, of about 100 to 150 people, has been built on the Israeli model and set up in the Defense Department.

## Team for terrorism

The CIA also has established small teams to deal with terrorist incidents. Casey all but openly acknowledged the U.S. plan in a recent interview with U.S. News and World Report.

"There's a question of deterring terrorism by sending the message that if the terrorists attack there will be retaliation," he said. "The Israelis, for example, send the message: 'If we're hit from your territory, that's your responsibility and we're going to kick you in the teeth somehow.'"

"I think you will see more of that — retaliation against facilities connected with the country sponsoring the terrorists, or retaliation that just hurts the interests of countries which sponsor terrorism."

The secret war against Nicaragua, as one former high CIA official describes it, started out as a small operation and got out of control. No one

Continued

ARTICLE APPEARED  
ON PAGE 1HUMAN EVENTS  
21 April 1984

# GOP Senators Betray Reagan's Central American Efforts

Are the Senate Republicans to be taken as serious people with serious purposes in mind? Their despicable, panicky performance in gathering around a measure condemning U.S. aid to the Nicaraguan "Contras" surely suggests not.

The U.S. Senate—the GOP-controlled U.S. Senate—voted 84 to 12 last week (see rollo call at right) for a "sense-of-the-Congress" resolution condemning CIA participation in helping the "Contras" mine the harbors of Marxist-Leninist Nicaragua, an action approved in February by President Reagan himself.

The resolution was introduced by one of the Sandinistas' greatest friends — and one of the Republicans' greatest foes — Sen. Teddy Kennedy (D.-Mass.), and its overwhelming support was viewed as a stinging rebuke to the Reagan Administration and its anti-Communist Central American policy.

The New York *Times* headline of April 11 resembled the headlines of hundreds of papers across the country and abroad: "Senate, 84-12, Acts to Oppose Mining Nicaragua Ports," with the first subhead saying: "Rebuke to Reagan." The Left was lapping it up.

The so-called revelation that the U.S. was helping Latin commandoes sow Nicaraguan harbors with acoustic mines was viewed with supposed "horror" by our senators. And House Speaker Tip O'Neill (D.-Mass.) insisted the disclosure — almost certainly a leak from the House or Senate intelligence committees—would sink the Administration's request for further funding of the "Contras" operations.

Whether this would be the final result

is still uncertain, but the stunning support of the Kennedy resolution has clearly jeopardized the entire Reagan policy.

What is supremely shocking about this vote is not that Teddy Kennedy — who has never met a Communist revolutionary he couldn't stomach — offered his pro-Sandinista, anti-Reagan resolution, but that the Republicans in the Senate would rush to embrace it.

No fewer than 42 Republicans decided to crown Teddy and the Ortega brothers with this magnificent triumph. Majority Leader Howard Baker was quick to snuggle up to Teddy's resolution, but that was only somewhat surprising. Far more jarring is that such GOP conservatives as Bob Kasten (Wis.), Bill Armstrong (Colo.), Paul Trible (Va.), Paula Hawkins (Fla.) and even Paul Laxalt (Nev.) joined in this Democratic effort to repudiate the President and an integral part of the Reagan policy in Central America.

Just what do these Republicans think they are accomplishing by such a politically cowardly act? No doubt each can offer some sort of argument—though we have not yet heard them utter one that carries any weight—but what their vote has objectively done is to further the cause of the Left in Central America, to furnish the Sandinistas with a huge propaganda victory, and to give the seal of approval to liberal plans to cripple the CIA's efforts to save this region from Communist domination.

These senators should be blessing the President and the CIA for their efforts to rid this area of the Communist forces now threatening our strategic backyard. Indeed, they should be urging the Administration to do even more.

The situation, so far as our Nica-

WASHINGTON POST  
21 April 1984

STAT

STAT

# Security Experts Differ on Effects Of CIA's Mining

By Joanne Omang  
and Walter Pincus  
Washington Post Staff Writers

Former national security affairs adviser Brent Scowcroft said yesterday that the CIA's mining of harbors in Nicaragua "is hurting the CIA," harming Reagan administration efforts to deal with the leftist Sandinista government in Nicaragua and reducing the ability of the United States to use covert action as a policy tool.

In addition, Adm. Bobby R. Inman, former deputy director of the CIA and director of the National Security Agency, said that, with few exceptions, such covert operations are a bad idea because they seldom are supported by the American public.

Another senior intelligence community figure, former CIA director William E. Colby, said the degree of agency involvement in the mining of Nicaraguan waters was no different from its participation in other covert paramilitary operations worldwide.

Scowcroft, a retired general who has served over the past two years as a part-time adviser to President Reagan on arms control and strategic weapons, told reporters at a breakfast meeting that the mining controversy has "got in the way of a serious debate over Nicaragua" and that something must be done to limit the Sandinista regime's apparent desire to export revolution.

However, covert action "will be less available in the future" as a policy instrument because of the current debate, he said.

"I think the recent furor is hurting the CIA, and that's too bad," because the agency is just recovering from criticism during the late 1970s of its earlier covert operations, Scow-

croft said. He was a national security adviser to presidents Nixon and Ford.

In fact, he added, if the mining was done "as an act to convince Nicaragua" to stop exporting arms, perhaps "we should have done it overtly" in order to be more effective. Other possible open actions might include "a blockade or a quarantine," he said.

Scowcroft said covert operations should be small in order to avoid discovery. "You employ covert operations to disassociate the United States from the activities," he told reporters. "When they get as massive as this seems to be, then they are more difficult" to keep secret and "tend to be counterproductive," he said.

Inman expressed similar views. "I'm not prepared to cast an absolute vote, but if you are going to decide you've got to do something beyond diplomacy and trade," he said, "do it overtly. Do it large. Do it fast. And get out fast. Don't get involved in one that's going to have a long-term commitment. If it does, that's not going to be sustainable."

Inman, interviewed at the computer research consortium he heads in Austin, said most covert operations start because of frustration with diplomacy and overt action, or for domestic political reasons, not because covert action is the best way to deal with an international problem.

But public consensus that the action is appropriate is essential to its success, Inman said. "If you cannot build a consensus that holds, the policy is in trouble," he said.

Colby, in an appearance taped for broadcast today on Cable News Net-

that, in actions during the 1960s in Laos and Cuba's Bay of Pigs, agents "were providing logistics, communications, air transport, training, things of that nature, and liaison, coordination, but not going out to the patrols and in the fights."

In Nicaragua, "it was consistent with what I said: CIA officers were more than 12 miles offshore in the boats, providing support for the actual operation going in as distinct from the CIA officer being on the boat going in to lay the mines," Colby said.

Colby, who was CIA director from 1973 to 1976, said members of the intelligence committees in Congress understand the degree of CIA participation in covert actions and that he would have briefed them on the mining "the way I understand it was done on this occasion."

Some committee members, including Senate Intelligence Committee Chairman Barry Goldwater (R-Ariz.), said they were not properly briefed in advance. Both houses of Congress last week approved non-binding resolutions condemning the mining.

Serious questions about White House staff coordination and review of CIA covert operations in Nicaragua also were raised yesterday by a former Nixon aide who asked not to be identified.

This former official said he believed that the "international implications" of the CIA mining operation had not been adequately reviewed "and probably fell through the cracks" in the White House staff. Internal competition and conflicts among presidential advisers and Cabinet members, this former aide said, had led to a breakdown in the review process that had worked in previous administrations.

# The high-tech trail



America and Europe face a long prospect of imperfect choices over trade that could provide Russia with new technologies of war

One of the most welcome things about the computer revolution that began 15 years ago is its habit of undermining centralised authority and controls. But the habit is hard to kick. The same innovations that are starting to perk up western economies are also transforming war-fighting abilities all over the world, including Russia's. The new technologies of war are proving no easier to confine than their peaceful cousins.

This is what lies behind the ill-tempered debate between the United States and western Europe, and within America itself, over what to do about high-technology exports to the Soviet Union. Europeans are tempted to think of this new dispute as another version of the fight that broke out in 1982 between them and the Reagan administration over contracts to supply the Siberian gas pipeline. There are some familiar elements—especially the persistent American view that America has the right to continue controlling American products and technology even after they have passed into the possession of foreigners. But there is a basic difference between the pipeline dispute and the more recent high-tech squabble. In 1982 there was a disagreement between America and western Europe about the right aims of trade policy towards Russia. This time the purpose—to keep militarily useful things out of Russian hands—is not in dispute. But how to do it?

## Separating civil sheep from military goats

Modern armies march on electronics. Guns, bombs and aircraft are becoming less important than the computers that direct them, the communications equipment that lets commanders keep a rein on battlefield action, and the signalling devices that reveal an enemy's position while hiding one's own. Russia, which has not shown itself adept at inventing such things, is making every effort to try to buy or steal them from the west.

The trouble is that the new military technology is being driven by, and often cannot be distinguished from, the new civilian technology. The silo-busting accuracy of Russia's nuclear missiles comes from precision grinders that the Soviet Union freely bought in the west during the 1970s when it had not occurred to westerners that they might be useful for grinding ball bearings to go in a missile-guidance system. At the other extreme, America is now requiring export licences for heart monitors, because the defence department believes that some of the chips they contain could be used for missile guidance. The list of such dilemmas will inevitably lengthen.

The overlap of civilian and military uses is bringing two quite proper objectives into a headlong crash. One is that the west should do all that it can to avoid arming Russia. The other is that the freer trade is, the better for everybody—particularly trade in the newest technologies, which greatly increase productivity wherever they are installed. There are several losers when a French hospital buys a second-best heart monitor because the American one has been held back by a tangle of export-control red tape.

When the American congress comes back from its Easter recess, it will probably hammer out a new version of the Export Administration Act, which expired six months ago and has been kept alive by emergency extensions since. Some time in the next few months the western allies in Cocom, the informal committee where they work out their joint policy on military exports, should at last agree on a new list of banned high-tech exports to replace the yellowed version drawn up 10 years ago. But the way in which the new rules are administered will matter as much as the rules themselves.

The American defence department, whose influence

Continued



Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

ARTICLE APPEARED  
ON PAGE A-19WASHINGTON POST  
21 April 1984

FILE ONLY - DC 1

### 'Such Appropriate Letters'

As a retired federal employee, I read with no small amount of relish and a tinge of envy the letter Sen. Barry Goldwater sent to Bill Casey [April 11]. Would that we in the executive branch had been permitted to write such appropriate letters to the addle-headed mush-mouths with whom we had to deal.

I never thought I'd want to vote for Barry Goldwater. Now, probably I would.

—*F. George Drobka*

21 April 1984

**EDITORIALS****Keep the spooks in the shadows**

As the late Chairman Mao Zedong observed, power grows out of the barrel of a gun. The CIA has the guns in Central America, and therefore wields increasing power in Washington. That's too bad. The CIA's mandate is to gather and assess intelligence for the benefit of policy makers in the State and Defense Departments and—ultimately—the President. When the CIA also helps drop bombs on oil refineries in Nicaragua and mine Nicaraguan ports, its basic mission is likely to be compromised.

Of course, in this grab for policy power, the agency has strong allies like Jeane Kirkpatrick, ambassador to the United Nations, a diplomat by designation but a cold warrior by inclination. With her backing, CIA Director William Casey seems to have the President's ear and whispers into it that the Sandinistas can be overthrown by his army of "contras" if the wimps in Congress will pony up a mere \$21 million.

Foreign policy should be set by the President and executed by the State Department, not the CIA. Once it gets into the business of running wars it will inevitably produce "facts" to justify its policies. That was the lesson of the Bay of Pigs, one of its many disasters.

ARTICLE APPEARED  
ON PAGE C-2WASHINGTON TIMES  
20 April 1984

# U.S. ran a red light

## TOM BRADEN

**N**o sooner had he expressed his outrage to William Casev about the CIA's mining of Nicaragua's harbors than Sen. Barry Goldwater cast his vote against a resolution condemning it.

The aging warhorse of the conservative cause thus staked out a position which is seemingly illogical but which at its very core defines precisely where the country stands and what most Americans believe. The position is as follows:

We recognize that covert action is a necessary instrument to the successful conduct of foreign policy. We don't want to tell our presidents that they may not use covert action. But we are (Sen. Goldwater's expletive deleted) when covert actions become public, embarrassing the country and dragging its standards in the mud.

Which is exactly what the CIA's mining operations have accomplished. The revelation that we had stationed an American ship off the Nicaraguan coast, hired mercenaries to run bombs into Nicaraguan

harbors and damaged the vessels of ancient allies engaged in legitimate trade was the first embarrassment.

What were we to say to the British, the French, and the Dutch, not to mention the Russians? "Oh, don't bother about it; I'm looking at the fender right now and I can hardly see the dent?"

We ran a red light and we got caught.

After that came the second embarrassment. We announced that we wouldn't accept the jurisdiction of the court. That's right. We, who last used the World Court to hold up before the world the fact that Iran had violated international law by taking diplomats as hostages turned logic on its head. It was as though, after running the red light, we had offered up the explanation that we didn't mean to get caught.

It was too much for the Senate to stomach. Too much even for Republican leader Howard Baker. The

much for conservatives Paul Trible, Jake Garn, Paul Laxalt, Roger Jepsen and William Armstrong. Only 10 of the habitual denizens of right-wing caves voted against the resolution. Plus Bob Dole and Barry Goldwater.

Both of whom say they were just as embarrassed as anybody else but wanted to maintain the principle that the president is entitled to employ covert action. He is and has been since 1947. But I wish Mr. Dole and Mr. Goldwater had given some thought to the purpose of covert action before they cast their votes.

Because their long-ago predecessors who legalized covert action and set up an agency charged with responsibility for employing it were fully aware that what they were doing was to give the United States of America an "out," a way to finesse its own ideals, its own stated objectives and its own laws when it was absolutely essential to do so

and when doing so could be plausibly denied.

Reduced to plainer English, that means the people to whom we give responsibility for running red lights must not get caught.

William Casev and his colleagues at the Central Intelligence Agency got caught. They planned an operation which in hindsight at least appears to have been plain stupid. Did they suppose that they could put mines in harbors open to international trade without getting caught? Did they suppose that the governments whose flags the damaged ships were flying would not complain? Did they count the cost of getting caught?

It may be that a change of government in Nicaragua is essential to the United States. But the maintenance of international law is also essential to the United States. Covert action is a means for achieving one vital interest without impairing the other. This particular covert action damaged both. So why not condemn it? And why not ask in addition whether those who planned this operation are any good at their jobs?

# Reagan Urged to Go to American People on Nicaragua Issue

By BERNARD GWERTZMAN  
Special to The New York Times

WASHINGTON, April 19 — Administration officials said today that some White House officials have urged President Reagan to make a speech to the American people to overcome Congressional resistance to \$21 million in additional aid for the Nicaraguan rebels.

"I think the only way we are going to get the money," an official said, "is by the President going over the heads of Congress, to the people, to lay out the situation and persuade them that there is an important middle ground between total war and total peace."

Other officials hope a compromise can be worked out. A State Department official said that, once Congress returns from its Easter recess next Tuesday, there will be an opportunity for discussion to see what can be done.

The officials said no decision was likely until Mr. Reagan returns from China in 11 days. But they noted that available money for the rebels was almost exhausted and that the aid program would be imperiled if Congress did not approve the \$21 million soon.

## Senate Voted Money April 5

The Senate approved the request April 5, but House Democratic leaders have vowed not to vote any money. Since April 5, key members of the Senate Select Committee on Intelligence have complained that William J. Casey, the Director of Central Intelligence, did not inform them adequately about American involvement in the mining of Nicaraguan harbors and in a raid against Nicaraguan oil storage tanks.

Vice President Bush, referring to the Nicaraguan rebels as Contras, told the Overseas Writers club today:

"I think it would be very, very bad if the Contras receive no funding from the United States. If you deny the Contras any support at all, you facilitate the overthrow of a neighboring regime which is going the democratic route, which has not perfected democracy, but is head and shoulders above the Sandinistas."

He was alluding to the Reagan Administration's argument that aid to the Nicaraguan insurgents was justified on the ground that the Nicaraguan Government was aiding the rebel forces in El Salvador.

## Two Legislative Approaches

There are two legislative possibilities when Congress returns, Congressional staff aides said.

One is for a House-Senate conference to settle differences between a \$1.4 billion Senate appropriations bill that contains \$21 million for Nicaraguan rebels, and a House bill that contains only \$150 million in African famine relief.

The other is for the House to take up a substitute appropriations bill offered by Representative Jamie L. Whitten, Democrat of Mississippi, chairman of the Appropriations Committee, which contains \$500 million in aid, none of its for the Nicaraguan rebels.

Neither approach would provide money for the insurgents.

Last fall, when the Congress first approved \$24 million for the Nicaraguan rebels, the House at first did not support the aid. But House conferees agreed to it in conference with the Senate. For this to happen again, the Senate conferees would have to fight strongly for the request.

## Two Hearings Are Scheduled

The Administration hopes to end the feud with the Senate Intelligence Committee next week. Two hearings are scheduled. The first, on Monday, will involve staff members of the committee and of the Central Intelligence Agency, through which the money for the Nicaraguan rebels is being funneled. The other hearing, on Thursday, will involve senators and senior C.I.A. officials.

Senator Patrick J. Leahy, Democrat of Vermont, who is a committee member, said in an interview that there were so many senators who "justifiably feel they were not briefed adequately" that there is a credibility problem between the Congress and the intelligence agencies.

"We should charge admission to the hearing next week," he said, "because there will be so much storming with people pointing fingers at each other, accusing them of this and that."

Senator Leahy, who opposed aid for the Nicaraguan rebels, has said that he was sufficiently briefed on the nature of American involvement in the activities against Nicaragua.

## Committee Recommendations

Committee staff aides have drawn up some recommendations. Some of these reflect the complaints by Senator Barry Goldwater, Republican of Arizona, the committee chairman, and Senator Daniel Patrick Moynihan,

Democrat of New York, the vice chairman, that Mr. Casey did not properly inform the committee about the scope of the American involvement.

Under the recommendations, the committee aides said, the C.I.A. would be required to certify each week that it has not undertaken any new significant operations without fully informing the committee. Mr. Casey would be required to testify only under oath, and the C.I.A. legislative liaison officer, Clair George, would be replaced.

Mr. Casey has insisted that he has complied fully with the law in his briefings. In a bulletin distributed to C.I.A. employees last week, he said reports that Congress had not been properly informed were "not true."

"We have fully met all statutory requirements on notifying our intelligence oversight committees on the covert action program in Nicaragua," he wrote. "This agency has not only complied with the letter of the law in our briefings, but with the spirit of the law as well."

Senate Committee Conducted 'Staff Study'

# Inouye: No Significant

## Rewald-CIA Link Is Found

By Charles Memminger  
Star-Bulletin Writer

A U.S. Senate committee has investigated the CIA's connections to Ronald Rewald's defunct investment company and has found no significant involvement, according to Sen. Daniel Inouye.

However, the U.S. House Committee on Intelligence has begun a similar probe, it was learned yesterday.

Inouye said the Senate Committee on Intelligence, which oversees CIA activities, conducted a "staff study" of Rewald's claims that the CIA directed him to form Bishop, Baldwin, Rewald, Dillingham & Wong, then pumped millions of dollars through the company to secret CIA projects around the world.

"It would be safe to say that the involvement (by the CIA) wasn't significant," Inouye told the Star-Bulletin yesterday. Inouye said there are several levels of "staff study" and that the committee was satisfied after its initial probe that there was no need to go further in Rewald's case.

"It is significant that it hasn't gone beyond that," Inouye said.

The report on the investigation is classified, he said.

"That doesn't mean there is something exotic in there," Inouye said. "It is just the nature of the agency's work."

THE STUDY was begun in response to news coverage of the fall of Rewald's company and federal court action sealing CIA material found in Rewald's files.

Inouye said that whenever the CIA is involved in a court case the Intelligence Committee looks into the matter.

While the Senate may be satisfied that the CIA was not significantly involved in Rewald's company, the House Committee on Intelligence still is in the midst of a probe.

Michael O'Neil, the committee's chief counsel, would not discuss the probe, saying

committee "is in the process of looking into all of the allegations" surrounding the case. He said the probe began about a month ago, also apparently because of the growing publicity surrounding the case.

Rep. Cecil Heftel said in a meeting Wednesday with Star-Bulletin editors that the House Intelligence Committee should look into the CIA's role in the Rewald case. The CIA is "not one of our most credible institutions," he said.

O'Neil said he expects more interest in the Rewald case as it gains more national attention. Washington, D.C., residents could read about the Rewald saga in both the Wall Street Journal and the Washington Post this week.

CBS NEWS also is looking into the case and has bought some material from the British Broad-

casting Corp., according to David Taylor, producer of a BBC segment on the Rewald case.

The BBC program, aired a few weeks ago in Britain, stressed Rewald's allegations of intense CIA involvement in his company.

What congressional investigators as well as state and federal criminal investigators have to do is sort out a mass of conflicting information concerning alleged CIA activities within Rewald's company.

They have to decide if the CIA was careless enough to use Rewald's obviously transparent "kamaaina" business concern as a front for secret dealings, or whether Rewald was clever enough to convince retired CIA and military officials to add credibility to his company.

For instance, there are teletype messages between Rewald in Honolulu and retired Air Force Capt. Ned Avary in Paris concerning the sale of military arms to Taiwan. The documents are impressive because they refer to the purchase of tanks, laser-sighting devices, helmets and other military hardware.

Avary acknowledges that he did make contact with an arms dealer in Paris and did send the telexes. But he says the deal never went through and that Rewald's purpose in sending messages was to generate impressive-looking documents to bolster the

appearance that the CIA was heavily involved in his company.

Rewald's attorneys say the arms deal was real and was completed. They have sent a letter to CIA Director William Casey demanding payment of the \$10 million commission made on the deal.

IF INVESTIGATORS are to be convinced of a Rewald-CIA link, they have to believe that:

✓ Rewald stole secret plans to the Japanese High Speed Surface Train for the CIA in the late 1970s. Rewald supporters say he did, but officials at Japan Air Lines, developer of the train, have said they doubt it. They said they actively sought interest in their train designs.

✓ Rewald met with an Afghan rebel at an outdoor Waikiki cafe one night, just after the Soviets invaded Afghanistan. A Rewald associate, who was at the meeting, said the rebel was looking for arms from the United States.

✓ Rewald was sent by the CIA to Argentina during the Falklands Islands war to find out if repayment of U.S. loans were in jeopardy. The investigators will have to find out why the United States would send an inexperienced investment adviser (who previously had gone bankrupt in

Continued

USA TODAY  
20 April 1984

# White House urged to dump Casey

By Mike Connolly  
USA TODAY

WASHINGTON — Members of Congress from both parties — troubled by a growing rift with CIA Director William Casey — are pressing the White House for his resignation to save the administration's Central American policy.

"I have been told that several (senators) have communicated that suggestion to high authorities at the White House," Sen. Daniel Inouye, D-Hawaii, said in a telephone interview Thursday.

In his remarks, Inouye, first chairman of the Senate Select Committee on Intelligence, did not call for Casey to step down, but noted that covert aid to Central America "is just about nil now" because it needs a "relationship of trust."

"I can assure you it's serious," Inouye said. "I've had both Democrats and Republicans tell me that it would be in everyone's benefit if Casey

would resign. ... These are serious suggestions, seriously made."

Casey was unavailable for comment.

Congress is adjourned for the Easter recess until Monday, but is expected to take up the issue of Central America following disclosures that the CIA helped mine Nicaraguan harbors without full knowledge of Congress.

Sources close to the Senate leadership confirmed Thursday that leaders from both houses have privately "suggested" to senior White House aides that Casey step down.

But White House spokesman Larry Speakes, en route with President Reagan to California on the first leg of his trip to China, said he was unaware of the resignation talk.

Inouye noted Thursday that it would be difficult now for the White House to get the money it wants for El Salvador even in the GOP-controlled Senate.

"I'm not suggesting that Mr.



UPI

**CASEY:** Party leaders have suggested he step down.

Casey has done anything wrong or illegal," he said. "Many times it can be a question of personalities."

Inouye's comments follow the failure of the CIA to notify the Senate Intelligence Committee — as required by law — that it was seeking an additional \$21 million for covert aid to

the anti-Sandinista forces battling the leftist Nicaraguan government.

The disclosures by Inouye can be expected to carry substantial weight on Capitol Hill. He is viewed as being well-prepared, even cautious, in his public statements.

Others have suggested previously that Casey resign: Sen. Barry Goldwater, R-Ariz., because of a Casey appointee's stock dealings, and Sen. Joe Biden, D-Del., who called for Casey's resignation after questions were raised about Casey's continued playing of the stock market after he'd taken over the CIA post.

## CIA chief's past troubles

Embattled CIA director William Casey has faced critics before:

■ May 19, 1981: Federal judge rules Casey in 1968 misled investors in a \$3.5 million fund-raiser for a New Orleans company while serving on the firm's board.

■ July 18, 1981: Max Hugel, Casey's spy chief, resigns under White House pressure after former business partners accuse him of stock manipulation — which Hugel denied.

■ July 29, 1981: Senate panel clears Casey after he failed to report stock holdings in three corporations before his confirmation hearings.

■ July 19, 1983: Casey agrees to place stock portfolio into a blind trust after criticism for trading several million dollars worth of stocks in firms with classified CIA contracts.

■ Nov. 11, 1983: Casey denies before House panel any role in obtaining Carter White House briefing papers while managing Ronald Reagan's presidential campaign.

ARTICLE APPEARED  
ON PAGE A-18

WASHINGTON POST  
20 April 1984

# Ways Eyed To Foster Latin Aims

## President's Aides Weigh Shifting Debate From CIA

By David Hoffman  
Washington Post Staff Writer

The White House is searching for new approaches to build public and congressional support for President Reagan's policies in Central America after setbacks over the CIA's role in covert warfare against the leftist government of Nicaragua, senior administration officials said yesterday.

Several presidential assistants and Republican political strategists said Reagan should attempt to shift the debate away from covert CIA activities and focus it instead on the larger goal of stopping the spread of communism in the region.

"It's all how the debate is framed, and if we get sidetracked on the CIA and the World Court, it's a loser," said a White House official. "We've got to come back to first principles."

This reassessment follows overwhelming votes by the House and Senate in support of a non-binding resolution condemning the CIA-backed mining of Nicaragua's harbors, the strongest congressional repudiation of a Reagan foreign policy to date. With its request for military aid to El Salvador stalled, the White House then bypassed Congress and invoked emergency authority to send the aid.

The administration officials stressed that Reagan is deeply committed to the current course of his Central American policy. Regardless of the political risks, they said, Reagan is not likely to pull back from the region, as he did under pressure in Lebanon.

They said Reagan is determined to prevent Soviet- and Cuban-backed forces from toppling any democratic government in the region "on our watch," as one of them put it.

But some administration officials are privately worried about the political fallout of the recent disclosures that the CIA played a direct role in the war being fought by rebels against the leftist regime in Nicaragua, including the mining of harbors and the CIA-directed attack on a Nicaraguan oil storage facility.

These officials said they believe that political support for Reagan's larger goals in Central America could be undermined if the focus becomes CIA activities rather than what Reagan has called the "faraway, totalitarian power" that is "committing enormous resources to change the strategic balance of the world by turning Central America into a string of anti-American, Soviet-style dictatorships."

"We can sell Central America if it's not a clandestine CIA thing," one official said. "The CIA has a connotation, something we shouldn't be doing, and it brings up Chile and the Bay of Pigs."

As a result, the officials said they wanted to change the focus of the debate away from the CIA and its covert activities, even though they believe such a shift will not affect the actual CIA role in Central America or the basic policy the administration is pursuing.

Several officials noted that CIA Director William J. Casey has close ties to Reagan personally and that he has used them to win approval for CIA activities in the region.

They also noted that chief of staff James A. Baker III, who is often the White House adviser most sensitive to potential political problems for Reagan, has been a staunch hacker of the administration effort in Central America, and would be unlikely to urge Reagan to change course now.

Baker, because of his differences with Casey over the investigation of how the 1980 Reagan campaign obtained briefing papers from the Carter White House, is extremely reluctant to interfere with Casey on the details of the CIA's Central America operations, officials said.

But several officials said there was general White House agreement that a new "education effort," as one put it, was needed on Central America after the president returns from his China trip.

"We've got to get off the defensive and back to the offensive," said one informed official. "If we aren't getting out" of Central America, he added, "let's sell it."

In recent days, some officials discussed a possible Reagan speech that would be designed to "sell" the Reagan policy, but the idea was discarded because there was not enough time before Reagan left for China. The speech may be given later, however.

Reagan has faced this problem before. He delivered a speech last April 27 to a joint session of Congress to shore up support for his Central America policies. But "the Congress and the people need to have important things sold and then resold," said a GOP strategist.

Republican political strategists said it was "premature" to determine whether the disclosures about the CIA's role would hurt Reagan politically; polls have yet to be taken on the subject.

"Foreign policy is looming out there as an issue," said one informed GOP strategist.

"But today the criteria that people are using" to judge Reagan "is almost solely economic," he added. "They are working and inflation is down. If the criteria switches to foreign policy, it could be a problem, but right now all you can say is a future, potential problem."

## Key C.I.A. Role Seen in Barring Of Nicaraguan

By PHILIP TAUBMAN  
 Special to The New York Times

WASHINGTON, April 19 — The White House rejected Nicaragua's Deputy Foreign Minister as the next Ambassador to Washington at the insistence of the Central Intelligence Agency, Administration officials said today.

They said the decision overruled a recommendation made by Secretary of State George P. Shultz and reflected what they described as the dominant role the C.I.A. has taken in determining United States policy toward Nicaragua.

The rejection, disclosed in Nicaragua on Wednesday, was confirmed by the State Department today.

### Nicaragua Sanctions Weighed

At the urging of the C.I.A., Administration officials said, the White House is also considering imposing economic sanctions against Nicaragua, including an embargo of banana imports and the cancellation of landing rights in the United States for Nicaragua's national airline, Aeronica.

These measures have been opposed by the State Department, the officials said. A final decision on the sanctions has not been made.

Another sign of the C.I.A.'s ascendancy in shaping Nicaragua policy was the mining of Nicaraguan harbors, which Administration officials have said was proposed and encouraged by the intelligence agency as part of its three-year effort to harass the Sandinistas by supporting Nicaraguan rebels.

Intelligence officials said the C.I.A. objected to Nicaragua's choice for Ambassador, Nora Astorga, because of her role in the 1978 murder of an officer in the Nicaraguan National Guard who was a key operative of the C.I.A. The officials said that Miss Astorga lured the officer, Gen. Reynaldo Pérez Vega, to her bedroom where he was slain by Sandinista revolutionaries.

Administration officials said the C.I.A.'s growing role in shaping policy toward Nicaragua marked the latest development in a series of internal power struggles that have marked the Administration's management of

policy in Central America. Theoretically, the officials said, the State Department now directs the development of policy. Langhorne A. Motley, Assistant Secretary of State for Latin America, chairs an interagency committee that formulates policy.

In practice, however, the officials said, the State Department often has little influence over final decisions, with the Defense Department dominating policy discussions about El Salvador and Honduras and the C.I.A. taking the lead on Nicaragua.

The State Department, the officials said, sometimes goes along with Pentagon or C.I.A. initiatives despite reservations to avoid gaining a reputation for being soft on Soviet and Cuban interference in Central America.

White House officials said major decisions about American policy in Central America are discussed at National Security Council meetings, which are usually chaired by President Reagan and include the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Attorney General and the Director of Central Intelligence. Final decisions, the officials said, are made by Mr. Reagan in consultation with the White House national security adviser, Robert C. McFarlane.

### C.I.A. Support for Rebels

The C.I.A.'s role in policy development, the officials said, stems partly from the agency's primacy in managing support for the rebels, a major component of American policy. Rebel forces number from 12,000 to 15,000 men, according to intelligence officials.

But they said the C.I.A.'s position, enhanced by the close relationship between President Reagan and William J. Casey, the Director of Central Intelligence, has expanded from that operational role to one of major influence over Washington's relations with Managua.

The agency's influence, they said, has also been aided by the presence of two former C.I.A. officials in key position at the White House and Defense Department. The former agency officials are Nestor D. Sanchez, the Deputy Assistant Secretary of Defense for Latin America, and Constantine C. Menges, Special Assistant to the President for Latin American affairs.

It is unusual, although not unprecedented, for the C.I.A. to become a key player in policy development, the officials said, noting that the agency exerted considerable influence over American relations with the Shah of Iran before he was ousted by Moslem fundamentalists in 1979.

The influence of the C.I.A. has risen and fallen over the years in response to the relationship between the Director of Central Intelligence and the President. The C.I.A. under Allen Dulles, for example, had substantial influence in the 1950's because he was on good terms with President Eisenhower. In addition, his brother, John Foster Dulles, was Secretary of State. The agency fell out of favor in the Nixon Administration, partly because of strains between Richard Helms, the C.I.A. director, and President Nixon.

However, because the intelligence agency has traditionally assumed a background, support role in foreign relations, its current influence is viewed with some alarm by other agencies, particularly the State Department, where many officials believe the C.I.A.'s activist tendencies have skewed American policy toward Nicaragua.

Administration officials said Mr. Shultz, partly because of what they described as his conciliatory style and partly because he does not feel as strongly about Central American issues as Mr. Casey or Secretary of Defense Caspar W. Weinberger, frequently does not present the State Department position forcefully in National Security Council meetings.

The officials said, for example, that Mr. Shultz's recommendation in favor of accepting Miss Astorga as Ambassador was not emphatic and was sent to Mr. McFarlane, the White House national security adviser, rather than directly to Mr. Reagan.

Defending their role, State Department officials said today that they did not expect the White House to approve economic sanctions against Nicaragua. "The C.I.A.'s pushing that but they aren't going to get it," a State Department official said.

They also said Mr. Motley remained the main American representative in discussions with Nicaragua about improving relations.

Assessing the relative influence of the C.I.A., Defense Department and State Department, a senior Pentagon official said, "If you look at actions, which are always the clearest expression of policy, you will find in Central America, especially in Nicaragua, that Bill Casey and Cap Weinberger are making policy, not George Shultz."



# A season of reckoning

An issue that must be thrashed out this spring in Washington is whether Americans, through Congress, have a right to redirect a presidential foreign policy that threatens to engulf this nation in another jungle war.

The impending Central American disaster is the brainchild of an aberrant team of policy-makers, including UN Ambassador Jeane Kirkpatrick, Undersecretary of Defense Fred Ikle, CIA Director William Casey and a few lesser figures. These include Nestor Sanchez, Deputy Assistant Secretary of Defense; Constantine Menges, a National Security Council specialist; and Gen. Paul Gorman, the head of the Pentagon's Southern Command.

This team is adventurist when it comes to using military force, radical in jettisoning established norms of international behavior, careless in its analysis of Latin American political troubles and scornful of the Congress of the United States.

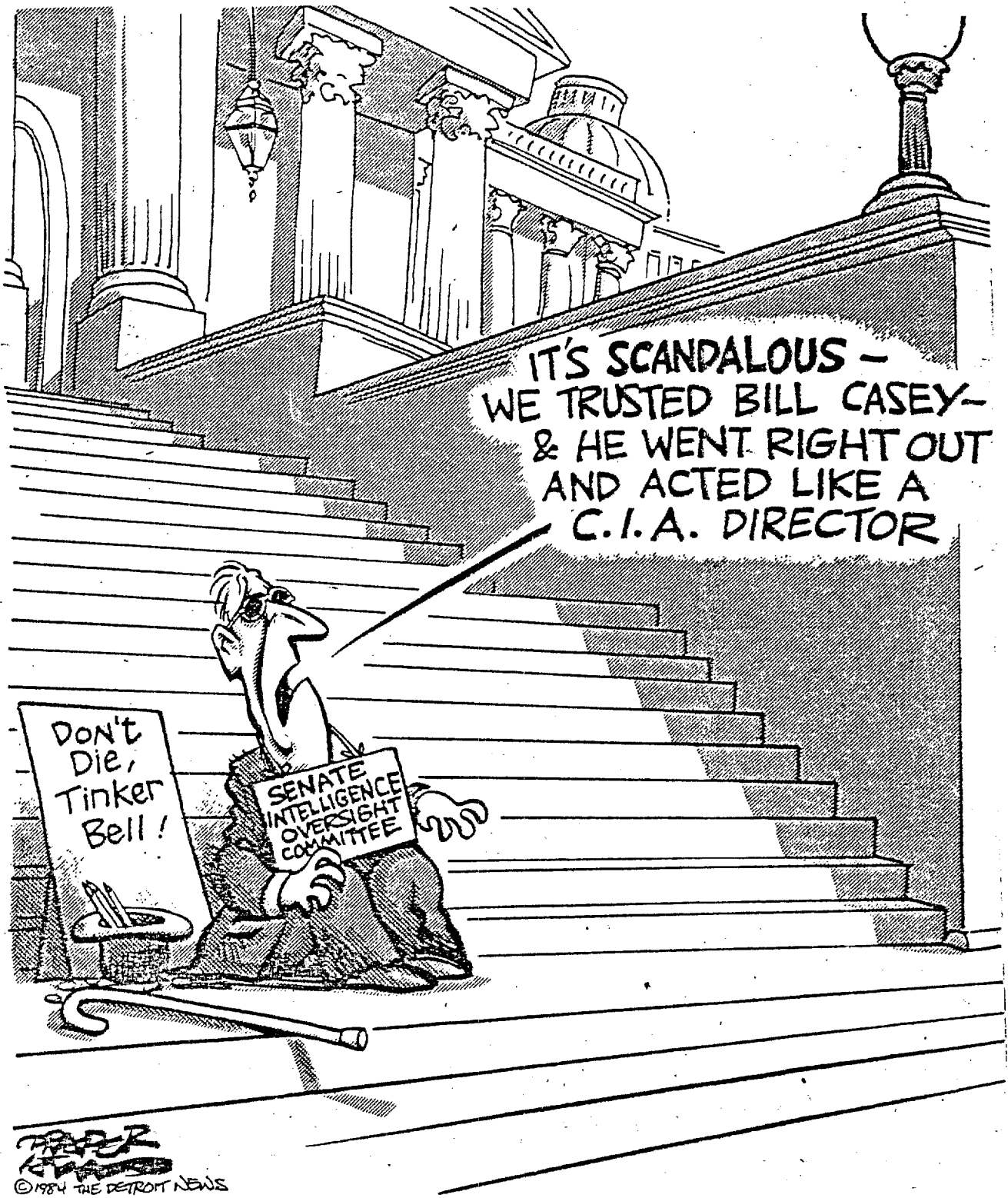
Kirkpatrick, the most important Reagan strategist on Central America, won Reagan's confidence with a tortuous argument that right-wing "authoritarian" tyranny is preferable to left-wing regimes which are presumed beyond redemption. She has a cool forensic style, but her message is sometimes hysterical.

In an ABC-TV appearance Sunday, Kirkpatrick suggested that accepting leftists in Central America means accepting "nuclear missiles" and "chemical weapons" as well.

Although House Democrats have permitted \$32 million in foreign aid for other countries to be "reprogrammed" to El Salvador, President Reagan resorted to an emergency provision of the Arms Export Control Act. This lets him "draw down" the money without congressional approval. Casey, meanwhile, has been reported to be considering laundering US funding for the covert war against Nicaragua by passing it through "straws" such as Israel or Saudi Arabia.

In its zeal for a military victory over leftist forces, the Administration intends to ignore Congress, or evade its will. By flaunting his emergency draw-down authority for El Salvador and by persisting in the Nicaraguan war, Reagan is telling Congress that it does not count. That means telling the American people they do not count.

Many Americans would beg to differ. If that message is getting through to their elected representatives, this could be a season of rethinking, redirection and reckoning.



ARTICLE APPEARED  
ON PAGE C-2WASHINGTON TIMES  
20 April 1984

# U.S. ran a red light

## TOM BRADEN

**N**o sooner had he expressed his outrage to William Casev about the CIA's mining of Nicaragua's harbors than Sen. Barry Goldwater cast his vote against a resolution condemning it.

The aging warhorse of the conservative cause thus staked out a position which is seemingly illogical but which at its very core defines precisely where the country stands and what most Americans believe. The position is as follows:

We recognize that covert action is a necessary instrument to the successful conduct of foreign policy. We don't want to tell our presidents that they may not use covert action. But we are (Sen. Goldwater's expletive deleted) when covert actions become public, embarrassing the country and dragging its standards in the mud.

Which is exactly what the CIA's mining operations have accomplished. The revelation that we had stationed an American ship off the Nicaraguan coast, hired mercenaries to run bombs into Nicaraguan

harbors and damaged the vessels of ancient allies engaged in legitimate trade was the first embarrassment.

What were we to say to the British, the French, and the Dutch, not to mention the Russians? "Oh, don't bother about it; I'm looking at the fender right now and I can hardly see the dent?"

We ran a red light and we got caught.

After that came the second embarrassment. We announced that we wouldn't accept the jurisdiction of the court. That's right. We, who last used the World Court to hold up before the world the fact that Iran had violated international law by taking diplomats as hostages turned logic on its head. It was as though, after running the red light, we had offered up the explanation that we didn't mean to get caught.

It was too much for the Senate to stomach. Too much even for Republican leader Howard

much for conservatives Paul Trible, Jake Garn, Paul Laxalt, Roger Jepsen and William Armstrong. Only 10 of the habitual denizens of right-wing caves voted against the resolution. Plus Bob Dole and Barry Goldwater.

Both of whom say they were just as embarrassed as anybody else but wanted to maintain the principle that the president is entitled to employ covert action. He is and has been since 1947. But I wish Mr. Dole and Mr. Goldwater had given some thought to the purpose of covert action before they cast their votes.

Because their long-ago predecessors who legalized covert action and set up an agency charged with responsibility for employing it were fully aware that what they were doing was to give the United States of America an "out," a way to finesse its own ideals, its own stated objectives and its own laws when it was absolutely essential to do so

and when doing so could be plausibly denied.

Reduced to plainer English, that means the people to whom we give responsibility for running red lights must not get caught.

William Casev and his colleagues at the Central Intelligence Agency got caught. They planned an operation which in hindsight at least appears to have been plain stupid. Did they suppose that they could put mines in harbors open to international trade without getting caught? Did they suppose that the governments whose flags the damaged ships were flying would not complain? Did they count the cost of getting caught?

It may be that a change of government in Nicaragua is essential to the United States. But the maintenance of international law is also essential to the United States. Covert action is a means for achieving one vital interest without impairing the other. This particular covert action damaged both. So why not condemn it? And why not ask in addition whether those who planned this operation are any good at their jobs?

# Aggressive C.I.A. Chief

William Joseph Casey

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, April 18 — As debate over the United States involvement in the mining of Nicaraguan harbors has grown in recent weeks, William J. Casey, the Director of Central Intelligence, has become the central figure in the dispute.

**Man in the News** Although the mining was recommended by an interagency committee and approved by President Reagan, Administration officials have said the operation was ultimately Mr. Casey's project from inception to execution. They said it was a quintessential reflection of Mr. Casey's aggressive, action-oriented leadership and determination to confront what he believes to be Communist subversion in Central America.

The resulting furor with Congress, the officials said, was also a reflection of Mr. Casey's combative personality and strong aversion to Congressional monitoring of intelligence operations.

When Mr. Casey assumed office as Director of Central Intelligence in 1981, a job that gives him broad authority over all the Government's intelligence-gathering agencies as well as direct responsibility for the management of the Central Intelligence Agency, he told colleagues he wanted to keep the C.I.A. and himself out of the news. It has not worked out that way. Now and at other times during his tenure, Mr. Casey has often been at the center of highly charged disputes.

## Managed Reagan's Campaign

Even before taking office, Mr. Casey was attacked by members of Congress as an unsuitable choice to run the nation's intelligence agencies because he had been the manager of Mr. Reagan's 1980 campaign.

Midway through 1981, Mr. Casey's judgment was questioned when Max C. Hugel, the man he had appointed to manage the C.I.A.'s clandestine operations, resigned after former business associates accused him of violating securities laws. Mr. Hugel denied the accusation and his accusers dropped out of sight after becoming the subjects of a Federal criminal investigation. Mr. Hugel was never charged by any state or Federal agency.

Then, Mr. Casey's personal finances came under scrutiny and Senator Barry Goldwater, Republican of Arizona, the chairman of the Senate Select Committee on Intelligence, called for his resignation. The committee was concerned about financial holdings that Mr. Casey had failed to report before his confirmation hearings. Mr. Casey said he had inadvertently failed to disclose all of his holdings at the time.

## Questioned on Carter Papers

More recently, Mr. Casey has been questioned by the Federal Bureau of Investigation about his role in the Reagan campaign's acquisition of material from the Carter White House during the 1980 campaign. Mr. Casey has denied any involvement, although recently published memorandums written by Reagan campaign aides in 1980 suggested that he was at least aware that information was being obtained from the Carter re-election organization.

The current dispute over the harbor mining, like some earlier conflicts with Congress, appears to stem in part from Mr. Casey's combative personality and concerted efforts to make the C.I.A. an active participant in Mr. Reagan's assertively anti-Soviet foreign policy.

While many intelligence officials give Mr. Casey credit for obtaining large budget increases for the C.I.A. — financing for the agency has increased at a rate of nearly 25 percent a year since he took office — and improving the quality and timeliness of analytical reports, he has been criticized for damaging relations with Congress and leading the C.I.A. into risky covert operations, including the support of Nicaraguan rebels.

## In Conflict With Legislators

His distrust of Congress is legendary at the C.I.A. and in the Senate and House intelligence committees, where Mr. Casey's frequent appearances often deteriorate into angry exchanges with lawmakers. Mr. Casey, according to current and former colleagues, has held the Congressional committees in contempt since members first questioned his qualifications and then investigated his personal finances.

His affinity for covert operations is equally well known. Drawing on interests he first developed during World War II when he was a top official of the Office of Strategic Services, the predecessor to the C.I.A., Mr. Casey has encouraged a resumption of the kind of covert activities that went out of favor in the late 1970's.

Sometimes bypassing senior agency officials to run operations himself with the aid of middle-level operatives, Mr. Casey, according to intelligence officials, has traveled to Honduras and El Salvador in unmarked, private planes to check on support for the Nicaraguan rebels.

## Wealth Put at Over \$9 Million

William Joseph Casey was born in Elmhurst, Queens, on March 13, 1913. After graduating from Fordham University he studied law at the St. John's University School of Law and went into private practice, beginning a career as a lawyer and entrepreneur, primarily as a venture capitalist, that has given Mr. Casey a personal net worth that exceeds \$9 million, according to his financial disclosure statements.

He and his wife, Sophia, have been married for more than 40 years and have one daughter, Bernadette, an actress in New York. The Caseys own large estates in Washington and Palm Beach and on Long Island.

During the Nixon and Ford Administrations, Mr. Casey served as chairman of the Securities and Exchange Commission, Under Secretary of State for Economic Affairs and President of the Export-Import Bank.

Last week as Mr. Casey was shown

Continued

STAT

By KEITH LOVE,  
*Times Political Writer*

## Misses Presidential Race

# Cranston: He Finds Solace in 'the Club'

His hair is gray again, and he is glad to be back in the Senate, which he calls "the club." But he misses the presidential campaign trail and thinks today's leaner, meaner Democratic race is "very exciting."

Sen. Alan Cranston, back in California for a 10-day round of hearings, meetings and fund raisers, said Wednesday in Los Angeles that he was temporarily let down after withdrawing from the Democratic presidential race on Feb. 29.

But he added: "It was nice to have the Senate to go back to. We've been very busy. Poor George McGovern didn't even have a house to go back to; it burned down."

Over lunch in a Beverly Hills restaurant, Cranston discussed his run at the White House and his activities since. He ordered a hamburger with no bun and said, "Make it rare—no, make it very rare and could I also have some low-fat milk?"

### **Beefed Up Image**

During his presidential campaign, Cranston's aides tried to fatten him up so that his lean, 69-year-old frame would not look so gaunt on television. They also talked him into using red dye on the wisps of gray hair that fall away from his bald pate.

Now Cranston is in charge of the diet, and asked when he stopped dyeing his hair, he laughed and said: "Let's see. What day did I get out of the race?"

In only his second trip to his home state since he quit his quest for the presidency, Cranston is rushing up and down the state to remind Californians that he is still a senator and to squelch any suspicions that he might not seek reelection to a fourth term in 1986.

Long a powerful but relatively unknown member of the Senate, Cranston now finds that he is recognized everywhere he goes.

He said he knew that he was glad to be back in the Senate when the news broke about the Central Intelligence Agency's role in mining the ports of Nicaragua.

Cranston, who is a member of the Senate Foreign Relations Committee, said he and other senators attended a "very tense" meeting with CIA Director William Casey.

# Congressional overseers fail to ask hard questions

Those senators who are complaining so loudly that the Central Intelligence Agency never briefed them on its role in the mining of Nicaraguan ports strain public credulity. If they had asked, they would have known.

From the first word of the mining, which was originally attributed solely to U.S.-backed rebels trying to overthrow the Nicaraguan government, speculation of U.S. involvement was rife: President Reagan has waffled about U.S. aims in Nicaragua — sometimes hinting that the goal is overthrow of the Sandinista regime, and then backtracking to appease congressional nervousness at such frankness and switching to an argument that the aim is to halt Nicaraguan export of revolution.

But U.S. actions — and the words of the *contra* rebels — spoke for themselves. The rebels never hid their aim of ousting the Sandinistas. Three months before the mining the CIA helped the *contras* raid the Nicaraguan port of Corinto, destroying 3.2 million gallons of fuel. To anyone attentively following events in Central America, especially members of Congressional committees charged with oversight of U.S. intelligence activities, the likelihood of CIA involvement in these actions should have been clear. It should, in fact, have been starkly obvious.

Some congressmen did seek out the truth. Those who failed to do so either weren't interested enough to try, or were too lazy or didn't want to know more than was comfortable about the secret war in Nicaragua.

Despite the fact that several of its members knew about the U.S. role, the Senate voted to continue covert aid for CIA actions in Nicaragua, including

aid to the *contras*.

Much of the current fuss in the Senate, notably the grandstand resignation of Sen. Daniel Patrick Moynihan (D., N.Y.) from the vice chairmanship of the Senate intelligence committee, is a transparent attempt by certain senators who voted for covert aid to justify themselves in the wake of the public outcry over the mining.

Sen. Moynihan complains that CIA chief William J. Casey made only slight mention of the mining to the intelligence committee without specifying U.S. involvement. Yet two other Democrats on the committee thought the topic important enough to seek out full information from the CIA on the American role before they voted on covert aid. Other senators, as well as members of the House intelligence committee knew, too. Sen. Moynihan himself had been informed of CIA involvement by an aide, before the vote on covert funds, but apparently failed to pay attention.

The drift of the U.S. role vis-a-vis Nicaragua has been clear to anyone who wished to see it. Even Sen. Barry Goldwater (R., Ariz.), who supports covert aid, characterized harbor-mining as an act of war.

Certainly, Mr. Casey should have been more forthcoming. He must be so in the future. But his reticence, however distressing, provides no excuse for those senators who failed to ask the obvious questions at the obvious times. The covert war in Nicaragua is deeply distressing, in terms of efficacy as well as legality. If the Senate chooses to support it, the least that body must do is to demand a timely accounting of the war's aims and tactics before another set of revelations further embarrasses its members.

Q&amp;A

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

WASHINGTON TIMES  
19 April 1984

FILE ONLY

ARTICLE APPEARED  
ON PAGE C-3

# Contras help to protect El Salvador, CIA director says

**CIA director William Casey on U.S. strategy in Nicaragua, dealing with terrorism, and Soviet leadership.**

*The director of the Central Intelligence Agency, William Casey, discusses with U.S. News & World Report the president's strategy in Nicaragua and the reasons behind it, dealing with terrorism, and the leadership in the Soviet Union. He declined comment on reports that the CIA was involved in mining Nicaraguan ports.*

**Q: With so much attention focused right now on Nicaragua and the contras, give us your assessment of the impact of the anti-Sandinista guerrillas?**

**A:** They're creating a great deal of disarray and pressure on the regime. They've damaged the economy. Daniel Ortega said a couple of weeks ago that the contras have cost them about one-third of their exports. The main impact, however, is to divert Sandinista leaders from supporting the insurgency in El Salvador and bringing pressure on them to negotiate sensibly to a more peaceful situation in that whole area. They are perceived to be the threat to the peace by all the surrounding countries because Nicaragua is the base for supporting insurgencies not only in El Salvador but in Costa Rica, Guatemala and Honduras as well.

**Q: While the United States may want to pressure the Sandinistas to end support for Marxist guerrillas elsewhere, is that really the goal of the contras in Nicaragua? Aren't they bent on overthrowing the regime?**

**A:** Those things are always mixed. They would like to unseat the regime. The question is: What is the U.S. government's purpose? In World War II we were helping the communists, the Royalists, the Gaullists and everybody. They were all trying to get power. We didn't care about that; we just wanted to get help against the Nazis. It's an analogous situation we have here. Our own national interests need not be strictly tied to any one group's goals.

**Q: What chance do the contras have of overthrowing the Sandinista regime?**

**A:** I think there's no chance that they will be able to overthrow the government. In the resistance, you have, it is said, perhaps 15,000 men with rifles scattered around the open, unpopulated parts of the country, which is where guerrillas can hide. They can't go into the cities, which the government is protecting with tanks and 75,000 men in the army, the militia and the security forces. So they're not going to overthrow that government. It could be — but it's a very long shot and unlikely — that the government would dissolve because the people would get fed up and fall away from the regime. But it's hard to change a government that operates a system of control where everybody in every block is counted and any strangers who show have to explain themselves.

**Q: Are the Cubans still heavily involved in Nicaragua or have they reduced their presence there, as some recent reports suggest?**

**A:** While the Cubans have been talking about lowering their presence, they've actually been moving in more people. The Cubans run the security services that manage the block-population-control system. There are 7,000 to 9,000 Cubans in

Nicaragua including 3,000 to 3,500 military advisers intertwined with the Nicaraguan military. They also have 5,000 to 6,000 teachers, construction and health workers who are regularly taken back to Cuba on rotation. The replacements now being sent have had military training and are under 40.

As we saw in Grenada, Cuban construction workers carry rifles as well as shovels. There have been occasions where these Cuban construction workers joined in the fighting in Nicaragua when contras tangled with the Nicaraguan military.

**Q: Is there any evidence that Cuba or the Soviet Union is converting Nicaragua into a kind of strategic base?**

**A:** We were concerned about that because they were lengthening airfields in Nicaragua to make them long enough to handle supersonic planes. And we know Nicaraguan fliers were going to Bulgaria, to the Soviet Union and Cuba to be trained. That has continued. The training

has been completed. We believe that MiG-23s are in Cuba earmarked for Nicaragua and that Nicaraguan pilots are practicing in them. We believe the planes haven't been sent over to Nicaragua, because they're concerned about our response.

**Q: If Nicaragua is being forced to divert its attention from El Salvador (because of the contras' activities), why do the Marxist guerrillas in El Salvador seem to have been gaining in recent months?**

**A:** They might be doing better without that diversion. We do know that the Salvadoran guerrillas have been able to increase their numbers by training and arming some of their support people. At the same time, we have pretty good reporting that they're short of ammunition and funds, and they're not as effective as they would be if Nicaraguan support were unimpaired. Also, the Salvadoran Army has been getting more effective. Before the period leading up to the elections, the army had the guerrillas pretty well broken up and pushed back into their bases in mountainous areas.

It has a lot of deficiencies but it is improving steadily through better training, better leadership, more aggressive tactics and more-sustained operations. It needs more mobility, there is still plenty of room for improvement. Experts say an army needs an 8 or 10 to 1 advantage to win a guerrilla war. Look at the Nicaraguan Army and militia — 75,000 men under arms — and they are unable to cope with 15,000 contras. The ratio of the Salvadoran army to guerrillas is something like 4 to 1, and the guerrillas have a safe haven, a supply and a command-and-control base right across the border in Nicaragua. Given that situation, the Salvadoran army is not doing badly.

The only way you're going to resolve the conflict in El Salvador is if two things happen: You have to deprive the guerrillas of their safe haven and further reduce the flow of supplies and build up the Salvadoran army by 25 to 40 percent to improve the ratio of army to guerrillas.

**Q:** How do you handle the growing pressure in Congress to curb military aid to El Salvador if the death squads continue to operate there? Why is the Salvadoran government unwilling or unable to deal with the death squads?

**A:** I think it's a cultural problem. It's a violent society, like most of the societies down there. Everybody talks about the right-wing death squads. During recent months, most of the assassination victims have been supporters of the Roberto D'Aubuisson movement, the so-called right wing. So there are left-wing death squads. The guerrillas practice intimidation, and they slaughter people as they did in Vietnam. It's a civil war. And they also have this special kind of free-lance, non-governmental death squad that practices revenge. That works both ways right across the society.

Besides that, the judicial system in El Salvador leaves much to be desired. They have a hard time getting any convictions. But basically what we're talking about is whether our primary purpose is to establish a better society in El Salvador, which isn't likely to happen quickly under present circumstances, or to protect the security interests of the United States and

give Salvadoran democracy a chance to develop.

**Q:** Are you worried that Central America will become a major issue in the political campaign and undermine popular support for the administration's strategy there?

**A:** I think people in the long run are less concerned about reports of mining Nicaraguan harbors than they are about the danger of creating a wave of immigration into this country if Central America or any part of it should fall under Soviet-Cuban domination. If we have another Cuba in Central America, Mexico will have a big problem and we're going to have a massive wave of immigration. The effort to prevent this from happening is not going to excite Americans as much as the threat they would face if things go wrong.

Also, I think people are concerned about the military danger. If the communists solidify their hold on Nicaragua, the other countries down there would have to accommodate in some way. The communists would next be looking at Mexico, to find problems that they specialize in exploiting. So what you're looking at for your children and your grandchildren is a long-term prospect of 100 million hostile people immediately south of our border if we fail to give democracy a chance to develop in Central America.

**Q:** To turn to the other spot that worries Americans — the Middle East: What is the likelihood of an Iranian victory in the war with Iraq?

**A:** The Iraqis should be able to stave off this current offensive because they have such a preponderance of air, artillery and tank power. But the Iranians have the numbers; they have the staying power;

they've got the economic resources. The Iraqis are in bad shape economically. They've also got a big Shi'ite population with religious ties to Iran. I think the prevailing opinion is that in the long run the Iranians have some important advantages.

**Q:** What dangers might the United States face if Iran does win?

**A:** If Iran prevails and a radical Shi'ite regime is established in Baghdad similar to the Khomeini regime in Tehran, there are a lot of people they could turn loose against Kuwait, Saudi Arabia and the gulf states, which have supported Iraq.

**Q:** What would the United States do if Iran moved against these oil states in the gulf region?

**A:** I can't speculate on that. The U.S. government said that we would keep the Strait of Hormuz open. As to something happening in one or another of these countries around the gulf, any reaction, I would suppose, would depend upon the circumstances at the time.

**Q:** That brings up the problem of state-sponsored terrorism that Secretary of State George Shultz has been talking about: What can the United States do to counter terrorism sponsored by Iran and other governments — assassinate their people, bomb their capitals or what?

**A:** Don't put words in my mouth. As Secretary Shultz said, we're dealing with a new phenomenon in state-sponsored terrorism — a new weapons system that obliterates the distinction between peace and war. The Iranians use their diplomatic facilities as a platform to make

revolutionary guards, communications facilities and money available for terrorist planning and action. They've attacked us twice in Beirut — the American Embassy and the Marine barracks. They turn up in many countries in Africa, Asia and Europe, and we are likely to see them here. They send their missionaries across the whole Moslem world, from Morocco to Malaysia and Indonesia, preaching Khomeini's brand of radical religious-social gospel. It's a force that we're going to have to reckon with in many dimensions.

**Q:** But what can you do about it? Do you get into the business of assassinating terrorist leaders?

**A:** We don't engage in assassinations. We have to depend on a combination of strong security measures and international cooperation to deter and defeat terrorism. There are more than 50 major terrorist organizations, and hundreds of mom and pop shops — little groups that take on operations for hire. We can count scores of terrorist-training camps in Iran, Libya, Syria, South Yemen, Bulgaria, the Soviet Union, Romania, Cuba and other bloc countries.

There are several things you can do to cope with this kind of terrorism. You can handle it by defending yourself, defending potential targets. That's pretty tough

haven't got enough policemen to protect every target and you don't know where they're going to hit. So we are engaged in helping security organizations in a great many countries to improve their training and operational proficiency. These countries have their own intelligence capabilities to watch the terrorists.

There's a question of deterring terrorism by sending the message that if the terrorists attack there will be retaliation. It's not necessarily a matter of striking back directly at the terrorists. The Israelis, for example, send the message: "If we're hit from your territory, that's your responsibility and we're going to kick you in the teeth, somehow." I think you will see more of that — retaliation against facilities connected with the country sponsoring the terrorists or retaliation that just hurts the interests of countries which sponsor terrorism.

A third way to handle state-sponsored terrorism needs to be developed faster — a kind of international, diplomatic counteroffensive against international terrorism.

**Q:** Turning to the Soviet Union, what has been the effect of the change in leadership there from Andropov to Chernenko?

**A:** Minimal. Chernenko is clearly a transitional leader, but nobody knows whether he's going to be around six months, two years or five years, and it doesn't make much difference. My view is that under the Soviet system today everything is worked out in a collegial way. No one man is going to have the power to make a drastic change of direction. And there's no reason to assume that when Chernenko goes, the situation will change. What you've got in the Soviet Union is a generation of septuagenarians, who are reluctant to forfeit their perquisites by passing power to a younger generation. They're intent on hanging on to power.

© 1984 U.S. News & World Report

Confidential





*You have to deprive the guerrillas of their safe haven and further reduce the flow of supplies and build up the Salvadoran army by 25 to 40 percent to improve the ratio of army to guerrillas.*

ARTICLE APPEARED  
ON PAGE A-21WASHINGTON POST  
19 April 1984*Joseph Kraft*

# Operation Sancho

Clownish amateurism now emerges as the prime factor shaping American policy toward Nicaragua. So vexing philosophic problems about how to deal with a Marxist regime give way to crude tactical questions.

How did a delicate operation, requiring secrecy and finely calibrated pressure, become a hamhanded flimflam on the Congress and the public? Why did a venture difficult for Caesar on his best day fall into the hands of Sancho Panza?

The quest for the fount of folly begins with the concept of mining ports as a covert operation. Mining operations, if they have any effect, damage ships and thus become known. Therefore they are usually carried out by the Navy. But public support for such actions would have only been forthcoming in clear acts involving the Soviet Union. So the task was made part of the covert pressures being mounted against the Sandinista regime by the CIA.

Since the mining was almost certain to become public, special precautions should have been taken to keep the United States clear by bringing third parties in. It was not enough simply to have Nicaraguans hostile to the Sandinista regime plant the mines from ships based in Costa Rica. The mines themselves should have come from Germany or Korea. If a mother ship to guide the operations proved necessary, it should have been manned and captained by hirelings from, say, Greece or Panama.

As it happened, there were American crewmen on the mother ship, and the mines were easily associated with the United States. Responsibility for that elementary breach of prudence falls directly on the CIA and its director, William Casey.

Authority for such "covert operations" has, by law, to be granted by the intelligence committees of the House and the Senate. Exactly what was divulged when and to which committee is a matter in dispute. But the record clearly shows invidious distinctions by the CIA. Notice was given early, and unambiguously, to the House Intelligence Committee under Edward Boland, a Democrat from Massachusetts.

The information was passed tardily and ambiguously to the Senate Intelligence Committee, which is chaired by Barry Goldwater, the Arizona Republican, with Daniel Moynihan of New York as the ranking minority member. Why the distinction? Was it, as many senators believe, yet another sleazy action by Casey, this time animated by resentment of the hard questions posed by the Senate committee about his private financial dealings?

Another issue arose when Nicaragua moved to complain about the U.S. part in the mining to the International Court of Justice at the Hague. That court deals primarily with technical questions, and many countries have denied its jurisdiction over what are essentially political and security questions.

The United States could easily have followed that model. It could have mounted the argument, advanced by United Nations Ambassador Jeane Kirkpatrick, that American actions against Nicaragua were part of a program for collective self-defense against aggressive designs by the Marxist regime on its neighbors. Whatever the merits of such an argument, it would have dragged on for months, and probably years, until long after the present case was moot.

Instead, the United States announced unilaterally that it would not accept the jurisdiction of the world court in the area of Central America for the next two years. That statement broke with a general tradition of giving six months' advance notice on a refusal of jurisdiction. It worked, about as much as any action could, to convict the United States in the eyes of international opinion of wanton disregard for international law and accepted modes of behavior.

No explanation accompanied the decision to flout the law instead of running it into the ground. But the distinct impression here is that the Reagan White House cares little for the opinion of foreign countries. An official who wants to get ahead in this administration shows his mettle by standing tall against the rest of the world. It is a technique known as *Courage in Profile*.

What happens next in Nicaragua and the rest of Central America is not clear.

But a nasty chapter could be shaping up. U.S. aid to the forces fighting the Sandinistas is apt to lapse in the near future. If so, terrible perils loom for people engaged in the fighting by American agents promising American support. New names will be added to the list of nations and persons let down by this country.

The simple-minded will blame the debacle on congressional figures alleged to be soft on communism. In self-defense, and to teach lessons for the future, Congress ought to develop the deeper story. That is the story of how Don Quixotes at the top, without paying serious heed to public opinion, illegitimately committed this country to a line of policy which they then allowed a gang of Sancho Panzas to botch in a series of monumental blunders.

© 1984, Los Angeles Times Syndicate

HOUSE PANEL 'FERRETED OUT' ON NICARAGUA RAID, MEMBER SAYS  
BY ROBERT PARRY  
WASHINGTON

Key members of the House Intelligence Committee had to "ferret out" the facts about the CIA's direct supervision of a commando raid against the key Nicaraguan port of Corinto, a congressman on the panel says.

Rep. Norman Y. Mineta, D-Calif, said the CIA initially told the committee that the devastating Oct. 10 raid was conducted by a Nicaraguan rebel group, but under persistent questioning, conceded two days after the attack that agency officers directed it from a ship at least 12 miles offshore in international waters.

"The committee found out about the raid only after it had taken place and because (members) were persistent in ferreting out the information," Mineta said in an interview. "We should not be forced to cajole, harass and dig to find out what acts of war our government is committing."

Mineta said the discovery of the direct CIA role at Corinto sparked the committee's unsuccessful attempt last fall to cut off all money for the program.

The Senate Intelligence Committee apparently did not find out about the CIA's role in the raid until April 2, when the panel also was told of the agency's direction of the mining of Nicaragua's harbors, according to committee sources. The mining began in January.

Sen. David Durenberger, R-Minn., a panel member, said the committee paid little attention to developments in Nicaragua from September to March, the period when the CIA became directly involved in the war against Nicaragua's leftist Sandinista government.

Durenberger said the Senate committee deserves part of the blame for the recent furor over whether the CIA had kept Congress adequately informed about the mining. "In part, it's our fault for not staying well informed," he said.

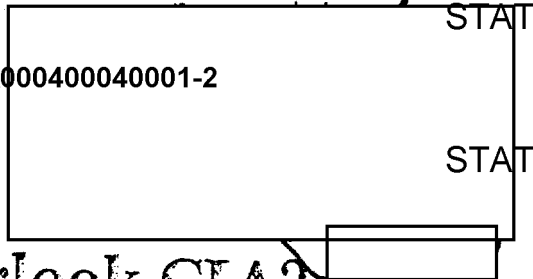
Durenberger also said the failure of CIA-backed Nicaraguan "contras" or counter-revolutionaries to make major military gains prompted the spy agency to take a more direct role in trying to pressure the Sandinistas, who President Reagan claims supply leftist guerrillas in El Salvador.

CIA officials "realized the contras and their ralliers were only going to be able to do so much. They weren't going to be able to accomplish much in the north or south" of Nicaragua, Durenberger said in an interview.

"You had to move it up to some higher level with some specialized activity that would put economic pressure" on the Sandinistas, he said.

Mineta said Reps. Edward P. Boland, D-Mass., the chairman, and Lee Hamilton, D-Ind., pressed the effort to obtain the facts about the Corinto raid, in which commandos opened fire from speedboats, touching off a major oil fire that forced the town's evacuation.

Continued



Nicaragua Dispute Raises Basic Questions

Does Congress Oversee or Overlook CIA?

By DOYLE McMANUS, Times Staff Writer

WASHINGTON—The CIA and the Senate Intelligence Committee have stumbled almost inadvertently into a noisy conflict over the way Congress monitors secret U.S. intelligence operations—a conflict that raises basic questions about the effectiveness of the seven-year-old system for overseeing the huge intelligence agency.

The dispute began last week over whether CIA chief William J. Casey had fully informed the Senate panel of the U.S. role in mining Nicaragua's harbors. It has steadily become both broader and more bitter, with each side accusing the other of dereliction of duty.

"The trust isn't there," said Sen. David F. Durenberger (R-Minn.), a moderate Republican member of the committee. "There is an important amount of trust that has to exist between the Senate and the committee that represents it and between the committee and the (CIA) professionals it's overseeing. And it's in this area that things have fallen down."

The committee announced Wednesday that it plans hearings next week—both to re-examine the CIA's covert operations in Central America and to register complaints that Casey has not kept the committee informed.

Members of the panel, including its conservative chairman, Sen. Barry Goldwater (R-Ariz.), have charged that Casey deliberately did not tell them that CIA personnel were aboard a mother ship in international waters, directly supervising the Latin American commando teams that mined Nicaragua's harbors earlier this year.

"I don't like this. I don't like it one bit from the President or from you," Goldwater declared in a letter to Casey last week.

For its part, the CIA has hit back in an unusual series of statements to the press, saying that its representatives discussed the sub-

ject of mining with the two congressional intelligence committees no fewer than 11 times this year. Thus, the agency argues, it kept the oversight committee "fully informed," as the Intelligence Oversight Act of 1980 requires.

Yet the underlying reality appears less clear-cut than the charges and countercharges. The issue hinges on two questions, one in-

volving the CIA and the other touching the effectiveness of the committee.

—Exactly what constitutes keeping the committee fully informed: Should the CIA have volunteered more explicit and detailed statements about the mining?

—How carefully did individual members of the Senate Intelligence Committee study the CIA's briefing statements, and how vigorously did the senators and their aides follow up on the briefings to elicit more information?

The CIA's public statements of its position have repeated in diplomatic terms what Casey told the senators more bluntly, according to committee aides: "If you don't ask the right questions, you won't get the right answers."

That, senators and their aides say, has been the pattern of CIA dealings with the committee: The crusty Casey tells the senators what he considers the minimum necessary—and the senators, all too often, fail to follow up with questions on details that might concern them.

That apparently is what happened in the case of the mining, which Casey mentioned, briefly, to the committee in two hearings last month.

It is also what happened, a committee aide said, in the case of the speedboat raids that the CIA-supervised Latin American teams are said to have conducted against Nicaraguan oil facilities last September and October. "We only found out about that one on Tuesday, and we're still trying to find out what actually happened," the committee aide said.

Blame Enough for All

At least some officials on both sides are willing to admit that there is blame to go around.

"Casey brought this problem partly on himself," said a State Department official who refused to be quoted by name. "It's part of his job to keep Barry Goldwater happy, and he hasn't done that."

Durenberger, a long-time critic of Casey, said: "We have to share, as a committee, some responsibility for the situation."

The squabble has reinforced the ill-feelings that each side already bore toward the other.

To some in the CIA and elsewhere in the Administration, the senators' reaction to the mining appeared to be pure election-year politics. "They didn't object to any of it until it was in the newspapers," said one Reagan appointee.

To some in Congress, it deepened their sense that the CIA chief had no intention of bringing them into his confidence. "I think the problem with Casey is never going to get better," Durenberger said.

'Fully and Currently Informed'

The CIA, always uncomfortable at seeing its operations debated in public, has refused to enlarge on its three prepared statements, which contended—without supplying much detail—that Casey has fully complied with the Intelligence Oversight Act. That law provides that the director of Central Intelligence shall keep the committees "fully and

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

BY CHARLES ALDINGER  
WASHINGTON

Congress, bitterly angry over Reagan administration covert action in Nicaragua, may move to tighten its control over the Central Intelligence Agency (CIA), according to congressional sources.

They said such a move would be prompted by reported use of the agency's funds and personnel in sowing mines and attacking harbor facilities in leftist-ruled Nicaragua.

A source close to the House of Representatives Intelligence Committee told Reuters Wednesday night that "the committee has been and will be vigilant and skeptical concerning CIA activities."

He noted many lawmakers have complained that Congress was not properly informed of CIA actions in Nicaragua and said the House and Senate might give serious consideration to revamping its oversight of activities by the CIA.

The oversight system, which many lawmakers feel has broken down, presumes a trust between Congress and the CIA.

While the CIA is legally obliged to outline covert activities to Congress before they occur, some lawmakers complain the agency often does its best to hide controversial acts and to blur its budget.

Larry Kettlewell, a covert action specialist for the Senate Intelligence Committee, said the panel would hold a closed briefing next week on the CIA program in Nicaragua.

Before they began an Easter recess last week, the House and Senate overwhelmingly demanded that the administration cut off any aid for mining of Nicaraguan harbors.

Following a new allegation against the CIA this week, Congress may return in an even worse mood, sources said.

Congressional sources told Reuters Wednesday that CIA officers last October sat on a "mother ship" outside the 12-mile limit and directed the destruction of an oil storage facility at the Nicaraguan port of Cortino by anti-government guerrillas. Later, they said, the CIA reported it to Congress.

"It's clear that this is another case in which (CIA Director William) Casey failed to do what he was supposed to do, namely fulfill the legal requirement to inform Congress beforehand," said a staff aide close to the House Intelligence Committee.

Both Democrats and a large number of Republicans in Congress have charged the administration went too far in its zeal to cut off what it calls the flow of leftist revolution and Soviet bloc arms from Nicaragua to other parts of Central America.

*Continued*

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

## RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM The Fred Fiske Show

STATION WAMU-FM

DATE April 19, 1984 10:05 P.M. CITY Washington, D.C.

SUBJECT Nicholas M. Horrock On Mining Nicaraguan Harbo

FRED FISKE: With the debate raging concerning the CIA involvement in the mining of Nicaraguan harbors, with concern over terrorism mounting, and the argument over the defense budget on the front burner, we're very pleased to have at our microphones this evening Nicholas M. Horrock, who is national security correspondent for Newsweek. A veteran of the New York Times, Nick Horrock headed its Washington investigative team and directed a series on immigration which won a Pulitzer Prize in 1981. He headed the Newsweek Saigon Bureau during the Vietnam War, headed its investigative team during the Watergate period, as well.

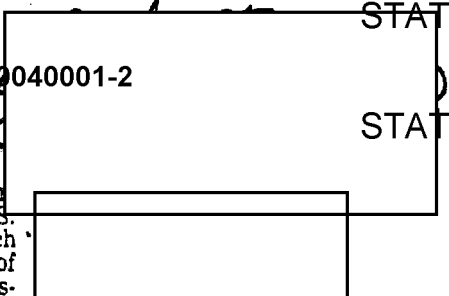
We're very pleased to have you with us, Nick. Thanks for coming.

NICHOLAS HORROCK: Thank you very much.

FISKE: The current issue of Newsweek has an excellent story on the mining of the Nicaraguan harbors. It's titled "A Furor over the Secret War."

Has the Administration shot itself in the foot?

HORROCK: Oh, I think badly. They've probably taken two toes off, at least. Also, I think that a lot of people that I talk to in the CIA started out wondering whether it's a secret war. It is undoubtedly one of the best publicized secret wars we've had. We've had others, of course, in Laos and Africa. But this time they really seem, with an ill-conceived tactic -- and most people now look at it and wonder how it was conceived -- an



# CIA says it gave data to Congress

By Storer Rowley  
Chicago Tribune

WASHINGTON—Frustrated by repeated charges that the CIA did not adequately inform Congress about the mining of Nicaragua's harbors, the agency defended itself Monday night and asserted that CIA officials had briefed congressional oversight committees 11 times on the covert operation.

The CIA issued its third and strongest public statement in a week about the controversy and declared: "There has been no reluctance to share information" with lawmakers or their staffs.

The brief statement was approved by CIA Director William Casey and released Monday night by Chuck Wilson, deputy director of public affairs for the agency. "We've been keeping the Congress informed," Wilson said.

He acknowledged such a statement was unusual but added: "These are pretty rare times. We've seen this whole town blow up with a lot of political statements."

LAST WEEK, Sen. Barry Goldwater [R., Ariz.], chairman of the Senate Select Committee on Intelligence, wrote a scathing letter to Casey saying he was angry about public disclosures of the mining of Nicaraguan ports and complaining that he had not been kept adequately informed.

On Sunday, Sen. Daniel Patrick Moynihan [D., N.Y.] resigned as vice chairman of the Senate intelligence committee, also arguing that he had been kept too much in the dark about the mining of the harbors of the leftist Sandinista regime in that Central American country.

White House spokesman Larry Speakes told reporters Monday that President Reagan is "doing what he thinks is right" in Central America, but he refused to confirm publicly that the CIA helped direct and finance the mining.

Members of Congress, however, have complained bitterly about U.S. involvement in the mining, which Goldwater described as "an act of war." Even the CIA statement issued Monday referred directly to the operation.

"SINCE THE FIRST of this year, the subject of mining of Nicaraguan ports has been discussed with either members or staffers of the committees and other members of the Congress 11 times," the statement said.

"This office has been in virtual daily contact with members of the House or Senate oversight committees as well as staffers and members of other committees of the Congress," the statement said. It continued by stating that "the obligation to keep the oversight committees fully informed has . . . been met."

On Monday, Sen. Patrick Leahy [D., Vt.], a member of the Senate intelligence committee, said he received full briefings from the CIA on the agency-backed mining of Nicaraguan waters only because he "went and dragged it out of them."

The CIA statement said that Casey told the Senate intelligence committee during his confirmation hearing Jan. 13, 1981: "I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act. I intend to provide this committee with the information it believes it needs for oversight purposes."

"MOREOVER, FROM 16 September 1983 through 2 April 1984, other officials of CIA briefed either the committees or the committee staffs 22 times on Central American developments," the statement said.

In The Hague, Netherlands, World court judges deliberated behind closed doors Tuesday as to whether the United States will have to answer Nicaraguan charges that it violated international law by mining the Central American country's harbors.

A court official said the governments of both countries would be informed as soon as the 15 judges reached a decision.

ARTICLE APPEARING  
ON PAGE A-1

WASHINGTON POST  
18 April 1984

STAT

STAT

# CIA Directly Oversaw Attack in October on Nicaragua Oil Facility

By Charles R. Babcock  
Washington Post Staff Writer

CIA officers aboard a "mother ship" off the coast of Nicaragua directly supervised commando raids from speedboats that heavily damaged Nicaraguan port facilities last fall, months before they supervised the controversial mining of the country's harbors in January, administration and congressional sources said yesterday.

The CIA leased the ship last summer, according to the sources, and American agents aboard it furnished the speedboats, guns and ammunition and directed the raid by anti-government rebels in the port city of Corinto last Oct. 10. The CIA officers stayed on the ship in international waters beyond the 12-mile limit, while CIA-trained Latin commandos piloted the speedboats into the harbor and shot up an oil terminal, the sources said.

The raid heavily damaged oil storage tanks and forced thousands of inhabitants to flee. At the time, the Nicaraguan government charged that the "criminal attack" was part of a CIA plan, but the U.S.-supported "contras" of the Honduras-based Nicaraguan Democratic Front (FDN) claimed credit for the raid.

A senior White House official confirmed that CIA agents supervised the attack, saying their role was necessary because "they [CIA officers] had the speedboats."

The Associated Press quoted a source as saying the CIA had directed a series of such raids on Nicaraguan ports, including one on oil and pipeline facilities at Puerto Sandino on Sept. 8.

A CIA spokesman declined to comment yesterday, except to say that Congress had been informed of its covert operations as required by the intelligence oversight laws.

But, as in the case of the mining, congressional sources said the House and Senate intelligence committees were not told of the direct involvement of Americans in the port raids until recently.

CIA Director William J. Casey already is under fire from congressmen for his alleged lack of candor in informing intelligence committees of the details of the Reagan administration's supposedly secret war against Nicaragua. That controversy has threatened congressional support for continued funding of the rebels fighting Nicaragua's Marxist Sandinista government.

One congressional source said staff members of the House intelligence committee first "got wind of the mother ship about mid-October," but didn't get a full briefing on either the ship's role in the raid or the mining until Jan. 31 and then only after persistent questioning from members.

But another source said that some House committee members didn't know until yesterday that the CIA had directed the raid, as well as the mining.

"We were directly misled," he said. "They led us to believe it was the contras, but as it turns out it was CIA personnel on the mother ship, directing the operations, picking the targets and the whole business."

A Senate committee source said the agency had told the committee in general terms last summer that it was training the anti-Sandinista forces in laying mines, but not that Americans would be directly supervising their actions. "When you get agency officers directly involved, that's really a high-stakes game," he said.

The Senate committee staff learned about the U.S.-directed raids from House staffers and then began asking questions on the "mother ship" at an April 2 briefing, one source said.

A few days earlier, in answer to a query about mining by Sen. Claiborne Pell (D-R.I.), the ranking minority member of the Foreign Relations Committee, the CIA's legislative liaison, Clair George, sent minority staff director Gary J. Schmitt a two-sentence letter that said "unilaterally controlled Latino assets" were involved.



# The Real Intelligence Failure

Back once more to those mines in Nicaragua's harbors: It's as plain as the morning headlines now that William Casey and his cryptic Central Intelligence briefers didn't exactly do their legal duty to keep the Senate's oversight committee "fully and currently informed." But there's a bigger mystery. Call it The Case of the Incurious Congress.

By the time those mines damaged some Soviet and other shipping, the legislators' embarrassment was plain. Mining harbors, in Senator Goldwater's blunt words, is an act of war, and not only against Nicaragua. It provoked justifiable protests and needlessly aroused sympathy for Nicaragua abroad.

Still, the failure of intelligence in Washington cannot all be laid at Mr. Casey's cellar door. The underlying failure has been Congress's timidity, its reluctance to press the Administration to define the purposes of the "secret" war. It endorsed confusion because it did not want to know too much.

From its inception 30 months ago, the "contra" war has been variously explained. Sometimes the President said the aim was to stop Nicaragua from exporting revolution. Sometimes he said it was to make the Sandinistas honor their democratic promises. All the while, the contra insurgents recruited by the C.I.A. loudly proclaimed it as *their* purpose to overthrow the Managua regime.

Congress not only tolerated this ambiguity but

seemed to prefer it to any disturbing clarity. It did not want to endorse a commitment to overthrow the Sandinistas. But neither did it want to risk the political opprobrium of having to cancel the war if that turned out to be its purpose. So the legislators were willing, perhaps eager, to take at face value the assurances that the C.I.A.'s only goal was the interdiction of arms shipments to leftist guerrillas in El Salvador.

To let the matter stand at that, however, was to ignore not only what the contras were saying but also what all the world knew they were doing. Last October, three months before any mining, they raided the port of Corinto and forced its evacuation by destroying 3.2 million gallons of fuel. There could be no doubt that such ventures required the C.I.A.'s guidance and connivance. In the agency's vernacular, these were the operations of "unilaterally controlled Latino assets."

Yet there were few protests or demands for better briefings then. With every indication that the war aims were far from settled, and included sabotage and invasion, Congress asked only for another bland statement that interdiction was the goal.

Thanks to Mr. Casey's clumsiness, the watchdogs can now claim that they were misled when in fact they were asleep or dreaming. But they can no longer evade the matter. As the price of supporting these operations, Congress will finally have to insist that their aims be clearly defined and that legal means be matched to legal ends.

# RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM All Things Considered STATION WETA Radio  
NPR Network

DATE April 18, 1984 5:00 P.M. CITY Washington, D.C.

SUBJECT Problems in Central America

SUSAN STAMBERG: CIA Director William Casey said Sunday that if the United States does not use the military to prevent communist victories in Central America, the U.S. will be flooded with refugees from that region.

Commentator George McGovern says Mr. Casey is prescribing the wrong medicine for the wrong problem.

GEORGE MCGOVERN; The problem in Central America is a combination of economic misery and political misrule. This is the source of revolution and the appeal of communism in Central America. The American response should not be to mine the harbors of Nicaragua or to arm the death squads of El Salvador. If we follow that course, we only feed the fires of revolution and invite a growing communist influence. At the same time, we weaken the image of the United States as a nation born in the fires of revolution, which has stood for justice and opportunity for all.

If we are to be faced with growing migration pressures from Central America, as Mr. Casey predicts, it is not so much because of the designs of Moscow and Havana. Rather, it stems from the poverty of Central America. It is this poverty that we should be combatting, not the people of Central America who are revolting against conditions far worse than those that produced our own American Revolution in 1776.

Central America needs the surplus food, the medical assistance, and the diplomatic cooperation of the United States. It does not need our troops, our military advisers, or the mining of its harbors.

If the Reagan Administration wants to reduce the future flow of refugees from Central America, it can best do that not by military intervention, but by helping to build a better life for our neighbors to the south.

# Making loud noises

**I**T is a bit late for politicians to try to cleanse themselves of complicity in the Nicaraguan mining escapade and to expect the public to admire their handiwork.

Into that category must go Sen. Daniel Patrick Moynihan, who Sunday resigned his vice-chairmanship of the Senate Select Committee on Intelligence. He stepped down, he said, to protest the improper briefing on CIA involvement in the Nicaraguan mining that led to the approval of \$21 million in covert aid.

Moynihan was no doubt motivated no less by the particulars of the Nicaraguan episode than by a general frustration with the duplicitous way the Reagan administration deals with Congress, paying lip service to those laws — usually ones that open up government to public scrutiny — that it does not like.

But there was nothing quiet about Moynihan's convictions, nor has there ever been. He quit on national television and on the front pages of the newspapers. He said that the alternative, a letter to CIA director William J. Casey, such as committee chairman Sen. Barry J. Goldwater wrote, would not bring "the attention of the executive branch."

By that, Moynihan perhaps meant the attention of the public, which usually activates the attentions of the president. If, as a side benefit, Moynihan is

fondly remembered as a courageous opponent of war-mongering, he will likely not be disappointed.

The senator, after all, has had ample opportunity to decry the mining of the harbors, since it has been known publicly since January. He and the rest of the committee also knew about the CIA involvement, even if that tidbit had been dropped casually into a committee briefing on the secret war.

Senators of Moynihan's perspicacity are usually able to see those tidbits for what they are. Are we to conclude, from Moynihan's actions, that he's angry at the CIA for not telling him more or angry at himself for not demanding more?

Nonetheless, his vote to approve covert aid to Nicaraguan rebels is one Moynihan, and many others on that committee, would like to have back, and for good reason. However, it does little good at this point to fulminate about CIA secrecy and improper briefings and less good to resign over them.

If public officials resigned every time their advisers led them astray, our public agencies would have a hard time ever attaining a quorum.

Moynihan's action was one of conviction wrapped in good timing. His eight-year term on the committee would have lasted only to the end of the year anyway. He has made a exiting noise loud enough for everyone to hear — Reagan, Casey and his constituents in New York.

NEW YORK POST

17 April 1984

# Moynihan's resignation smacks of grandstanding

Sen. Moynihan protests too much. He is an old hand in the grey goings on of intelligence and has been a prominent member of the Senate Select Committee on Intelligence since he was first elected to the Senate in 1976.

As vice chairman of the committee since 1981, and very often as acting chairman in Sen. Goldwater's many absences, he has always known when a guarded statement by CIA officials needed to be probed by further confidential questioning.

## HOST OF QUESTIONS

His highly publicized resignation as committee vice chairman — filmed in his office last Friday but broadcast by ABC-TV "This Week" only on Sunday — raises a number of questions.

Why did Moynihan keep CIA director William J. Casey and deputy director Jack McMahon waiting in an antechamber while he made his resignation statement to the ABC-TV cameras?

Further, when he then received Casey and McMahon to review the briefings, why did he not tell them that he had just made his statement resigning as the committee's vice chairman?

*If Moynihan's resignation was fit to be given to a TV camera crew would it not have been common decency, to say nothing of politeness, to have informed Casey at the same time?*

Why did his New York constituents have to wait two days, courtesy of a TV program, to learn of their Senator's resignation when he could have made it known last Friday?

If Moynihan is as offended as he makes out, why did he not resign immediately when he felt he had been inadequately informed by the CIA?

Moynihan says he was briefed on the mining operation by his senior committee aide just before he voted, on April 6 to approve continuing U.S. support for the Nicaraguan democratic forces, including the mining operations.

Why didn't he resign then? Further, having waited a week to resign the vice chairmanship why didn't he go all the way and resign from the full committee?

## FEW SUPPORTERS

Moynihan's sense of outrage about the CIA's briefings is not shared by Rep. Edward Boland (D-Mass.), chairman of the House intelligence committee and an opponent of the mining.

Presumably the House committee gets the same basic CIA briefings as the Senate committee. Yet Boland told the House last Thursday that his committee had been given the most exact details of the mining operation by Casey and that his committee had closely *monitored* the activity from its start last January.

Boland's committee even recalled Casey to keep itself up with the operation. Thus, on March 27, Casey provided details not only of the ports seeded with the non-lethal "acoustic" mines but the names of ships hit together with their nationalities and cargoes.

*"There has been some complaint*

*about some other body (the Senate committee) not keeping pace with what was happening,"* he said. "I know what my responsibilities are and members of our committee knew what their responsibility was to the membership of this House."

## AND FURTHERMORE

Nor is Moynihan's righteous indignation shared unanimously by members of his own committee.

Sen. Bentsen (D-Tex.) says there was precise reference to the mining operation in the CIA briefings. Senators Durenberger (R-Minn.), Chafee (R-R.I.), Cohen (R-Me.) and Biden (D-Del.) do not feel the briefings were adequate.

On the other hand, Sen. Garn (R-Utah) is completely satisfied and says: "We were informed twice in March. There are ways and means, if a Senator or Congressman is not lazy, to become informed."

Sen. Lugar (R-Ind.), who voted against the mining, says: "Any Senator, whether he is on the Senate intelligence committee or not, can be as well informed as he wants to be. Any Senator can go to the Senate intelligence committee and read as much as he wishes to read from the classified transcript."

# Knowing about Nicaragua . . .

Daniel Moynihan's resignation as vice chairman of the Senate Intelligence Committee to protest the way the CIA handled disclosure of the Nicaragua mining operation shows just how far a legislator will go to avoid taking part of the blame for a foreign policy failure.

Sen. Moynihan charged that the CIA gave the Senate committee only a single, 27-word "obscured" sentence about the mining operation in a two-hour committee meeting on March 8 with CIA Director William J. Casey. But any congressional leader not thoroughly aware of what was going on had to be impersonating an ostrich. One of Mr. Moynihan's colleagues on the intelligence committee, Sen. Patrick Leahy, said that he and many others who voted for covert aid in the Senate on April 5 had indeed been fully informed on the mining.

Word of possible CIA involvement first surfaced on Jan. 3 in a report over Managua radio

that CIA-directed Contras were mining Nicaraguan waters. Although the CIA had informed both the House and Senate committees by April 2, Sen. Moynihan said he did not learn of the extent of U.S. involvement until after he had voted on April 5 to provide the CIA with an additional \$21 million for covert operations against Nicaragua. Sounds like a man trying to slide out of harm's way, doesn't it?

If Sen. Moynihan had been attentive, he might have seized upon those 27 words and demanded that the CIA clarify its role in the operation. But it was more convenient for him and other congressmen to avoid knowing too much about what was going on in Nicaragua so that they could use the issue to attack the Reagan administration if things went badly. As always, Congress wants to have it both ways: to be brought in on foreign policy decisions without assuming any responsibility for them.

## . . . and a know-nothing line

If Sen. Moynihan's reaction against the mining was convoluted, CIA Director William Casey's recent public defense of it was crude and cynical.

In an interview with U.S. News and World Report, Mr. Casey appealed to public fear of illegal Hispanic immigration to provide the justification for vigorous U.S. action against Cuban and Soviet influence in Central America.

"I think that people in the long run are less concerned about reports of mining Nicaraguan harbors," he said, "than they are about the danger of creating a wave of immigration into this country if Central America or any part of it should fall under Soviet-Cuban domination."

Now, Mr. Casey is certainly correct in assessing public fears of new waves of immigration. The controversy over admitting large numbers of Vietnamese boat people and the spectacle of

a flotilla of Cuban refugees landing in Florida are still vivid in the memory.

But, honestly, illegal immigration is not a primary reason for U.S. involvement in Central America. Surely the specter of Soviet puppet regimes committed to the spread of revolution in this hemisphere, along the United States' southern flank, holds more immediate dangers than the burden here of accepting refugees.

If Mr. Casey's remarks really reflected the motivation of administration policy in this vital region—if the mining is simply a sort of distant defense line set up to make the Border Patrol's job easier—then the critics of that policy would be right.

But, of course, that is not the case. Mr. Casey was simply engaging in an unsavory appeal to xenophobia. And he ought to be ashamed of himself.

WASHINGTON TIMES  
17 April 1984

## Sen. Moynihan's point

When, a month ago, the Central Intelligence Agency briefed the Senate Select Committee on harbor-mining operations in Nicaragua, Sen. Daniel Patrick Moynihan was snoozing or otherwise occupied and the significance of the briefing sped past him unobserved. Now, in a characteristic bit of stagecraft, the senator has resigned as vice chairman of the committee — “to make a point,” as he puts it.

What point? That, during briefings on important espionage operations, members of the Select Committee on Intelligence ought to stay awake? Well, no, this is not Sen. Moynihan's point exactly. His point, he says, is that the committee “was not properly briefed.”

That so? Shall we examine the facts then? Let's. CIA Director William Casey met with the committee last month — on March 8 and 13, to be precise. At both meetings, transcripts show, Mr. Casey mentioned the harbor-mining operation. Yes, complains Sen. Moynihan, but Mr. Casey was too brief,

encapsulating the mining operation in a single sentence of only 27 words.

All right. Mr. Casey might have been more expansive. But then Mr. Moynihan might have been more inquisitive — as inquisitive, say, as Sen. Joseph R. Biden Jr., the Delaware Democrat. Intrigued, Sen. Biden ask the committee staff to find out what was going on. The staff, brought up to speed by the CIA, briefed Sen. Biden in detail. Sen. Biden shared this information with other senators, though not, for some reason, with Sen. Moynihan.

We put it to you. Does this suggest that the CIA was holding back information? Or does it suggest instead that Sen. Moynihan, entrusted with oversight of the CIA, performed this important duty indifferently, missed out on a telling disclosure, found himself looking rather foolish, and so resigned his semi-exalted office to save face?

You may take your choice, but it's our guess that Sen. Moynihan will not be missed.

ARTICLE APPEARED  
ON PAGE A-1

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

NEW YORK TIMES  
17 April 1984

# C.I.A. NOW ASSERTS IT SOUGHT DELAYS IN SENATE BRIEFING

## REVERSAL ON NICARAGUA

Agency Said on Sunday It Was  
Senate Panel That Put Off  
a Meeting in February

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, April 16 — The Central Intelligence Agency reversed itself today and acknowledged that earlier this year, it delayed for six weeks a response to a request by the Senate Select Committee on Intelligence for a briefing on covert activity in Nicaragua.

A C.I.A. spokesman, George Lauder, said he gave an incorrect account Sunday when he told The New York Times that William J. Casey, the Director of Central Intelligence, had been ready to brief the committee in January, but had not done so until March because the committee asked for delays.

The retraction was made after Robert R. Simmons, the committee's staff director, told The Times today that he asked Clair George, the C.I.A.'s liaison officer, in late January for a briefing in early February. Mr. Simmons said the C.I.A. sought two delays and did not brief the committee until March 8.

### Senators' Complaints Recalled

Senator Barry Goldwater, Republican of Arizona, committee chairman, and Senator Daniel Patrick Moynihan, Democrat of New York, vice chairman, have said that the C.I.A. did not keep the committee "currently" informed, in particular on the scope of American involvement in the mining of harbors starting in early January.

The Senators have also said that when there were briefings, March 8 and 13, Mr. Casey did not "fully" disclose the United States' role.

The Intelligence Oversight Act of 1980 says that intelligence committees of Congress will be kept "fully and currently informed of all intelligence activities" and of "any significant anticipated intelligence activity."

### Moynihan Is Asked to Reconsider

Senator Moynihan said Sunday that he was resigning as vice chairman of the Intelligence Committee to draw attention to what he said was the failure of the C.I.A. to inform it properly.

Mr. Simmons said today that Senator Goldwater, who is in Taiwan, had asked him to urge Mr. Moynihan to reconsider his resignation. Mr. Moynihan said in a telephone interview that he was not inclined to change his mind.

The C.I.A., in seeking to demonstrate that it had kept committees informed, acknowledged publicly for the first time today its involvement in harbor mining. A statement said that "the subject of mining of Nicaraguan ports" had been discussed 11 times this year in Congressional briefings.

Mr. Simmons, the Intelligence Committee's staff chief, filled in additional details on briefing arrangements.

In a telephone call that he initiated, Mr. Lauder said that on Jan. 12, Mr. Casey told Senators Goldwater and Moynihan in a letter that the C.I.A. wished to "withdraw the full amount of money" — \$24 million — in funds approved for Nicaraguan activities.

"I was a little surprised," Mr. Simmons said. "I spoke to Clair George around Jan. 23 and told him that, on the basis of this request, the members would probably want a meeting with Mr. Casey before the February recess." The recess was for the Lincoln and Washington birthdays.

### Goldwater Accommodated C.I.A.

Continuing his account of discussions with Mr. George, Mr. Simmons said: "He called me back and said the Administration was still trying to make a decision on the issue of supplemental funds over and above the \$24 million, and could the committee wait until after the recess for the hearing. He also said that, because the Nicaraguan program was part of the President's foreign policy, he felt Secretary of State Shultz should be the lead witness."

Mr. Simmons said Senator Goldwater

had agreed to accommodate the C.I.A., and a meeting was set for Feb. 29. Meanwhile, unknown to the Senate committee, the C.I.A. had briefed the House Intelligence Committee Jan. 31.

On Feb. 24, Mr. Simmons said, he was called by Mr. George and told that the agency did not want to brief on Feb. 29, as scheduled; because Mr. Shultz would be "unavailable." Mr. Simmons said he told Mr. George that there was pressure from many committee members for a briefing and he refused the request to postpone the meeting.

But on Feb. 27, Mr. Simmons said, Mr. Casey telephoned Senator Goldwater to seek a delay, and Senator Goldwater agreed to a March 8 meeting.

Today, when Mr. Lauder, the C.I.A. spokesman, was informed of Mr. Simmons's rebuttal, he said he had to check. He called back and said that, on the basis of his conversations with C.I.A. officials, "Rob Simmons is 100 percent correct."

"I am truly sorry," Mr. Lauder said. "We regret any misunderstanding on this matter."

Mr. Lauder, in a subsequent telephone conversation, was asked why the C.I.A. had briefed the House commit-



The New York Times

Senator Barry Goldwater appealed to Senator Daniel Patrick Moynihan to reconsider his resignation.

tee on Jan. 31; but had sought a delay in the Senate committee. He said the C.I.A. was under the impression that some senators wanted Mr. Shultz to



## Who Will Take The Blame?

CIA Director William Casey was looking for the lowest common denominator recently when he proposed that Americans were more worried about a "wave of immigration" from Central America spawned by a communist takeover than about the Reagan administration's actions there to forestall communist threats.

"If we have another Cuba in Central America, Mexico will have a big problem, and we're going to have a massive wave of immigration," Casey told U.S. News & World Report. "The effort to prevent this from happening is not going to excite Americans as much as the threat they would face if things go wrong."

Mr. Casey should remember that the Reagan administration came into office complaining about the Marxist leanings of Nicaragua's Sandinista government that took power in 1980. Where was the "wave of

immigration" then, or now, despite the CIA's covert war that is claiming new casualties every day?

In El Salvador, the Reagan administration's rearming and propping up of the badly failing Salvadoran army has helped to intensify the civil war in that country. The fighting has displaced thousands of Salvadorans who now are more dependent on U.S. assistance.

In both cases, innocent civilians — not communists — have borne the brunt of the Reagan administration's refusal to "cease to involve itself in the internal and external affairs of its neighbors," a pledge the president is seeking from the Sandinista government. The American public cannot be fooled by Mr. Casey's jingoistic rhetoric. If a "wave of immigration" should occur from Central America, he and his leader must be held responsible.

# Ploys the Administration May Use to Aid Contras

By WILLIAM M. LEOGRANDE

The mining of Nicaragua's harbors, undertaken by the Reagan Administration without any real consultation with Congress, has so angered the lawmakers that there is a real possibility that they will refuse to approve any additional funding for the CIA's not-so-secret war against the Sandinistas. "They're not going to get any more money," House Speaker Thomas P. O'Neill Jr. said flatly.

Can Congress really stop the war? Optimists point to the congressional ban that effectively halted the Central Intelligence Agency's covert operations in Angola in 1976. Pessimists point to the Reagan Administration's long record of being less than forthcoming and cooperative with Congress on Central American issues, particularly its ingenuity in getting around congressionally mandated limits and conditions on aid to El Salvador.

If Congress ties the purse strings, the Administration's options will be limited. It could, of course, accept the judgment of Congress and abandon operations against Nicaragua. But Nicaragua has been a *bete noire* of the Administration ever since it came to office. On various occasions senior Administration officials, including President Reagan himself, have said that peace in Central America is impossible so long as the Sandinistas rule in Managua. In addition William J. Casey, the CIA director and Reagan's close friend, has reportedly taken a personal interest in the covert war. It is unlikely that the Administration would simply bow to Congress' insistence that U.S. involvement be ended.

But how could the Administration keep the war going if Congress refused to pay for it? There are at least three possibilities, all of which have surfaced in the press only to be hotly denied by Administration spokesmen.

The first would be to recruit other countries to pick up the tab for the war, perhaps in exchange for a promise to increase U.S. aid to those countries accordingly. This, after all, is how the covert war began, with Argentina and Honduras acting as U.S. proxies. But the Argentine and Honduran generals who hired themselves out in 1982 have since been deposed, so new partners would have to be found. Israel is a prime candidate. The Likud government has already positioned Israel as a major arms supplier to rightist regimes in Latin Ameri-

ca; to become the *contras'* patron could be seen as a logical next step. No item in the foreign-assistance budget has greater support, particularly among Democrats, than aid to Israel, thus making the Israeli option virtually immune to congressional retribution.

A second option for the Administration is to encourage—or at least tolerate—private fund-raising within the United States. In the past few months Central America has moved to the top of the issues agenda for the New Right, so the potential for such a funding drive is clearly present. That, however, would be such a blatant violation of the Neutrality Act that the Administration would have a difficult time turning a blind eye to it over the long run. And private funding could not replace the technical and military advice that the CIA has provided to the *contras*.

The third option is for the Administration to simply continue funding the covert war, regardless of congressional action, by using various contingency funds and special emergency powers—as the President did Friday to provide military aid for El Salvador.

This tactic on behalf of the Nicaraguan *contras* is probably unlikely in the immediate future. The CIA's legal department recently prepared, at White House request, a study on the use of contingency funds to keep the covert war going; it advised that such action probably was illegal. It was specifically prohibited in the compromise on funding the covert war, which was crafted between the House and Senate last year. But when the new fiscal year begins in October this prohibition will lapse. Unless Congress renews it, rather than simply refusing to allocate money directly to the covert war, the Administration will be able to circumvent the spirit of congressional action without actually violating the letter of the law.

The battle between Congress and the executive branch over the covert war against Nicaragua has been under way for more than two years, and, while the recent skirmishes certainly have been among the most intense, the battle is far from over. The Reagan Administration has made clear its belief that Congress ought not meddle in foreign policy, and Congress has been equally adamant in its refusal to return to the passivity that marked the pre-Vietnam War era.

How the Administration reacts to Congress' unwillingness to continue the covert war will be a good indicator of whether the Administration is prepared to meet Congress halfway in the search for a bipartisan foreign-policy consensus, or whether the Administration's paeans to bipartisanship are little more than a demand for bipartisan acquiescence.

*William M. LeoGrande is an associate professor of political science at American University in Washington. He has written widely on U.S. relations with Central America.*

*CWA 1.01 Casey, Wm.*

## Text of Statement by C.I.A.

Special to The New York Times

WASHINGTON, April 16 — Following is a statement today by George Lauder, the Central Intelligence Agency spokesman, on behalf of the agency concerning its efforts to keep appropriate committees of Congress informed of C.I.A. covert operations:

During the 13 January 1981 Senate Select Committee on Intelligence hearing on the nomination of Mr. Casey to be Director, C.I.A., Mr. Casey said:

"I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act. I intend to provide this committee with the information it believes it needs for oversight purposes."

Mr. Casey believes the record will reflect that he and his staff have kept that pledge. A chronology of briefings of the Congressional oversight committees in connection with events in Central America reveals that from December 1981 through March 1984, either the director or deputy director briefed the Congressional committees 30 times on Central America.

Moreover, from 16 September 1983 through 2 April 1984, other officials of C.I.A. briefed either the committees or the committee staff 22 times on Central American developments. Since the first of this year, the subject

of mining of Nicaraguan ports has been discussed with members or staffers of the committees and other members of the Congress 11 times.

Largely in order to keep the Congress satisfactorily informed on the agency's activities, the director has continually strengthened the C.I.A.'s Congressional liaison office. This office has been in virtual daily contact with staffers of the House or Senate oversight committees as well as staffers and members of other committees of the Congress. The obligation to keep the oversight committees fully informed has, as it has evolved in practice, been met by briefings of the staff, responding to their oral and written questions, and by providing updates on developments and answering any and all questions at meetings called by the committees.

There has been no reluctance to share information with them. As has been reported in recent days, members of both committees have affirmed that this process has made the required information available.

3  
 ARTICLE APPEARED  
 ON PAGE 6

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

LOUISVILLE COURIER-JOURNAL (KY)

17 April 1984

# Senate intelligence panel failed as mine detectors

WHAT DID they know and when did they know it? That variation on a famous Watergate-era question is being asked once more on Capitol Hill as lawmakers try to figure out why the Senate and House intelligence committees didn't warn them earlier about the Central Intelligence Agency-supervised mining of Nicaraguan harbors.

Barry Goldwater, chairman of the Senate committee, complained last week in a blistering letter to CIA Director William Casey that he wasn't informed of the mining. Daniel Patrick Moynihan, top ranking Democrat on the committee, concedes that CIA officials mentioned the mining in a March 8 briefing and again on March 13. But he claims that remarks about the mining consisted of only one sentence during each long committee meeting. In a fit of pique, Senator Moynihan has announced his resignation from the committee (of which Kentucky's Senator Walter D. Huddleston is a member).

On the other hand, Senator Patrick Leahy, also a member of the panel, says he was fully informed on the subject. He hinted that some senators knew a lot about the mining but only objected to it after it became public.

Meanwhile, Representative Edward P. Boland, chairman of the House intelligence committee, acknowledges that his panel got full and timely CIA briefings. And in an obvious reference to the Senate committee, he told *The New York Times*, "There's been some complaint that some other body was not keeping pace with what was happening. That's their responsibility. I knew what my responsibility was."

Representative Boland can hardly be accused of trying to protect the CIA and the Reagan administration. In fact, he voted April 5 against the administration's request for \$21 million to continue the "covert" war against Nicaragua. That was before the congressional furor over the mines, which prompted both houses of Congress to approve non-binding resolutions urging that no U. S. funds be used to finance the min-

ing operation. But presumably because he was privy to classified information on the subject, Mr. Boland did not inform the full House of the extent of U. S. involvement in the mining before the April 5 vote.

What all this amounts to, then, is a serious failure of congressional oversight of the CIA. Senator Moynihan may be correct when he claims that what the CIA told his committee was too little and too late. But senators, especially those on the intelligence committee, are supposed to keep abreast of what's going on in the world. Radio Managua had broadcast reports about mining operations as early as January 3. Five days later, leaders of the main group of anti-Sandinista rebels supported by the United States boasted publicly in Honduras

that they planned to mine Nicaraguan waters. *The New York Times* carried a story about harbor mining, including the fact that two Nicaraguan fishing boats had been damaged, on March 7, the day before the first CIA briefing of the Senate committee.

So members of that committee already should have been aware that something dangerous was afoot. And, at the March 8 meeting, they should have grilled the CIA witness even before he mentioned the mining.

If lawmakers entrusted with responsibility to oversee intelligence agencies are so slow to pick up warning signals, what protection does the nation have against serious blunders by an overzealous executive branch? For instance, President Reagan reportedly has approved a policy of pre-emptive military and paramilitary strikes against suspected terrorists abroad. Obviously, this "pro-active" approach to fighting terrorism could degenerate into assassinations and other measures that Congress outlawed after learning of CIA and FBI abuses in the 1970s. But if congressional oversight committees are half-asleep, what's to prevent counter-

ARTICLE APPEARED  
ON PAGE 1CHRISTIAN SCIENCE MONITOR  
17 April 1984

# Nicaragua policy furor

Congress, wary of 'Americanization' of covert tactics, seems likely to restrict aid, demand more accountability

By Daniel Southerland  
Staff writer of The Christian Science Monitor

Washington

President Reagan's secret aid plans for Nicaraguan guerrillas have been slowed by congressional opposition. It is now possible that within weeks, the Congress will blow those plans completely out of the water.

The United States Central Intelligence Agency (CIA) is reported to have suspended its mining of Nicaraguan harbors. Given the uproar in the Congress, it now seems unlikely to resume them.

Congressional specialists say that even if Congress agrees to continue funding CIA-backed guerrillas fighting in Nicaragua, it is likely to place tighter restrictions on how the money is used. Congress is also expected to demand fuller reporting to congressional intelligence committees on the supposedly secret operations.

But with Congress in recess, the legislative process is fraught with uncertainties. Perhaps the only certainty is that some form of Senate-House conference on covert aid will take place.

On April 5, the Senate approved an additional \$21 million for the Nicaraguan rebels. But the House is now in less of a mood to compromise on the issue. The Democrat-dominated House has voted twice along party lines to suspend aid to the Nicaraguan rebels. Also voting along party lines, the House Intelligence Committee on April 11 rejected President Reagan's request for additional aid.

The most-heavily publicized criticisms of the administration's handling of the CIA-sponsored mining operations have come from the leading Republican and leading Democrat on the Senate Select Committee on Intelligence. Both have charged that they were not fully informed of the operations, as required by law. On

Sunday, Sen. Daniel Patrick Moynihan, a New York Democrat, resigned in protest from his position as vice-chairman of the committee.

The Republican committee chairman, Sen. Barry Goldwater of Arizona, in a now famous "Dear Bill" letter to CIA Director William J. Casey, denounced the mining of harbors as "an act violating international law" and "an act of war." Senator Goldwater told Mr. Casey that his guess was that the House of Representatives would defeat the administration's supplemental aid bill and that the Senate committee "will not be in any position to put up much of an argument after we were not given the information we were entitled to receive."

Congressional specialists on the House side tend to support Goldwater's statement. As one aide to a key Democrat put it, "The House will simply not go along with the Senate on this."

Where the disclosure of the controversial mining operations appears to have done the most damage to the administration is among senators and congressmen who only reluctantly went along with funding for the Nicaraguan rebels, or "contras," as they are often called. As a congressional aide put it, "Some people are going to start saying, 'Wait a minute. This far, and no farther.'"

Among those who had provided backing for "limited" covert operations was Sen. David F. Durenberger, a Minnesota

Continued

## Sandinista Foes Turn Toward Israel for Aid

By DOYLE McMANUS,  
Times Staff Writer

WASHINGTON—The largest Nicaraguan rebel group plans to ask Israel for aid because Congress has failed to authorize any further CIA expenditures for the rebels' fight against the leftist Sandinista government, a rebel official said Sunday.

The official, a member of the Honduras-based Nicaraguan Democratic Force, said the leaders of his organization are scheduled to meet with U.S. intelligence officials today to discuss their options for finding new funds.

The Reagan Administration has requested \$21 million to continue its covert aid to the rebels, known as *contras*, but the Democratic-led House of Representatives postponed action on the issue last week amid an uproar over the CIA-directed mining of Nicaragua's har-

bors.

"We can do without the mining, but we cannot wage a war without resources," said the rebel official, who asked not to be identified by name.

He said that without substantial aid soon, the estimated 15,000 rebels grouped in three rival organizations would begin shutting down their military operations. "We will survive as a movement, but we won't be able to do anything that will have a real effect on the Sandinistas," he said.

The CIA has warned in unusually open statements that the last congressional appropriation for the covert war—\$24 million approved last November—"is running out quickly," in the words of one intelligence official.

One intelligence official said this could happen as early as this week, but congressional sources and rebel officials said the guerrillas could probably continue operations for another month.

The House is expected to debate the \$21-million request as soon as it returns from Congress' Easter vacation, but Democratic leaders, including Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.), have pledged to block the funds.

The leader of the Nicaraguan Democratic Force, Adolfo Calero, appealed publicly last week for help from the Administration.

### Says 8,000 Rebels Face Slaughter

"We have 8,000 people inside Nicaragua," he said then in a telephone interview from Miami. "I don't think the United States would abandon those people. I don't think the United States would permit them to be slaughtered."

Another rebel official said that Calero began searching for alternative sources of funding as it became clear that the House might delay new CIA funding indefinitely.

"We have looked for private money, but there isn't enough," he said. "We need a government. We think the Israelis would be the best, because they have the technical experience."

Israel has already supplied arms to another Nicaraguan group, the Revolutionary Democratic Alliance, led by former Sandinista hero Eden Pastora, rebel sources said.

Continued

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

ABC WORLD NEWS TONIGHT  
16 April 1984

AP06 NICARAGUA/  
MINES

JENNINGS: The CIA director, William Casey, took a shot at congressional critics of Nicaraguan policy today. Mr. Casey said he or his deputy discussed the mining of Nicaragua ports 11 times with congressional committees.

# It's time Reagan exposed the appeasers on Capitol Hill

Congress is taking its annual Easter break back home on Main Street this week and President Reagan should use the opportunity to inform the people of the serious damage that has been done to the United States' vital national interests in Central America.

The Senate's lopsided vote last week opposing the mining of Nicaragua's waters by CIA-supported Nicaraguan democratic forces — followed by a similar House vote — was a classic example of disinformation by a small politically motivated small group of politically motivated Congressional aides.

For more than four years the Nicaragua junta has been providing arms, sanctuary and direction to the leftist guerillas trying to shoot their way into power in El Salvador.

## SOVIET ARMS

Throughout this undisguised offensive, Congress has repeatedly approved support for the Nicaraguan democratic forces.

This U.S. military aid is aimed at stopping Soviet arms supplies to the El Salvador guerillas. It is also aimed at persuading the junta to call off its bid to spread Soviet and Cuban style revolution throughout Central America.

It is thoroughly justified under the charters of the UN and OAS which specifically provide for the right of self-defense against armed aggression.

The Senate on April 6 approved continuing this military aid — including, what had been known for months, support for the rebels' mining operations. Indeed, the rebels had specifically announced each operation since the mining began last January.

Before that Senate vote, but too late to influence it, the *Wall Street Journal* published deliberately leaked details of the mining operation which had been provided to the House Intelligence Committee by CIA Director William Casey in January and March.

This was classified information. The leak raised a firestorm in the Washington press corps and among many members of Congress which enabled Sen. Kennedy and other Democratic opponents of the Reagan Administration's Central American policy to regroup and create

## ANOTHER LEAK

Sen. Goldwater, head of the Senate Intelligence Committee, sent an angry confidential letter to Casey. He protested that he had not been briefed on the mining operation but his House counterpart had been and he complained that if this happened again he would raise "one hell of a lot of fuss about it in public."

Goldwater's letter was promptly leaked. Who by? Certainly, not by Goldwater. He is an elder statesman of substance and status and when the Senate Republicans panicked and joined the Democrats to vote against the mining he opposed the scuttle.

It is irrelevant whether Goldwater was present or not when his intelligence committee was briefed by the CIA. Casey personally briefed the committee on March 8 and again on March 13. The committee's staff was given a further, much more detailed briefing on April 2 when Sen. Moynihan's senior committee aide says was put into a memorandum that was haphazardly circulated.

## SECRET BRIEFING

Each briefing contained specific reference to the mining. Sen. Leahy (D-Vt.), opposed to the operation, says he was fully informed about it.

Sen. Moynihan, more equivocal, concedes that his aide "seems to remember it" but adds: "I'm sitting here wondering what is really going on."

What is going on is a blatant violation of classified information and possibly a violation of U.S. law.

It is crucial to Congress' oversight role vis a vis the CIA that the intelligence committees have an effective working relationship with the CIA and that it is confidential. Until now that relationship has been very good, certainly between committee members and top CIA officials.

The crisis in Central America, however, has begun to create problems among committee staff members concerned with their own personal causes.

Continued



ASSOCIATED PRESS  
16 April 1984

US - CENTRAL AMERICA  
BY W. DALE NELSON  
WASHINGTON

Responding to charges it kept congressional oversight committees in the dark about the mining of Nicaraguan harbors, the CIA said Monday night the mission was discussed 11 times with lawmakers or their aides.

In its third public statement in a week about the controversy, the normally reticent CIA said "there has been no reluctance to share information with" the House and Senate intelligence committees.

"Since the first of this year, the subject of mining of Nicaraguan ports has been discussed with either members or staffers of the committees and other members of the Congress 11 times," the CIA said in a statement issued by spokeswoman Pat Volz.

But the statement did not specify what details were provided the committees during those briefings or when they occurred. Committee members claim they were given only cursory information about the CIA-directed mining and, in many cases, well after it had started.

Ms. Volz said CIA Director William J. Casey "believes the record will reflect that he and his staff have kept" a pledge he made in 1981 to provide necessary information to the intelligence panels.

Ms. Volz said Casey or his deputy briefed the congressional committees about Central America 30 times since December 1981 and CIA officials have reported on Central America to the committees or committee staffs 22 times since last September.

According to members of the two committees, the House panel was first informed of the CIA's role in the mining on Jan. 31, several days after it had started, but one source said that information came at the end of a briefing and only after a specific question about it.

The Senate committee was notified March 8 by means of a brief mention in a lengthy statement, of which few if any senators took note.

In an interview Monday, Sen. Patrick J. Leahy, D-Vt., a Senate Intelligence Committee member, said he received a full briefing from the CIA about the agency-backed mining of Nicaraguan waters only because he "went and dragged it out of them."

The Intelligence Oversight Act, passed in 1980, requires the CIA to keep the intelligence panels "fully and currently informed of all intelligence activities" being engaged in by the United States, "including any significant anticipated activities."

\* \* \* \* \*

*EXCERPTED*

## *C.I.A. Chief Sees Migration, Not Mining, as Public Worry*

WASHINGTON, April 15 (AP).— The Director of Central Intelligence, William J. Casey, says he believes the American public is more concerned about the wave of immigration that would follow new Soviet and Cuban gains in Central America than about reports that his agency has supervised the mining of Nicaraguan harbors, according to an interview in U.S. News & World Report.

In the interview in this week's issue of the magazine, Mr. Casey declined to comment on the mining, which is intended to curb a flow of weapons that the Reagan Administration says the leftist Government of Nicaragua is channeling to guerrillas in El Salvador.

But the head of the Central Intelligence Agency was quoted as saying: "I think that people in the long run are less concerned about reports of mining Nicaraguan harbors than they are about the danger of creating a wave of immigration into this country if Central America or any part of it should fall under Soviet-Cuban domination."

"If we have another Cuba in Central America, Mexico will have a big problem and we're going to have a massive wave of immigration," he was quoted as saying. "The effort to prevent this from happening is not going to excite Americans as much as the threat they

would face if things go wrong."

Mr. Casey also said rebels seeking to overthrow the Sandinista regime in Nicaragua, some of whom are reportedly supported by C.I.A. funds, are likely to fail.

"I think there's no chance that they will be able to overthrow the Government," he was quoted as saying. "In the resistance you have, it is said, perhaps 15,000 men with rifles scattered around the open, unpopulated parts of the country, which is where guerrillas can hide.

"They can't go into the cities, which the Government is protecting with tanks and 75,000 men in the army, the militia and the security forces."

He said chances that the Nicaraguan population would rise up and overthrow the Government was "a very long shot and unlikely" because it is kept under close control.

## 'Worst Possible Policy'

Hopes for an effective U.S. policy in Central America are going a-glimmering. President Reagan is only too ready to blame Congress, and Congress is only too ready to blame him. But behind it all is grim jockeying for position in case things fall apart or the region's many wars get bigger. Like Iran in 1980, Central America is an issue with potential repercussions so serious they could determine the outcome of the November election.

In recent days, national security adviser Robert C. McFarlane has conceded that U.S. policy may fail in El Salvador, and CIA director William J. Casey has asserted that the Nicaraguan counter-revolutionaries assisted by his agency have little chance of overthrowing the Sandinista government. Does that mean that the Reagan administration is going to pull the plug on El Salvador or stop supporting the Contra movement? Not very likely. It suggests to us that if catastrophe strikes, as it did in Lebanon, that the administration is preparing to say it anticipated the worst because of what Mr. Reagan calls a "wavering" Congress.

As Congress headed home for its Easter recess, there were some welcome cross-currents: the Republican-led Senate voting to condemn the mining operations against Nicaragua; assertions by vari-

ous Democrats that they were adequately briefed by the CIA; even the White House and Representative Clarence D. Long (D, Md.) almost cutting a deal on aid for El Salvador.

Nevertheless, we see only intense political wrangling ahead. Mr. Reagan is well under way on a course in Central America that is opposed by all three Democratic contenders for the presidency. He has built up a massive, semi-permanent U.S. military presence in Honduras, placed the resources of the CIA behind Nicaraguan insurgents and programmed aid for El Salvador even if rightwinger Roberto D'Aubuisson wins the May 6 presidential election. Yet troubled as the Democrats may be by these actions, they do not want to be open to GOP taunts that they "lost" Central America. So the outlook is for just enough money out of Congress to keep the Reagan policies cranking over, but not enough — if any would be enough — to make them successful.

The Kissinger Commission has said there might be an argument for doing nothing and an argument for doing a lot more. But it warned that the "worst possible policy" (which is the policy we are destined to have for the rest of this election year) is to give "some aid but not enough."

WASHINGTON TIMES  
16 April 1984Rowland Evans  
And Robert NovakBetraying  
The  
Contras

Halfway measures by an administration lacking the will to win are leading to this tragic turn in the fight against Central American communism: betrayal by political posturing in Washington of Nicaragua's anti-Marxist *contras*.

Murky charges float around Capitol Hill that last week's political maelstrom was started by highly placed career officers in the Central Intelligence Agency who always had opposed Director William Casey's anti-Sandinista campaign in general and mining Nicaragua's ports in particular.

In truth, however, retreat was started elsewhere—by the Republican leaders in the Senate. Seeking vainly to defuse the issue, and pressed to do so by the White House, they joined liberal senators instead of fighting them.

Thus can be glimpsed the end of an anti-Sandinista policy in Nicaragua that was too cautious from the start. Ronald Reagan now finds himself on the brink of a foreign debacle dwarfing the Lebanon fiasco, endangering his foreign policy and his reelection.

An attempt by the president to mobilize the nation may be necessary to avert a congressional cutoff of funds.

Unless third-nation backing (Israel or Saudi Arabia is mentioned) can be found or token U.S. financing maintained, communist control in Nicaragua will be confirmed.

Playing cute politics last week ended the administration's chances to shape a dramatic up-or-down vote on Nicaragua. That test would have created an election-year contest between a resolute Reagan, willing to take risks to save Central America, and a divided Democratic Party whose neo-isolationist wing abjures the use of force against revolutionary Marxism. Such an election-year issue would at least give voters a chance to choose.

Senate Majority Leader Howard Baker set the stage for the mass Republican backdown on the port-mining issue. Addressing a closed-door Senate Republican conference April 10 (with an unusually high attendance of nearly 50 senators), Baker called for a show of hands on this question: How many support Sen. Edward Kennedy's resolution to cut off all aid for the mining?

Counting 16 hands, Baker told his colleagues that much support would guarantee Kennedy's winning. Rather than court humiliating defeat for the president, he said, better for the Republicans to "defuse" the issue by joining Kennedy. Yet, a shrewdly managed battle against the resolution conceivably might have won in the Senate. Instead, moderate Democrats were freed by the Republican surrender to join Kennedy.

Baker's rationale was that since the resolution was non-binding, Kennedy's victory would signify nothing. That ignored screaming headlines and major takeouts on the evening television news. It also ignored the poisonous impact of retreat on other Latin American states.

But the majority leader was in tune with the White House, where chief of staff James Baker III was an architect of the go-with-Teddy strategy. Jim Baker's political priority today is not fighting communists in Central America but devising new ways to shape Reagan as the peace president.

Even before Reagan took the presidential oath, his national security planners had focused on Nicaragua as the obvious place for the new administration to prove its credibility in the East-West struggle. Step by step, however, original plans were shaved and shorn. Published reports of planned mining of Nicaraguan ports appeared as early as July 1983, but nothing happened for months.

When it finally did, the mining was not kept secret from Congress. Members of the Senate and House intelligence committees, now whining about being left in the dark, learned—if they listened—of the mining operation on three separate occasions. Sen. Malcolm Wallop, an attentive Republican on the Intelligence Committee, told us it was "an outright fabrication" for any member to claim otherwise.

The roots of the uproar on Capitol Hill go deeper than Bill Casey's difficulty or unwillingness to communicate with Congress. They go to congressional

Marxism in Central America, to members of both parties concerned about the moieties of international law instead of the enemy at the back door.

That mood counts heavily when the White House is more concerned about the president's election-year image than about the future of the *contras*. In contrast, a few deeply concerned senators are urging Reagan to go to the nation. The alternative might be another chapter of betrayal of allies, this time by a president who just four years ago pledged to close the book on such conduct.

©1984 News Group Chicago, Inc.

ARTICLE APPEARED  
ON PAGE A-1WASHINGTON POST  
16 April 1984

## Covert Aid Salvage Try Under Way

By Charles R. Babcock  
and Bob Woodward  
Washington Post Staff Writers

The Reagan administration is trying to salvage faltering congressional and public support for its secret war against Nicaragua by attempting to focus new attention on the size of the Soviet and Cuban military buildup in Central America and playing down the controversy over U.S.-directed mining of Nicaraguan harbors.

In an effort to rescue \$21 million in funding for the covert operations, CIA Director William J. Casey told the Senate last week that the controversial CIA-directed mining of Nicaraguan harbors was not an integral part of the program. President Reagan and intelligence officials also began giving stronger emphasis to specific figures about the scope of the threat they see in the region.

CIA officials have said that their intelligence collection shows:

- The Soviet Union is spending between \$4 billion and \$4.5 billion each year in Cuba and \$250 million to \$300 million elsewhere in Central America.

- The Soviets have about 10,000 personnel in Cuba; 8,000 of these are technicians and 2,000 are military. About 100 Soviets are in Nicaragua.

- The Cubans have between 7,000 and 10,000 personnel in Nicaragua, of whom between 2,500 and 3,500 are military. Casey has said that the Cuban military personnel in Nicaragua have shaved their Castro-style beards, discarded their

Cuban uniforms and been integrated into many units of the regular Sandinista army.

The president cited similar, but slightly lower, figures on the Soviet-Cuban presence in Nicaragua in a radio address Saturday in which he said, "We cannot turn our backs on this crisis at our doorstep."

Others in and out of the administration are skeptical of the CIA figures. One congressional source familiar with the intelligence estimates said yesterday, "My fear is that in the effort to save the program they will overstate their case and undermine the truth, which is that there has been a very substantial buildup by Soviets and Cubans."

This source noted that the Soviets have sent new generations of air defense missiles, planes and maritime equipment to Cuba.

Sen. David F. Durenberger (R-Minn.), a member of the Senate intelligence committee who has supported the administration's requests for covert funding, said yesterday that he questioned the Soviet-Cuban troop numbers being used by administration officials.

"The Sandinistas are supposed to be moving Cubans out," he said. "There are probably substantially fewer there than there were six months ago."

Durenberger also criticized the administration for making no real attempt "to sell" Congress or the public on the Kissinger commission's recommendations to fund long-term economic growth in the region.

"The really frustrating thing is the president has got to lift this out of mining and covert operations, and lift it into the larger context and get it out to the American people," he said.

Sen. Patrick J. Leahy (D-Vt.), an intelligence committee member who voted against the \$21 million in covert aid, said yesterday that the administration has been trying "to substitute a covert operation for a foreign policy." He said on ABC-TV's "This Week With David Brinkley" that "there is no real military solution short of sending in U.S. troops."

Administration officials made themselves available to reporters over the weekend as part of the new public relations offensive; and former secretary of state Henry A. Kissinger and U.N. Ambassador Jeane J. Kirkpatrick, also appearing on ABC, urged the president to be more forceful in telling the public about the importance of U.S. interests in Central America.

Kissinger criticized Reagan for letting the debate "degenerate into \$50 million increments" and added that, "at the present level of effort, pro-

duced in large part by our domestic division, [the policy] is a recipe for disaster."

Kirkpatrick echoed the need for more aid to head off what might become a "really major threat" to U.S. national security. She said the biggest threat was not combat troops on U.S. borders.

"It is in fact nuclear missiles, it's chemical weapons, which are another really important threat looming on the horizon," Kirkpatrick said. She said she did not have evidence that the Soviets planned to use chemical weapons in Central America but said there had been no warning that they would use them in Southeast Asia, as the administration has alleged.

Casey told U.S. News & World Report in an interview published today. "I think that people in the long run are less concerned about reports of mining Nicaraguan harbors than they are about the danger of creating a wave of immigration into this country if Central America or any part of it fall under Soviet-Cuban domination."

Last week's mining controversy clearly damaged the administration's support in Congress for the covert war, however. Sources said, for instance, that Casey acknowledged to a group of senators last Tuesday that the mining was not an integral part of the U.S. effort in opposing Nicaragua. This distressed some intelligence committee members who had voted the week before to approve \$21 million in additional funding for covert operations in Central America without realizing the extent of the U.S. role in the mining.

CONFIDENTIAL

BALTIMORE SUN  
16 April 1984

Washington.

THE WAY the Reagan administration handled the mining of Nicaraguan waters raises new questions about its competence in foreign policy, but Congress would be over-reacting to cut off all aid to guerrilla groups fighting the Sandinistas.

From beginning to end, the mining operation was misconceived and

By Morton Kondracke

mishandled. It was overseen directly by the Central Intelligence Agency, not indirectly through the Nicaraguan rebel groups.

The operation was designed to inflict economic damage on the Nicaraguan government, but its immediate targets were ships of other nations, including those of the Netherlands and Spain, allies of the United States.

The mining operation was arguably an act of war against Nicaragua committed directly by the United States. Worse than a violation of morality or international law, it was handled with utter incompetence.

The CIA invented the operation without due consideration of the consequence of getting caught at it.

## The Nicaraguan Folly

It was presented to President Reagan as part of a package of measures designed to step up aid to the anti-Sandinista guerrillas and without a full debate in the National Security Council. Had such a debate occurred, Secretary of State George Shultz might have impressed his reported "grave misgivings" on the president.

Then, key members of Congress were informed only haphazardly about the operation, or not at all. One of those not informed was Senator Barry Goldwater, chairman of the Senate Intelligence Committee.

Mr. Goldwater exploded. Another person who didn't know about the operation was House Minority Leader Robert Michel, who protested that the president's top men in Congress should not have to find out what their government is doing by reading it in the newspapers.

And, finally, there is the leakage of the whole affair to the papers. It's not clear who provided the first information about CIA sponsorship of the mining, but afterward the administration leaked information about it like a sieve. Secret-keeping discipline in Washington is now practically nil.

The administration also has never been able to get it straight in public what its overall aims are — to overthrow the Nicaraguan government, force the Sandinistas to stop supplying ammunition to left-wing forces in El Salvador, make the Sandinistas hold free elections, or pressure them into peace negotiations with their neighbors.

New information on administration policy in Lebanon — especially a dazzling and dismaying account by Thomas Friedman in the *New York Times* magazine April 8 — indicates that internally as well as publicly, top Reagan aides never had a clear idea what they wanted to gain from the presence of U.S. Marines.

The same just may be true in Nicaragua. Some hard-liners, led by the CIA's Casey, seem to want to overthrow the Sandinista government. Others, such as Mr. Shultz, want to force regional peace talks and a halt to Nicaraguan aid to Salvadoran communists. The president sometimes gives one rationale; other times, another.

Another sign of incompetence is the favoritism that the administration has shown toward one guerrilla

group, the right-leaning FDN operating out of Honduras, instead of the democratically-inclined ARDE, led by the charismatic Eden Pastora ("Commandante Cero") operating in southern Nicaragua. FDN field commanders too often are officers of the former dictator Anastasio Somoza's brutal National Guard, diminishing the FDN's credibility among the Nicaraguan people.

Despite all this, however, Congress should not cut the rebels off. As the *New York Times* reported on April 11, even formerly dubious European and Latin diplomats in Nicaragua now acknowledge that the Sandinistas are the principal source (with Cuba and, indirectly, the Soviet Union) of ammunition reaching communist insurgents in El Salvador.

Nicaragua itself has the largest armed force in Central America, has dedicated itself to a "revolution without frontiers" throughout the region, is closely aligned with Moscow and Havana, and has become increasingly repressive internally.

There are two ways to thwart the Nicaraguans from spreading communism through Central America. One is to support the contras — Pastora's democrats, especially. The other is to send in U.S. troops. If the administration can do it competently, the former course is clearly preferable.

ARTICLE APPEARED  
ON PAGE 45NEWSWEEK  
16 April 1984

## The CIA's Harbor Warfare

The Central Intelligence Agency has its quiet operations in Central America—and its noisy ones. Since late February, at least a dozen ships under six flags have run into mines planted in Nicaraguan ports. The Reagan administration routinely credits the disruptions to Nicaraguan counterrevolutionaries. But last week there was increasing evidence of direct CIA involvement in the harbor war against Nicaragua. According to intelligence sources, American agents supplied Italian-made mines and a vessel of Panamanian registry to serve as a covert mother ship. CIA speedboats delivered the devices—and CIA contract agents helped sow the explosive charges.

The publicity came as the Reagan administration's covert strategy against Nicaragua ran into stiff criticism from American allies and U.S. congressmen alike. While Nicaraguan Defense Minister Humberto Ortega was said to be visiting the Soviet Union and North Korea to shop for a mine sweeper, a surprising offer of help turned up from Paris. In a letter to Colombia's president, disclosed last week, France's External Relations Minister Claude Cheysson offered his own government's help in clearing the mines if "one or several friendly European powers" went along. Britain asked the United States to help stop the mining. The Thatcher government had no plans to take any active part in mine-sweeping—but it frowned on the mining operation as a threat to the principle of freedom of navigation.

That the CIA orchestrated the strategy of mining Nicaragua's harbors has long been public knowledge. By mid-February, anti-Sandinista forces had mined the major ports at Corinto and Puerto Sandino as well as several lesser targets. By early March, Reagan administration officials were privately conceding that the CIA had equipped the contras with speedboats and acoustic mines, which are sown in patterns on a harbor bottom and are detonated by the sound of a passing ship. (The acoustic weapons generally cause less damage than floating mines anchored on the harbor bottom and detonated by contact with a ship's hull.) Last week's new twist was that CIA contract agents had directly helped the contras lay the mines.

**Specialists:** CIA spokesman George Lauder refused to comment on any details of the reports but said that "there are no Americans involved" in Nicaragua or its waters. The Washington Post reported that Latin American CIA specialists with skills in arming mines and piloting boats had joined the contra operation. According to a NEWSWEEK intelligence source, the mining operation has been conducted by experts from El Salvador, Argentina and Chile. According to this source, the CIA operation is directed from a Panamanian vessel, which operates in international waters convenient to Corinto and Puerto Sandino. The actual mining is done from small, high-speed vessels entering Nicaraguan waters after dark. CIA Director William Casey briefed the House Intelligence Committee on the mining program last month, the source said, and his testimony apparently became the basis of several newspaper accounts.

Even before last week's disclosures, the CIA's covert operations in Nicaragua were attracting more criticism on Capitol Hill. The Republican Senate approved an additional \$21 million in CIA support for the Nicaraguan contras and attached the financing to a bill that includes \$61.7 million in military aid for El Salvador. But there were signs that the Senate Intelligence Committee might urge the administration to call off the mining operation. The Democratic House was geared for even stiffer opposition. The Democrats were inclined to support the aid for El Salvador. But chairman Dante B. Fascell of the Foreign Affairs Committee said the attached finances for the contras "may make it very difficult to pass it in the House."

**Damage:** The Reagan administration still staunchly defends its efforts to cut off the flow of Soviet-bloc weapons into Nicaragua and to put economic pressure on the Sandinista regime. The problem is that the CIA mines have now damaged Soviet, Japanese, Dutch, Panamanian and Liberian ships. There are fears that some mines might accidentally float into the Gulf of Fonseca, damaging ships bound for El Salvador and Honduras as well. For the moment, there appeared to

be little chance that France or any other ally would go so far as to sweep for U.S. mines. But the operation's political cost was obviously rising. Cheysson said that the CIA strategy represented "without a doubt a blockade undertaken in peacetime against a small country"—and thus posed "serious problems of political ethics." And within the House and Senate, pressure was likely to grow for the CIA to think again about an operation that threatened to hurt the United States even as it punished the Sandinistas.

STEVEN STRASSER with  
NICHOLAS M. HORROCK, JOHN WALCOTT  
and JOHN J. LINDSAY in Washington

# Reagan '80 Group Rebuffs Inquiry By Congress on Transition Books

By LESLIE MAITLAND WERNER

Special to The New York Times

WASHINGTON, April 14 — A private foundation established in 1980 to help President-elect Reagan's transition to office has rebuffed requests from Congress and the General Accounting Office to examine its books.

The foundation raised and spent almost \$1 million between the election and the inauguration, according to its tax returns. That amount was in addition to \$2 million from the General Services Administration, the Government agency that monitors how such money is spent.

Transition planners for Mr. Reagan said in 1980 that they were raising private money because the G.S.A. funds would not be nearly enough to pay for salaries and expenses. A month after the inauguration, \$286,590 of the G.S.A. money was left over, according to the Comptroller General, although additional bills could have been received later.

No law requires the disclosure of financial records for the foundation, but transition officials pledged in 1980 that they would be made public. This has not been done.

Tax returns of the Presidential Transition Foundation for 1980 and 1981, obtained from the Internal Revenue Service, show that it received \$250,000 that the Federal Election Commission said had been transferred from the Reagan for President primary effort. From private donations, the tax returns show, the foundation raised \$727,600.

In addition, a separate trust set up for the same purpose raised \$160,000, of which \$50,000 came from a bank loan, according to an official familiar with the trust. He would not comment on which bank provided the loan or under what terms, and other Reagan Administration officials declined to discuss the fund-raising effort.

The Federal income tax returns filed by the foundation do not provide detailed information on donors, on how the money was spent or on what was done with more than \$38,000 that they

show as left over from the money collected from private sources.

Because the foundation filed its returns as a tax-exempt organization, they are available to the public from the I.R.S., although all other tax returns are kept secret.

The General Accounting Office, the investigating arm of Congress, sought to examine the books of the foundation and the trust to determine who contributed money to the funds and how it was spent. But according to public documents, the agency was denied access to the records of the two funds.

Edwin Meese 3d, now the Presidential counselor, is listed on the foundation's tax returns as its president. He said in a recent interview that "since this was entirely a private activity, I guess maybe that was the reason" the foundation's records have not been disclosed.

A revenue service disclosure officer, Melody Magin, said there was no record of either the trust or the foundation having been granted tax-exempt status. The foundation, however, filed both its 1980 and 1981 tax returns as a tax-exempt organization and a person familiar with its operations said it had applied for an exemption and was still awaiting a ruling.

## Monitored by Election Panel

The Federal Election Commission monitors contributions to election campaigns to make sure there is a public record of the names, addresses and occupations of donors and the size of their contributions, which is limited by law.

But there are no such reporting requirements for donations to a transition fund. Verne Orr, who was one of three directors of the foundation, along with Mr. Meese and William J. Casey, now the Director of Central Intelligence, said in 1980 that the Reagan transition team had decided to accept only private contributions of less than \$5,000.

"We don't want the kind of money where someone will say someone's buying an ambassadorship," Mr. Orr, who is now Air Force Secretary, said at the time. Mr. Orr, who handled budgetary matters for Mr. Reagan's transition, also said the private donations were being sought from "people who have contributed generously in the past" to Mr. Reagan and George Bush, his running mate.

## The Disclosure Pledge

At the time, Mr. Orr also said that because left-over campaign contributions would be mixed with the new contributions, the entire fund would be audited by the Federal Election Commission and the names of the donors would eventually be made public. But a spokesman for the commission said this week that the matter was handled by the Comptroller General, who has said he was not permitted to audit the records of the Foundation.

An Air Force spokesman who was given questions for Mr. Orr said he would not comment. The spokesman said Mr. Orr would not explain why the G.A.O. was denied access to foundation records when he had initially said the foundation would make full disclosure. A spokesman for Mr. Casey said he was not available for comment.

## 1981 Access Denial Reported

In a letter three years ago to Representative Jack Brooks, Democrat of Texas, Elmer B. Staats, then Comptroller General, said the counsel for the foundation "denied us access to the books, records, and accounts for these private funds."

He added, "Consequently, we are not able to report on the total amount of funds raised or the purposes for which the funds were used. We were advised, however, that the corporation would be audited by a public accounting firm."

The audits were eventually conducted by the Washington office of the Arthur Andersen firm, which has declined to comment.

Mr. Meese, President Reagan's nominee for Attorney General, said in a recent interview concerning the questions raised by his personal financial dealings that he did not know whether there had ever been a public accounting of the money raised and spent by the transition foundation.

Mr. Meese, who received \$12,352 as the foundation's only paid director, said he thought the records were "stored some place."

"That's one thing I had nothing to do with, the financial aspects," Mr. Meese said, referring to the money-raising organization he headed. "I don't know

Continued



By Terry Atlas

# COVERT OPERATIONS

## CIA's Latin actions open old wounds in Washington

Terry Atlas is a member of The Tribune's Washington Bureau.

WASHINGTON—In one of those ironic twists that are becoming common in world affairs, the Central Intelligence Agency helped put mines in the ports of Nicaragua—and they blew up in Washington.

The political explosions in Congress over the mining operation could do more damage to the Reagan administration's foreign policy than is being done to ships in Nicaraguan harbors. With debate over the recent debacle in Lebanon barely subsiding, the mining issue has embroiled President Reagan and Congress in yet another dispute about the exercise of American power abroad.

The issue is the CIA's supposedly covert support for antigovernment Nicaraguan rebels. The administration doesn't publicly admit lending the support, but nobody bothers denying it, either.

Admitted or not, there has been little more than a charade of secrecy for some time about the CIA's role in financing and training the "Contras," actually several separate anti-Sandinista groups that together have about 10,000 fighters staging attacks from sanctuaries in neighboring Honduras.

But many angry members of Congress said they didn't know until newspaper disclosures last week that the CIA's not-so-secret war also included the mining of Nicaragua's three main harbors, which has so far damaged at least six cargo ships, including a Soviet oil tanker; brought protests from at least three allies, Britain, France and Canada; and provoked a formal complaint by Nicaragua to the International Court of Justice at The Hague.

CIA DIRECTOR William Casey, dispatched to Capitol Hill by the White House in an effort to calm Congress, confirmed to lawmakers behind closed doors that CIA personnel were directly involved in the mining, which he said was an effort to disrupt Nicaragua's supplies of weapons from Cuba and the Soviet Union. Casey, seeking approval of \$21 million in additional support for the

las, said the Contras are necessary to cut the weapons flow from the Marxist Nicaraguan government to the leftist insurgents in El Salvador.

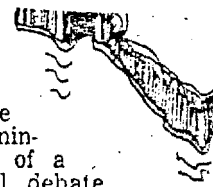
Congress told Reagan last year not to attempt to topple the Sandinistas, and the administration has asserted that it supports the Contras only as far as putting pressure on Managua to stop supporting insurgents elsewhere in Central America. But the mining, which was being called both an "act of war" and "state-sponsored terrorism," apparently went beyond the bounds of what Congress would accept.

"We have employed tactics we condemn others for," said Sen. Larry Pressler [R., S.D.], as part of the bipartisan chorus of criticism about the mining that appeared to doom future funding for the Contras.

The administration was surprised by the uproar, considering the mining to be nothing more than continued U.S. harassment of the Sandinistas, whom the White House contends are trying to topple the U.S.-supported government of neighboring El Salvador. Sources said the mines were designed to produce more noise than damage to vessels and were placed in such a way to avoid violating the letter, if not the spirit, of international law.

"In my estimation, we declared war on Nicaragua and haven't told the world about it," said Adm. [ret.] Eugene Carroll

Jr. of the private Center for Defense Information.



ALL THIS couldn't have come at a worse time for the Reagan administration—in the midst of a partisan congressional debate about Central American policies in general and on the heels of the President's repeated denunciations of state-sponsored terrorism by others.

"The American public is chagrined to realize it is doing state terrorism because they all agreed with the President when he condemned Syria and Iran for doing it," said Adm. [ret.] Stansfield Turner, director of the CIA in the Carter administration.

The debate over covert actions contains echoes of past CIA operations in places like Cuba, Laos, Angola, the Congo (now Zaire) and Guatemala, where the United States has employed covert means in an effort to alter events more to Washington's liking.

Now, as then, the basic question is whether it is ever wise, moral or even feasible for the United States to secretly interfere in another country's internal affairs to promote American foreign policy aims. Are such things as propaganda, secret financial aid and covert support for paramilitary groups acceptable tools of American foreign policy? Is it realistic to believe that an open society such as this can operate in secret for any length of time before the activities become widely known?

"You've got to be able to do covert activities from time to time," Turner said. "It's a perfectly legitimate tool of foreign policy. It just hasn't been particularly well used in Nicaragua."

WHERE THE ADMINISTRATION has erred, he said, is in proceeding with an operation that was controversial from the start, had undefined goals and lacked broad support even within the congressional intelligence committees responsible for monitoring CIA operations.

In contrast, he points out, "I don't hear anyone complaining about possible covert aid to the Afghan rebels."

Continued

# The born-again CIA

By Peter R. Kornbluh

IT is time for a new national debate on the propriety of CIA covert operations. The international uproar over the CIA mining of Nicaraguan ports, derailing the Reagan administration's effort to get \$21 million more from Congress for its clandestine war against the Sandinista government, has raised larger questions about the meaning of such activities for other governments, and our own: Do covert operations against foreign governments further U.S. national security interests? Does secret CIA intervention promote American values abroad? And, are these activities compatible with the democratic principles and ideals that serve as a foundation for American society?

These issues have been debated before. Ten years ago, in the wake of Watergate and Vietnam, press revelations that the CIA had conducted assassination missions against foreign leaders, illegally spied on American citizens, and engaged in the overthrow of the democratically elected government in Chile, ended the national quiescence on covert operations that the agency had enjoyed throughout its postwar history.

## The Church committee

The secrecy on which CIA agents and policy-makers had depended to hide their activities from the American public was shattered; the dark side of U.S. foreign policy was exposed. "Covert action," the late Sen. Frank Church, who chaired the Senate Select Committee on Intelligence which examined the history of the CIA's cloak-and-dagger activities, later observed, was revealed to be "a semantic disguise for murder, coercion, blackmail, bribery, the spreading of lies, whatever is deemed useful in bending other countries to our will."

A new public awareness of this sordid realm of U.S. foreign policy led to a national re-evaluation of the CIA. In 1974, Congress established oversight committees to monitor and restrict future covert actions. Less than a year later Congress took an unprecedented step, voting to stop

CIA operations ordered by Henry Kissinger in Angola.

The CIA had fallen from grace. Its decline was symbolized by the Carter administration's prosecution of former agency director Richard Helms for lying under oath to a Senate subcommittee about CIA intervention in Chile. On Nov. 4, 1977, Helms became the first intelligence chief in American history to be convicted of perjury charges. "You now stand before this court in disgrace and shame" the judge told Helms, who had pleaded no contest.

But when President Reagan awarded Helms the National Security Medal for "exceptionally meritorious service" last October, he became a symbol of the CIA's resurgence under the Reagan administration. Indeed, "The Company" is back in business.

Under the Reagan administration, the CIA has expanded its operations around the globe. The agency's budget rose 25

percent in 1983 (as compared with the Pentagon's 18 percent), making it one of the fastest-growing major departments in the U.S. government. Some of that money is being used to recruit fresh blood into the ranks of covert operatives. "CENTRAL INTELLIGENCE AGENCY . . . for those who want a different definition of SUCCESS," read prominently placed advertisements in major U.S. newspapers. These jobs offer "unique overseas assignments that challenge your every talent."

Among those assignments is Central America, where the agency has mounted its largest paramilitary war in more than a decade. "Special activities" — a euphemism favored by CIA director William J. Casey — also have been conducted in the Middle East and Africa. Casey is reported to be such an enthusiast for covert operations that he has secretly flown around the world to supervise his agents in action.

But if the CIA has been resurrected it has not been reformed. Up to its old dirty

Continued on Page 8C

Continued

## If Not Mines, What?

Credit William Casey and his C.I.A. wizards with a grand slam in slipping those mines into Nicaragua's harbors. In a stroke, they managed to enrage and confuse Republicans and Democrats at home, allies and adversaries abroad. And they let Nicaragua's Sandinistas robe themselves in the vestments of international law. Congress's lopsided protest should teach a lesson in law and history to an Administration disdainful of both. But the vote only closes a lesser argument over means without advancing the necessary debate about the ends of Central American policy.

The muddle is epitomized by the silly weapons the C.I.A. is said to have used: "firecracker mines" meant to scare away neutral ships without actually sinking them — mines potent enough to stain America's reputation yet too feeble to cripple an adversary. So it has been with the whole "contra" war, which cannot defeat the Sandinistas but offers them no clear bargain of relief.

Some days, President Reagan insists that he means to hold the Sandinistas to their promise of genuine democracy in Nicaragua. Some days he says they can never be trusted to keep any agreement. On still other days, he says the only purpose of military action against them is to make them end support for the guerrillas in El Salvador.

It is time finally to choose an objective and to tailor means to ends.

From their first days in power in 1979, the Sandinistas betrayed their democratic supporters. They allied themselves with Cuba, looked eastward for trade and weapons, undertook a provocative military buildup, called for wars of liberation in their region, welcomed Soviet bloc advisers, voted with Moscow in the U.N. and furnished arms and advice to Marxist insurgents in El Salvador.

If there was any hope of preventing Nicaragua's becoming just like Cuba, it lay in hints that the Sandinistas did not want to be wholly dependent on Moscow, and the signs that Moscow didn't want another highly expensive American dependency. But the Sandinistas feel popular enough to arm much of their population. If their association with

the Soviet bloc is intolerable, only direct United States intervention could throw them out.

But not even the fiercest hawk contends that an intervention in Nicaragua would be as swift or successful as it was in Grenada. And Cuba's easy survival of an invasion by surrogates only enhanced its stature and influence.

Lacking support at home or abroad for any massive war, President Reagan wisely decided against it. Yet as if ashamed of that reality, he has refused to define his terms for an accommodation or even to admit that one is possible. Thus the "contra" war cynically exploits Nicaraguans who pine to retake Managua but amounts to only aimless spasms of violence.

If not that, precisely what? The inescapable answer lies before us. How much the Sandinistas betray their revolution and wreck their economy is, finally, Nicaragua's affair. These are decisions the hemisphere can try to influence, with appropriate trade and aid inducements and punishments. But that is all.

How the Sandinistas behave toward their neighbors, however, is very much the hemisphere's concern. Nicaragua has signed treaties that bind it not to interfere in other nations and not to provide bases for hostile powers. Punishing it for any such transgressions would have widespread support among the American people and significant support throughout the Americas.

The right and realistic message to the Sandinistas is: Live but let live. Choose your own path, but expect help only if it is democratic. Supply revolutionaries in El Salvador or elsewhere and expect the United States to supply counterrevolutionaries in Nicaragua. Give the Russians or Cubans bases for war against other American societies and the response will be war.

That would be a clear policy and, properly managed, a legal policy. Conflicts that cannot be forcibly ended have to be negotiated. And while acts of force can sometimes assist negotiation, they can do so only when the adversary is given a comprehensible and attractive alternative.

ARTICLE APPEARED  
ON PAGE /

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

LOS ANGELES TIMES  
13 April 1984

## Reagan Policy Now Embarrassingly Overt

# Covert War--A Strategy Backfires

By DOYLE McMANUS, *Times Staff Writer*

WASHINGTON—When President Reagan authorized the CIA to launch a secret guerrilla war against Nicaragua in 1981, one of his concerns was to avoid the angry public debate and diplomatic protests that overt military intervention would have sparked, Administration officials say.

"The beauty of covert action," one senior official said, "is that it permits a government to avoid dealing with the consequences of open support."

Now, however, that strategy has boomeranged. After two weeks of snowballing revelations about the CIA's role in mining Nicaragua's harbors, the covert war is embarrassingly overt—and the Administration appears to be suffering the worst of both worlds.

Congress, up in arms because many members believe they were kept in the dark about the mining of Corinto and Puerto Sandino on the Pacific and El Bluff on the Caribbean, is threatening to kill the entire guerrilla operation by cutting off funds. Even staunch Administration supporters such as Senate Majority Leader Howard H. Baker Jr. (R-Tenn.) and Sen. Paul Laxalt (R-Nev.), a close friend of the President, voted to denounce the mining.

### 'Winning War . . . Losing Washington Battles'

U.S. allies, including British Prime Minister Margaret Thatcher, and leaders of other Central American countries have condemned it, as well.

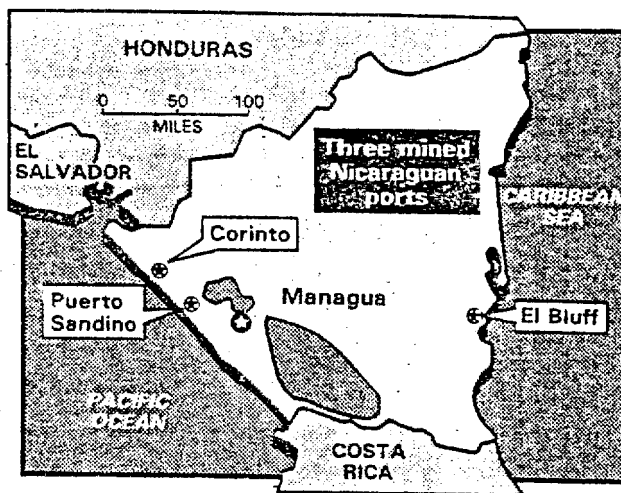
The screen of secrecy that was intended to shield the campaign from public criticism has collapsed, but frustrated Administration officials say they are hamstrung in defending the policy—because officially it is still covert.

"We've been winning the war in Central America," one State Department official said, "but losing all our battles in Washington."

For the Administration, the stakes are far greater than whether more small mines will be dropped into Nicaragua's harbors by Latin American commandos financed, equipped and instructed by the CIA.

Senior officials privately describe the estimated 15,000 U.S.-funded rebels as a vital part of a campaign to pressure Nicaragua's leftist regime to move toward internal democracy and stop exporting revolution to other countries in the region.

"The contras are an important positive factor," one



Los Angeles Times

Key figures in the Nicaraguan controversy, clockwise from right: CIA Director William Casey, Sen. Barry Goldwater and U.N. Ambassador Jeane Kirkpatrick.



Continued

CIA STATEMENT ON CONGRESSIONAL BRIEFINGS  
WASHINGTON

-----  
The CIA said Friday both the Senate and House Intelligence committees were briefed in January and March on the agency's covert operation to mine Nicaraguan harbors.

The agency was responding to congressional criticism that members had not been fully informed of the controversial operation.

A CIA spokesman said the House Intelligence Committee was briefed on the mining project Jan. 31 and March 27 and the Senate panel was given details March 8 and March 14.

In a separate statement, Deputy CIA Director John McMahon denied a published report that he did not support the mining project.

The Washington Post Friday, quoting an unidentified source on who inspired the plan, had said CIA Director William Casey "cooked this whole thing up" and that McMahon thought the project "ill-conceived."

"I am anxious to refute the Washington Post's reference to my views on our Nicaraguan activities which appeared in its 13 April 1984 edition," McMahon said.

"While Director Casey encourages lively debate on all our intelligence proposals, he and I are one mind when it comes to agency programs, including those to counter the threat of the Sandinistas to the stability and peace of Central America. This position is also shared among other senior agency officials."

An intelligence source said that this concurrence embraced all CIA operations in Central America, including the mining.

DEPUTY CIA DIRECTOR SAYS HE AGREED WITH CASEY ON NICARAGUA  
 BY ROBERT PARRY  
 WASHINGTON

The CIA's deputy director, in an extraordinary formal statement, said Friday that he and CIA Director William J. Casey "are of one mind" on the actions to counter Nicaragua's leftist government.

John N. McMahon's statement, released by the CIA's public affairs office, came amid mounting criticism of the agency's role in mining Nicaraguan harbors and was in response to a Washington Post article saying McMahon believed from the start that the Nicaraguan covert action was ill-conceived.

"I am anxious to refute the Washington Post reference to my views on our Nicaraguan activities," McMahon said. "While Director Casey encourages lively debate on all of our intelligence proposals, he and I are of one mind when it comes to agency programs, including those to counter the threat of the Sandinistas to the stability and peace of Central America.

"This position is also shared among other senior agency officials."

Meanwhile, administration officials, speaking anonymously, said Casey was the prime mover behind the proposal to mine Nicaragua's harbors as a way of harassing the Sandinista government and discouraging its support for leftist guerrillas in El Salvador.

"It's the original idea: to stop the spread of revolution," said one official. The mining was intended to "keep the heat" on the Sandinistas, he added.

Officials said that while Casey was the principal backer of the mining plan, all top administration policymakers, including Secretary of State George P. Shultz and National Security Adviser Robert C. McFarlane, agreed on the mining before the operation began in January.

The officials said Shultz asked a series of questions about the mining when it was proposed, but concurred in the recommendation to President Reagan to approve the program. These officials discounted published reports that Shultz had "misgivings" about the plan.

Disclosures about CIA direction of the mining operation from a ship just outside Nicaragua's 12 miles of territorial waters touched off a furor in Congress this week, with both the House and Senate approving a non-binding resolution calling for an end to the operation.

While administration officials believe the resolution makes resumption of the mining unlikely, they are more worried that the controversy could kill the overall CIA program of support for an estimated 15,000 rebels fighting to oust the Nicaraguan government.

Reagan has requested \$21 million to pay for the "covert action" through the end of the fiscal year on Sept. 30. The Senate approved that amount, but House Democratic leaders said this week the House will not go along.

Continued

# British firms 'face U.S. sanctions over exports allegation'

By PETER PRYKE Parliamentary Correspondent

BRITISH firms are among 300 European companies threatened with sanctions by the U.S. Government for allegedly exporting high technology equipment to Communist countries, Mr PADDY ASHDOWN (Lib. Yeovil) told the Commons yesterday.

Threats of embargo have been made against the firms for diverting high technology leased from the U.S. to Eastern Europe, he said.

The fact that the CIA was busy in Western European countries, and that they had given intimate details of 300 firms said to be involved, had been confirmed by Mr William Casey, CIA director, he added.

## Normal matter

Reporting rumours that the CIA was using the U.S. Treasury and Customs services as a cover, Mr Ashdown asked if it was true that two American officials inside the Defence Ministry were supplying information to their government.

Mr Paul Channon, Trade and Industry Minister, replying to an adjournment debate, said that no Defence Ministry officials were in co-operation with the U.S. Embassy on export licence controls.

"It is true that representa-

tives of American customs in the Embassy are co-operating with the investigation division of customs, a perfectly normal matter."

Mr Ashdown, intervening, asked for an assurance that no information supplied or obtained from British firms was used for other purposes.

"I think I can give the exact assurance you require," Mr Channon replied.

## Slap on irons

Opening the debate, Mr Ashdown said that British companies, especially leasing companies, had started to come under pressure from the U.S. administration to provide their list of customers.

A commercial officer of the U.S. Embassy was reported to have told British leasing companies at a meeting in February that if they did not co-operate there was sufficient information on them "to slap the irons on you."

When pressed about the source of this information, the official had indicated that the U.S. Government had two officials inside the Defence Ministry with access to such information, who were supplying it to the U.S. Government.

The House rose at 3 p.m.

# AMERICAN SURVEY

## Nicaragua isn't Pearl Harbour

WASHINGTON, DC

Said the secretary of defence, Mr Caspar Weinberger, on television on April 8th, with a straight face: "The United States is not mining the harbours of Nicaragua." He went on to explain that what he was doing was refusing any comment "about any things of that sort"—a refusal from which nobody should draw any conclusion whatever. The reports of what the Central Intelligence Agency is up to off the Pacific coast of Nicaragua were already, however, too specific for Mr Weinberger to expect anybody to be deceived.

As it appears, the Reagan administration gave authority in February for a Central Intelligence Agency ship to start operations off the Nicaraguan ports, and minelaying started in the same month. For some reason the administration was somewhat sluggish in carrying out its obligation to inform the intelligence committees of congress of this new activity, and so the senators debated the appropriation of \$21m for covert aid to the contras (the Nicaraguan exiles fighting from bases in Honduras and Costa Rica) between March 29th and April 5th in ignorance of it. With the Democratic senators sincerely divided on what should be done about Central America, the senate passed the appropriation, just as the extent of American involvement in the minelaying was leaking out.

The impression of an American administration blithely indifferent to international reactions was fortified by the decision on April 6th to suspend for two years American acceptance of the jurisdiction of the International Court of Justice in Central American disputes. For those senators and congressmen whose membership of the intelligence committees entitles them to know what others may not, the whole shock was aggravated by the feeling that they had been made fools of. Particularly outraged was Senator Barry Goldwater, chairman of the senate select committee on intelligence and a man of honour, who during the senate debate had authoritatively denied that the president had authorised any minelaying. On Tuesday Senator Goldwater

fired off a severe letter to Mr William Casey, the director of the CIA, in which the senator declared with simple dignity: "I am pissed off."

Senator Edward Kennedy, who was rebuffed last week in his effort to stop the "secret" funds, saw that the parliamentary situation had changed and went back into action with new amendments to an entirely different bill. One of these, declaring the opposition of congress to the use of funds to mine Nicaraguan waters, was adopted by 84 votes to 12 after a bargain had been struck and another amendment hostile to the administration dropped. A form of bipartisanship had been established, but it was not the kind that President Reagan and his secretary of state, Mr George Shultz, have been urging.

Time was when Mr Ronald Reagan, the actor and union executive, the political publicist, state governor and presidential candidate, was free with comments on the efforts of presidents to conduct foreign policy. It began, indeed, when he sided with General MacArthur against President Truman about how to win the Korean war.

That, more recently, President Carter should have got the back of Mr Reagan's hand on the whole range of foreign policy was to be expected; but what did Mr Reagan's brother Republican, President Ford, get? It was Mr Reagan who dismissed the Ford-Kissinger efforts at detente with the Soviet Union as having produced nothing more than "the right to sell Pepsi-Cola in Siberia". Mr Reagan's reaction to Mr Ford's search for a Panama canal settlement was: "We paid for it. I would keep it."

Times have changed. Mr Reagan told the Georgetown Centre for International and Strategic Studies on April 5th that there was a need for a return to the days when politics stopped at the water's edge. "We must", he said, "restore bipartisan consensus in support of US foreign policy."

It was congress he was getting at. Two days earlier, in his press conference, he

had unloaded on to congress some of the blame for what went wrong with the recent peacekeeping operation in Beirut. Public debate, he said, with congress demanding "Bring our men home", could only "stimulate the terrorists and urge them on to further attacks". On that occasion the president went on to complain of the restrictions that congress had placed in the past 10 years on the president's power in international diplomacy. There were 150 of these restrictions, he said. Two days later at the Georgetown centre he used another figure, 100: the message was the same.

It was all too much for the Speaker of the house of representatives, Mr Tip O'Neill, who lost some skin last September in procuring bipartisan agreement to Mr Reagan's keeping the unfortunate marines in Beirut, and later got some scornful Reaganite rhetoric for his pains. He called the attempt to blame congress "despicable".

President Reagan is not attempting to establish a bipartisan spirit in foreign policy, he is getting ready for an election campaign. It has to be said, however, that in the history of American foreign policy, bipartisanship has been much more the exception than the rule. Mr Zbigniew Brzezinski, President Carter's foreign-policy assistant, brooded constructively on the subject in the last chapter of his memoirs published last year. "The Unit-



Goldwater did not delete the expletives

Continued



ARTICLE APPEARED  
ON PAGE A-9

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

NEW YORK TIMES

14 April 1984

# Jackson Compares Nicaragua Issue to Watergate

By GERALD M. BOYD

Special to The New York Times

CINCINNATI, April 13 — The Rev. Jesse Jackson today said that the Reagan Administration, in mining the harbors of Nicaragua, had created a crisis for the country that made "Watergate look benign."

Mr. Jackson's remarks represented the latest in increasingly biting criticism by the Democratic Presidential hopeful of the Administration policy toward Nicaragua and El Salvador. The comment came during a brief airport press conference as Mr. Jackson headed here from Chicago, having appeared earlier in Phoenix, Ariz.

Mr. Jackson declined again today to directly call for Mr. Reagan's impeachment over the mining issue. His position is that Congress must begin a review to determine if the situation warrants impeachment.

However, as Mr. Jackson came into Ohio to begin two days of campaigning, he argued that Congress, through a nonbinding resolution, had not gone far enough in making sure the Administration's policy in Central America changed.

"Both the Senate and the House are to be congratulated for their rapid action in censoring the C.I.A.'s mining of the harbors of Nicaragua, but the undeclared war against the people of Nicaragua is still a matter of great concern," he said. "It must be stopped."

For the first time Mr. Jackson expanded the target of his attack to include the Director of Central Intelligence, William J. Casey. He contended that Mr. Casey had stated that he would find other sources for financing the mining, including a foreign government, if Congress withdrew funds for the action.

A spokesman for the C.I.A. said today that Mr. Casey had never made such remarks.

Arguing that the Democratic Party cannot pursue politics as usual, Mr. Jackson said neither of his rivals for the nomination, Walter F. Mondale and Senator Gary Hart, had gone far enough in opposing the Administration's action. He called upon both of them to join him in urging further action in Congress. Such action, he said, was needed to "stop our funding of terror of Nicaragua and El Salvador now and to withdraw all our troops from Central America."

"It is not enough for Walter Mondale to call mining the harbors a clumsy and

ill-conceived act," Mr. Jackson said. "It is not enough to imply that the main problem was not informing Congress adequately. Our foreign policy in Central America is wrong. We are standing on the wrong side of history. We are engaged in killing people, and starving people who are trying to work out their own destiny."

Mr. Jackson said at a press conference in Cincinnati that he believes both Mr. Mondale and Gary Hart were moving in the direction of a posture to "demilitarize" United States involvement in Central America.

On Thursday while campaigning in Arizona, Mr. Jackson criticized Mr. Hart on several occasions saying that Mr. Hart had failed to return to the Senate to vote on resolutions that would have cut off United States financing in Central America.

Mr. Jackson's reference to Watergate came as he argued that the nation must recognize the significance of the mining.

"We must all realize the seriousness of a situation that makes Watergate look benign," he said. "Watergate was by stealing; Central American action is by killing, maiming and destroying."

Mr. Jackson arrived here poised to

resume a hectic campaign schedule that is to take him to areas with high concentrations of minorities, including the cities of Cincinnati, Dayton and Cleveland.

On Thursday, as he wrapped up campaigning in Arizona, Mr. Jackson spoke with passion on the plight of American Indians in a visit to Window Rock. He called for the creation of a Cabinet-level agency to protect Indian affairs and interests. He also called for the abolishment of the Bureau of Indian Affairs, which he called "the worst bureaucracy in American history."

Mr. Jackson told the Navajo tribal council that there should be a change in the leasing of coal reserves on Indian lands, which he contended was banished by the Bureau of Indian Affairs. Mr. Jackson said that 25 percent of all coal reserves are on Indian lands.

"These leases should be renegotiated as soon as possible," Mr. Jackson said. "I pledge to help find a way to renegotiate."

WASHINGTON POST  
13 April 1984

# CIA Funds Run Short For Covert Operations

By Bob Woodward  
Washington Post Staff Writer

The operations arm of the CIA that oversees its secret war against the leftist Sandinista government of Nicaragua has been notified that money for the program could run out next week, perhaps as soon as Sunday, and steps should be taken to begin disengagement, senior administration sources said yesterday.

Congressional Democrats, reacting to news reports about direct CIA involvement in the mining of several Nicaraguan harbors, have predicted that the House will refuse to approve \$21 million President Reagan has requested to continue the covert operation.

Republican members of Congress and administration officials said they still hope to win approval of the funding after next week's congressional recess.

The CIA-supported "Contra" guerrillas still may have enough money to operate for several more weeks, but \$22 million of the current \$24 million for their support was spent by the end of last month, the sources said, and it appears that the Reagan administration is uncertain about what to do next.

CIA Director William J. Casey is considering the possibility of asking another country, such as Saudi Arabia, to send money to the Contras until the funding problem is solved, according to one well-placed source, but no decisions have been made.

Casey is viewed inside the CIA as the primary moving force behind the secret war against Nicaragua and the controversial mining of its harbors.

"Casey cooked this whole thing up," one informed source said.

But Casey's enthusiasm for the covert operation in Nicaragua is not widely shared among senior CIA officials despite Casey's popularity because of the greatly increased funding he has secured for the agency.

John N. McMahon, the CIA's No. 2 man, who has 33 years of experience, believed from the beginning that the Nicaraguan operation was ill-conceived, according to an official familiar with his thinking.

"John just knew it would come to this where there would not be enough public and congressional support and we'd withdraw," the official said.

McMahon reportedly has argued that, after the American intelligence community scandals of the 1970s, it is now a time to rebuild the CIA's intelligence-gathering capabilities rather than risk more damage to it with uncertain covert operations.

ever personal opinions McMahon may have voiced about specific operations in staff discussions, he is not opposed to any CIA operations. Several sources said the mining of Nicaragua was not intended to stop the flow of arms from the Sandinistas to leftist rebels in nearby El Salvador, which is one of the justifications that Congress has been given for the covert operation against Nicaragua.

"It's harassment pure and simple," said one administration official, "and designed to keep them busy, a diversion."

The State Department has issued a legal opinion, circulated in the Senate Select Committee on Intelligence, saying the harbor mining is "self-defense" and designed to stem the unlawful flow of arms. A senior administration official said yesterday, "unfortunately it's bulls—" and would add to the perception that one hand of the administration does not know what the other is doing.

Administration sources said that attacks by the CIA-supported anti-Sandinista guerrillas have had a serious impact on the Nicaraguan economy but have not slowed the flow of arms into El Salvador.

"It went down after Grenada [the Caribbean island] but it's now going up and may even be higher," said one source familiar with estimates. Another source generally agreed with this assessment, but added that there have been some successes in interrupting the arms flow.

Sources said CIA analysts have concluded that the Contra guerrillas

have no chance of overthrowing the Sandinista government in Nicaragua, which has a military and police force totaling about 75,000 men.

The National Security Council has set a ceiling of 18,000 on the number of Contras the CIA may recruit, support and direct. Sources said the number of Contras now operating is 12,000 to 15,000.

Casey remains determined to fight for the requested \$21 million to continue supporting the Contras, according to administration officials. "He was the only one at the CIA saying we'd get the money," one official said yesterday.

Tuesday's 84-to-12 Senate vote condemning the mining of Nicaraguan harbors clearly had an impact at the CIA, where officials said they believed they had kept Congress well-informed, citing Casey's testimony to the Senate intelligence committee March 8 and March 13 to the effect that "mines have been placed" in the harbors.

None of the committee's members reached yesterday disputed this and some said they should have been more inquisitive. "It is as emotional an issue as we can have in our time and we are perceived to have hidden it," said one CIA official. "This is so [expletive] demoralizing."

The mines have damaged several ships and, according to one intelligence report, caused injuries, including broken bones, for a few seamen. The Nicaraguan fishing boats that recently were damaged by the mines were trying to sweep the mines out of channels when they exploded, according to one report.

## 13 Call for a Special Prosecutor

Special to The New York Times

WASHINGTON, April 12 — Thirteen of the House Judiciary Committee's 20 Democrats made public a letter today calling for the appointment of a special prosecutor to look into President Reagan's support of military attacks on Nicaragua.

The letter, dated Monday and delivered late today, asks Attorney General William French Smith to appoint a prosecutor to determine whether Mr. Reagan and his top aides committed Federal crimes in connection with Nicaragua policy.

Thomas P. DeCair, the top Justice Department spokesman, said Mr. Smith would have no comment on the letter.

The letter marks the first time that a Congressional oversight provision of the Ethics in Government Act of 1978 has been invoked.

The letter said the Reagan Administration's activities in support of paramilitary attacks on Nicaragua "appear to violate" the Neutrality Act and "strike at the heart of the Congressional power to declare war."

The Neutrality Act, enacted in 1794, makes it a Federal felony for anyone to mount "any military or naval expedition or enterprise" from the United

States against a foreign country with which "the United States is at peace." The maximum penalty is three years in prison.

The letter said a special prosecutor, or independent counsel, should "investigate, and if necessary prosecute, possible violations of the Neutrality Act" by officials including Mr. Reagan, Secretary of State George P. Shultz, former Secretary of State Alexander M. Haig Jr., Secretary of Defense Caspar W. Weinberger and the Director of Central Intelligence, William J. Casey.

The letter was written by Representative Don Edwards of California, chairman of the Subcommittee on Civil and Constitutional Rights, and signed by Representative Peter W. Rodino Jr. of New Jersey, the Judiciary Committee chairman, and 11 other Democrats.

Mr. Edwards said the move had the support of the Speaker of the House, Thomas P. O'Neill Jr., Democrat of Massachusetts.

The three-page letter cited widespread reports that beginning in 1981 the Administration pursued "a plan to covertly aid, fund and participate in" paramilitary attacks on Nicaragua by Nicaraguan exiles, some of whom trained in camps in the United States.

## Central Intelligence Agency

# In the Feud With Congress, No Quarter Is Given

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, April 12 — The relationship between Congress and the Central Intelligence Agency, never one of the warmer partnerships in Washington, has suddenly deteriorated into a bitter feud over the issue of whether lawmakers were adequately informed about the mining of Nicaraguan harbors.

The quarrel, according to both intelligence officials and members of Congress, has poisoned relations more severely than any dispute in memory and is likely to have long-term consequences for the conduct of intelligence activities and the role of Congress in monitoring the C.I.A.

"The whole system of Congressional oversight has broken down," a senior intelligence official said today. "Right now, there's anarchy."

He added: "Nobody's ever seen it this bad. Frankly, I'm not sure it will recover, at least not under the current leadership on the Hill and in the agency."

### Anger on Both Sides

The level of anger and mutual distrust was, if anything, muted in the scathing letter that Senator Barry Goldwater, Republican of Arizona, the chairman of the Senate Select Committee on Intelligence, sent earlier this week to William J. Casey, the Director of Central Intelligence. Complaining that the committee had not been told about the mining, Mr. Goldwater wrote that "this is no way to run a railroad."

Intelligence officials, who usually try to be diplomatic when discussing Congress, have abandoned any pretense of patience. "If we don't hear from them again it will be too soon," another C.I.A. official said today.

Neither side appears willing to give much ground on the basic question of whether the C.I.A. abided by Federal laws that require the intelligence agency to keep Congress fully and currently informed about its activities. Mr. Goldwater and many of his colleagues have insisted that they were not informed, certainly not in any detail, about the agency's role in the mining of three Nicaraguan harbors.



The New York Times

Senator Barry Goldwater

### Senators Recall Briefings

Intelligence officials said Congress was first told about the mining on Jan. 31, when C.I.A. aides briefed the House Select Committee on Intelligence. They said that the Senate panel was notified, although not in detail, in meetings on March 8 and March 13 and that staff members from the committee were given a detailed account on April 2.

Several senators recalled in interviews this week that the mining had come up in briefings but said the intelligence agency had not made clear that Americans were involved and that the operation, rather than receiving indirect support from the United States, was directly organized and supervised by the C.I.A.

Committee staff members confirmed that they had been briefed in full on the operation on April 2 and said a written memorandum on the mining operation was prepared for distribution to members of the committee. It is not clear how many, if any, senators read the report before the issue blew up into a major dispute this week. Senator Daniel Patrick Moynihan, Democrat of New York, the deputy chairman of the intelli-



United Press International

William J. Casey

gence committee, said he had not seen the memorandum last week when he voted in favor of \$21 million in new funding for C.I.A. covert operations against Nicaragua.

Last weekend, before the recriminations began, Senator Patrick J. Leahy, Democrat of Vermont, a member of the intelligence committee, said:

"One advantage of a covert operation is that it allows an awful lot of people who knew about it to say they didn't. It will be fascinating to see the number of senators who will object to the mining during the coming week when virtually the whole Senate had a chance to vote on the issue of covert operations against Nicaragua last week and most members knew the mining was part of it. It was one reason some of us voted against the bill."

### \$21 Million for Rebels

The Senate voted, 76 to 19, last week to approve \$21 million for the intelligence agency to support Nicaraguan rebels. The vote came after a floor debate in which the mining was mentioned, according to a transcript of the discussion. On Tuesday, as the furor over the mining grew, the Senate voted, 84 to 12, in favor of a non-binding sense of the Senate resolution that would forbid financing of the

CIA STATEMENT ON CONGRESSIONAL BRIEFINGS  
WASHINGTON

The CIA said Friday both the Senate and House Intelligence committees were briefed in January and March on the agency's covert operation to mine Nicaraguan harbors.

The agency was responding to congressional criticism that members had not been fully informed of the controversial operation.

A CIA spokesman said the House Intelligence Committee was briefed on the mining project Jan. 31 and March 27 and the Senate panel was given details March 8 and March 14.

In a separate statement, Deputy CIA Director John McMahon denied a published report that he did not support the mining project.

The Washington Post Friday, quoting an unidentified source on who inspired the plan, had said CIA Director William Casey "cooked this whole thing up" and that McMahon thought the project "ill-conceived."

"I am anxious to refute the Washington Post's reference to my views on our Nicaraguan activities which appeared in its 13 April 1984 edition," McMahon said.

"While Director Casey encourages lively debate on all our intelligence proposals, he and I are one mind when it comes to agency programs, including those to counter the threat of the Sandinistas to the stability and peace of Central America. This position is also shared among other senior agency officials."

An intelligence source said that this concurrence embraced all CIA operations in Central America, including the mining.

# The Senate Wakes Up

IN THE NATION

By Tom Wicker

Two cheers for the Senate and that 84-12 vote by which it denounced President Reagan's policy of mining the harbors of Nicaragua. He's been demanding bipartisanship and, as Senator Robert Byrd noted, he certainly got it, with 42 Republicans joining all but one Democrat in a well-deserved rebuke.

But where were most of those senators when the President's lawless campaign against a recognized neighbor Government — including the mining — could have been stopped by cutting off funds for it? Last November, Congress authorized \$24 million for the Central Intelligence Agency's "covert" campaign against Nicaragua; and just a week before the 84-12 vote, the Senate approved an additional \$21 million for the C.I.A.-organized and -supported "contras" who plant the mines.

Nor did the Senate really act against the mining itself, since it had been public knowledge for weeks — receiving much publicity in late March, for example, when one of the mines damaged a Soviet tanker. Ships of other nations had also been damaged, Britain had protested the mining and France had suggested that it might help remove the illegal mines.

The Senate did not react — the latest \$21 million was voted after that Soviet tanker was damaged — until it was disclosed in The New York Times that C.I.A. employees were supervising the mine-laying from a U.S. vessel just outside Nicaraguan territorial waters. Such U.S. participation in military operations, a Democratic Senator was quoted as saying, "crosses a threshold that brings us closer to a direct confrontation with Nicaragua."

No doubt it does. But senators and representatives were either deluding themselves or averting their gaze if they actually thought there was a real distinction between (a) voting funds that the C.I.A.-trained and -supported contras used to mine Nicaraguan harbors, and (b) voting the same funds for the same contras to mine the same harbors under C.I.A. direction.

Where did they think the contras were getting the money, the materials, the training, the overall direction to do the job, if not from the C.I.A.? What's the difference between "C.I.A. employees" and contra guerrillas paid by the C.I.A.? If any, it's minuscule.

And why, in the first place, were the legislators of a Government of laws appropriating money for that kind of lawlessness? Just after the Soviet tanker incident, I wrote that "the President's efforts to overthrow" the Nicaraguan Government "stain the integrity of a nation supposedly devoted to law at home and self-determination abroad." A member of the Senate Intelligence Committee called to say that Congress had never appropriated funds to overthrow the Nicaraguan Government. Rather the Reagan Administration had certified, under severe Congressional prodding, that money for the contras was intended only to stop Nicaragua from aiding guerrilla forces in El Salvador.

Those who believed that were duped, either by Mr. Reagan or by themselves. Last summer in Honduras, Peter McCormick and I interviewed members of the contra "directorates"; during hours of talk in a Tegucigalpa hotel room, none of them cited the supposed flow of arms to El Salvador as even a minor target. They made no secret of their sole intent: to change the Government in Managua.

The Sandinistas, said Enrique Bermudez — once an officer in Somoza's National Guard, now military commander of the contras — had refused to negotiate with their opponents, so "the only alternative we have left is war." And it is that war for power in Nicaragua — waged from Honduras, financed by the Reagan Administration, organized and directed by the C.I.A. — for which Congress has been voting U.S. taxpayers' dollars.

The Senate's belated outrage, moreover, obviously was heightened by the C.I.A.'s failure to inform Congress of specific U.S. participation in the mining scheme. Senator Goldwa-

ter's celebrated letter to William Casey, the C.I.A. Director, expresses more outrage about not being informed than about the mining itself; and Mr. Goldwater was one of the 12 who voted against the resolution condemning the mining.

The C.I.A., of course, says it did inform the Intelligence Committee — apparently in veiled, spooky references that members either didn't hear, didn't understand or forgot(!). Those who remember the C.I.A. investigations of a decade ago will not be as surprised as some senators apparently were at such tricky dealings from an agency schooled in deception.

Would the Senate, had it been properly informed, have tolerated direct U.S. participation in the mining, as it had previously tolerated every act of the contras? It may seem ungrateful to raise the question, in view of that 84-12 vote; but the ultimate issue is not whether Congress was informed, or whose hands sowed the mines. It is whether Congress is prepared to put an end to Mr. Reagan's disgraceful war, and take the responsibility for doing so. On that the votes have yet to be cast.

FILE ONLY

# U.S. May End Port Mining in Nicaragua

## Fears Cutoff of Aid but Won't Rule Out New CIA Operation

By DOYLE McMANUS,  
Times Staff Writer

WASHINGTON—The Reagan Administration, fighting to save its covert war against Nicaragua from a threatened cutoff of funds, is considering an end to further mining of Nicaragua's harbors but has made no final decision, officials said Wednesday.

Deputy Secretary of State Kenneth W. Dam and other Administration officials told Congress that the CIA-directed mining was completed last month, according to congressmen who attended a closed-door briefing on the issue.

But Administration officials refused to rule out new mining operations in the future, angering some moderate Republicans as well as Democrats, the congressmen said.

"The operation has been stopped," one Democratic congressman who attended the briefing said. "But they made no commitment about what they might do in the future."

### House Vote Due Today

Administration officials confirmed his account and said the initial phase of the mining, which began in February, was completed well before Tuesday, when the Senate voted by an overwhelming 84 to 12 to condemn the action. On Wednesday, the House Foreign Affairs Committee passed an identical, non-binding resolution, 31 to 3. The full House is expected to vote on the resolution today.

Meanwhile, Senate Democratic leader Robert C. Byrd accused CIA Director William J. Casey of breaking the law for failing to tell Congress that mines were being laid

in Nicaraguan waters.

He also told the Senate that he will sponsor a bill to require Senate reconfirmation of Casey and 19 other high-ranking members of the Reagan Administration if President Reagan wins reelection in November.

Byrd said the law "requires that we be told about these (mining) operations. . . . We were not told. The director of the Central Intelligence Agency has failed to act—in violation of the law."

Although Byrd charged that Casey failed to inform the Senate Intelligence Committee, members of the panel said that the CIA chief had, in fact, briefly mentioned mining in testimony before them, but few had pursued the matter.

### Questioned by Leahy

One of those who did question CIA officials further on the issue, Sen. Patrick J. Leahy (D-Vt.), said he had believed that all members of the panel had been informed of the CIA role in the mining but that he then had learned that he was "one of a smaller number than I thought who had been briefed."

Byrd also said he was "concerned" about the President's role in the mining. "If he didn't know, it scares me. If he did know, it scares me," Byrd said. "Who's in charge if he didn't know? If he did know, why did he enter into an act that is in violation of the international laws?"

Rep. Larry Smith (D-Fla.), who

attended the briefing of the House Foreign Affairs Committee, said Dam told the panel that the mines were laid "some time ago," that another Central American nation was involved in the operation and that some of the mines have been removed, apparently by the Nicaraguans.

Dam, who acknowledged in the closed session that the United States directed the mining, justified the operation as an act of "collective self-defense" with the unnamed Central American nation, he said.

Congressional sources said Dam was apparently referring to either El Salvador or Honduras, both of which have accused Nicaragua of aiding leftist guerrillas in their countries.

Both Republicans and Democrats in the House said they were angry that President Reagan had authorized the mining without consulting Congress and predicted that the House will block the Administration's request for \$21 million in new support for rebels fighting Nicaragua's leftist regime.

"It doesn't have a chance," said House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.), who also called the mining "terrorism at its worst." The mines have damaged at least six merchant ships and caused at least five injuries, but no deaths.

"I think it's down the drain," Rep. Olympia J. Snowe of Maine, a moderate Republican member of the House Foreign Affairs Committee, said.

However, the House appeared unlikely to take any definitive action before its two-week Easter recess begins Friday, congressmen said.

Rep. Michael D. Barnes (D-Md.), chairman of the Foreign Affairs subcommittee on Latin America, said he expects the House to approve the resolution condemning the mining today but to put off the funding issue until as late as May. The House resolution is identical to the measure passed by the Senate on Tuesday. One committee Republican dissented in the House Foreign Affairs Committee vote on the measure.

### Two Strategies Considered

President Reagan reacted to the Senate action by telling reporters: "As long as it's not binding, I can live with it."

Administration officials said the crucial test will be the congressional debate over their \$21-million funding request. U.S. intelligence officials have warned, in an unusual "background" statement to reporters, that if those funds are not approved, the CIA's covert support for the rebels could run out as early as next week.

The Senate approved the appropriation last week, when many members said they were unaware of the CIA role in the Nicaraguan mining.

The money is in the Senate version of an appropriation bill that must now go before a joint House-Senate conference committee. Congressional sources said House Democrats are considering two strategies to knock the money out of the bill—either by barring any agreement in the conference or by bringing the \$21 million separately to the House floor, where it would almost surely be voted down.

STAT

Continued

WASHINGTON TIMES  
12 April 1984

FILE ONLY

APPROXIMATELY  
CLASSIFIED B1

# DIANA HEARS

**M**EN ON THE MOVE . . . That was StateSec George Shultz, in heavy tête-à-tête with Brooke Shields at this White House State Dinner, whisking her merrily, still a-chatter, 'round the dance floor . . . Dillon Ripley, exiting as Smithsonianmeister in September, hopping aboard the Riggs Bank National Corporation Board of Directors. (Just a wee \$30,000 a year, darlings. Every smattering helps) . . . CommerceSec Mac Baldrige, to be grandly inducted into National Cowboy Hall of Fame. (It's "for contributions as statesman, rancher and rodeo competitor." Mac, recall, ropes a mean steer.) Already there: Buffalo Bill, Kit Carson, Sam Houston and Will Rogers . . . CIA honcho Bill "Mumbles" Casey, hitting Capitol Hill to brief a Senate committee in absolute, utter, total secrecy on Nicaragua. Confidentiality is assured, darlings. Nobody understood a single word he said . . . Sen. John Warner, looming large in the chic little MRV boutique-snipperie in Georgetown, getting his blow-dry. (That, darlings, is where Ethel Kennedy, Eunice and Janet Auchincloss get theirs) . . . Terry Baxter, Geico Veep, and author of "Hailstone," the book about a White House murder plot, taking time off to flit to China this week as a Presidential Advance Man. And yes. His next book's to be dubbed, "The Advance Man." And so much more, tomorrow!



WASHINGTON POST  
12 April 1984

# Kennedy Gave President a Dose of Bipartisan Foreign Policy

Sen. Edward M. Kennedy (D-Mass.), stepping in as secretary of state, walked up to the plate and walloped a homer for the kind of bipartisan foreign policy that President Reagan says the country needs.

The vote to ban further mining of the waters off Nicaragua is non-binding, as Reagan was quick to say. But the tally, 84-to-12, was a hideous embarrassment to him. Just a week ago, Reagan was rolling up victories that told him that the Senate wished only to do his bidding—and to know as little as possible about what he and the CIA are up to in Nicaragua.

At the very least, the vote indicates the want of martial spirit so deplored by the real secretary of state, George P. Shultz, who declared last week—while we were practicing it ourselves—that we should be willing to use force against terrorism.

At most, Reagan has been informed that the most slavish and craven senators are not willing to follow him off the cliff into World War III, which did seem to be the light at the end of this particular tunnel.

In the end, the Republicans didn't even want to talk about it. After their leader, Sen. Howard H. Baker Jr. (R-Tenn.), announced that he would be with Kennedy, they abandoned their wonted blather and posturing and fell to answering the roll call.

They had been through a bipartisan briefing by CIA Director William J. Casey, who said that he would have told about the mining had he been asked. Then the Republicans plunged into a stormy caucus, where those few who suggested winning one for the Gipper were, in the words of one participant, "spitting into the Sahara."

How many were simply fuming over the slight to Senate sovereignty—members of the House Permanent Select Committee on Intelligence had been notified of the mining—and how many were genuinely horrified by the consequences of what is gener-

## Mary McGroary

### HOMER

ally thought to be an act of war, we do not know. Sen. Barry Goldwater (R-Ariz.), chairman of the Senate intelligence committee, wrote a scorching letter to Casey complaining of being left in the dark, but voted for the mines, a singular expression of loyalty to the company in time of trouble.

Tuesday's reversal enables the senators go home and show themselves at Easter as people of peace, who, as soon as they were informed about it, righted a wrong. Perhaps none of their constituents will be rude enough to ask why they didn't figure out sooner what was going on.

The mine damage to a Soviet freighter in the port of Sandino was reported in The Washington Post on March 21. On the Senate floor, in a futile attempt to cut off funds for terrorist activities, Sen. Christopher J. Dodd (D-Conn.) told of a Panamanian freighter and two Honduran fishing boats that had been hit. Nobody argued with him—the Republicans let it go by in the interest of expeditious delivery to their leader of every gun and dollar he asked.

The "contras" claimed responsibility. They obviously do not have high-tech capabilities, and it takes more than a correspondence course to learn to rig mines. But the senators' need not to know kept them silent. If they wondered at all, they may have written private letters to the president, which, he said in a truly astounding foreign policy speech last week, is the way to take issue with the commander-in-chief.

The morning after the Senate had voted overwhelmingly to continue the secret war, The Wall Street Journal reported the details of CIA supervision and involvement.

It was too late. British and French objections to the mines also merely caused red faces. Only when reports about more to come and contingency plans for post-election troop deployment came out over the weekend were Senate consciences touched.

Kennedy had to give up his demand that the United States submit to World Court jurisdiction on the issue. The Nicaraguans have brought the case to the court, charging it is a violation of international law. And the Reagan administration has announced that it will not play—even though the president made a lovely pronouncement about the the rule of law on Law Day, which was Monday.

Kennedy will be back to the question. He is a one-man guerrilla squad, harassing his colleagues, making them squirm and blush while they vote for violence in Central America. He says he intends to bring back every single amendment that went down so hard while the Senate was closing its eyes and saying aye to whatever Reagan wanted.

His most valuable ally in the fight is probably Reagan. In his speech to Georgetown Friday, Reagan blasted Congress for frustrating his foreign policy. Since he had bipartisan support on Lebanon and Central America, nobody knew what in the world he was talking about.

But he cleared senators' minds. They now know that, no matter what, he will blame them if things go wrong—so they might as well do the decent thing.

# Byrd says mines talk a strikeout for Casey

THE WASHINGTON TIMES

Many senators no longer support William Casey as CIA director after his "pathetic" Senate briefing on the Nicaraguan harbor mining, Sen. Robert Byrd of West Virginia, the Democratic minority leader, said yesterday.

He said that Mr. Casey would have problems winning a confidence vote after his closed briefing Tuesday for senators on the administration's involvement in funding and providing advisors for anti-Sandinista guerillas.

"I think it was pathetic," Mr. Byrd said. Mr. Casey appeared on the Hill as part of an administration effort to head off a vote against the mining operation. The vote that evening, 84-12, went against the administration.

But Sen. Howard Baker of Tennessee, the Republican majority leader, disagreed. "I have no such complaint about the Casey briefing . . . . He was remarkably candid for a director of central intelligence," he said.

Is Mr. Baker satisfied with Mr. Casey? "I think so," he replied.

Mr. Byrd said that it was clear from the Casey briefing that "people on both sides of the aisle were not informed," and that this reflected a pattern by the CIA under Mr. Casey of not being forthcoming with Congress.

Mr. Byrd said that President Reagan, by approving the mining operations, "apparently . . . condoned an activity that violates international law."

Mr. Casey was confirmed in his post by a 93-0 vote, but yesterday Mr. Byrd said he was introducing legislation requiring that all the administration's high-level appointees, including Mr. Casey, undergo a second confirmation if Mr. Reagan is re-elected and carries them into his second term.

Sen. Baker said he has not decided whether to support Mr. Byrd's bill.

House Speaker Thomas P. O'Neill Jr., D-Mass., said he thought Mr. Casey was performing his job "very, very poorly" and was "taking liberties that no other leader of the CIA has taken." The mining, Mr. O'Neill added, amounted to "terrorism at its worst."

House Majority Leader Jim Wright, D-Texas, said he felt "betrayed" by the mining disclosures.

— Thomas D. Brandt

NEW YORK POST

12 April 1984

# WHITE HOUSE: DEM REPS UNDERMINED NIC MISSION

By NILES LATHAM

Bureau Chief

WASHINGTON — The Reagan administration believes Democrats on the House Intelligence Committee undermined U.S. efforts to pressure the government of Nicaragua by leaking sensitive details about the CIA's covert operation in Central America to the press.

Senior administration officials told The Post last night that they believe committee members leaked secret details of a briefing CIA Director William Casey gave them about the mine-laying operation in Nicaraguan harbors.

They believe the motivation behind the leaks was to score political points against President Reagan during an election year.

White House officials announced yesterday that the mining stopped earlier this week after the administration came under heavy fire from Congress and U.S. allies.

Officials are hoping that, by stopping the mining, Reagan can convince the House to approve a bill which would give \$21 million of emergency aid to CIA-backed guerrillas for other activities.

A senior White House official said yesterday that a CIA ship, registered in Panama, which is orchestrating the mining, left Nicaraguan waters two days ago.

## Harbor mining secrets leaked

But the ship left after elite CIA-employed commandos from Argentina and Chile made another run in the Nicaraguan harbors to plant a series of acoustic mines.

"I wouldn't run a speedboat by there," the official said, implying there are still some mines in the water.

The Post reported in Monday's edition that the Administration was forced to back down after members of Congress became enraged that the mining operation was going on without formal notification from the CIA.

But, while the Administration has backed down, it remains furious with members of Congress who may have jeopardized the key element in its efforts to stop the spread of revolution in Central America.

White House officials noted yesterday that the existence of the mining operation was reported in the press as early as January.

But members of Congress did not make an

issue of it until last weekend.

It is no coincidence, say officials, that the criticism came after Casey briefed members of the House Intelligence Committee two weeks ago.

White House officials believe that someone on that committee leaked secret details of the operation to the press for political gain.

"There may have been some laws violated," said an official, adding that the FBI may be called to investigate the matter.

The House and Senate Intelligence Committees were formed in 1975 to oversee the operations of the U.S. intelligence agencies.

The CIA and other agencies were required to disclose all details of their operations to the committees, but committee members and staffers are sworn to secrecy about what is discussed.

The Senate on Tuesday night voted 84-12 to condemn the mining operation — a move which is non-binding.

The administration is expected to launch a lobbying campaign to

get passage for the \$21 million aid package for the rebels.

The Senate approved the aid before the mining furor erupted last week, but House Speaker Tip O'Neill has predicted that it will not pass the House.

O'Neill yesterday called the mining operation "terrorism at its worst."

And he added that Casey has done "very, very poorly as head of the CIA."

"He has taken liberties that no other member of the CIA has ever done before," the Speaker said.

Administration officials said that if Congress fails to approve the funding, the CIA may be forced to halt the entire anti-Sandinista operation as early as next week.

But other intelligence experts noted that the anti-Sandinista rebels, who have been operating out of bases in Honduras for two years, still may continue their campaign with aid from Latin American countries like Argentina.

Israel is also known to be assisting the

12 April 1984

# HOUSE COMMITTEE, ECHOING SENATE, OPPOSES MINING

## REAGAN IS FACING REVOLT

But Officials Assert Operation  
Ended Last Weekend and  
Is Unlikely to Resume

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, April 11 — The House Foreign Affairs Committee today approved a resolution opposing the use of Government funds for the mining of Nicaraguan harbors as an impasse appeared to be developing between Congress and the Administration over continuation of covert activity in Nicaragua.

The resolution approved by the committee, in a vote of 32 to 3 with 2 abstentions, was identical to one passed by the Senate on Tuesday.

At the same time, Administration officials, suddenly faced with a revolt even by Republicans over their Central American policy, said that the latest phase of the mining of Nicaraguan harbors ceased last weekend. This was before the outcry in Congress against the mining had raised questions about the ability of the Administration to obtain financing for its key Central American programs. There was no explanation why this was not made known earlier.

### Financing Is in Trouble

The officials, who privately acknowledged the mining was directed by the Central Intelligence Agency, still refused publicly to confirm that the agency was involved.

Kenneth W. Dam, Deputy Secretary of State, suggested that the United States would be justified in assisting the mining of Nicaraguan harbors as an act of collective self-defense. But in testifying before the House Foreign Affairs Committee, he too declined to acknowledge that the United States was involved in the mining.

In Honduras, the largest anti-Sandinista insurgent group decided at a meeting to continue the mining, a top official of the group said. But he denied that Americans were involved in it.

The Senate voted overwhelmingly last week to approve \$21 million to continue the covert program in Nicaragua and \$62 million for emergency military aid to El Salvador. But with Congress due to begin a 10-day Easter holiday by the end of the week, the House is unlikely to vote on either measure, raising serious questions about their passage.

### Reagan Move Is Hinted

The full House was expected to approve the resolution passed by the Foreign Affairs Committee either later today or on Thursday. The resolution is not binding on the President, but an expression of the sentiment of the Congress.

A State Department spokesman, John Hughes, hinted strongly that if Congress recesses without approving the money for El Salvador, President Reagan might invoke emergency powers to provide the military aid for El Salvador on an interim basis. Such action, however, would be resented by many members of Congress and could lead to further confrontation with the Administration.

There is no legal authority for the Central Intelligence Agency to use other funds if the \$21 million for covert aid is not approved by Congress, C.I.A. officials said today. They said when the money for the insurgents in Nicaragua runs out — and it could within a matter of weeks — the operation there would have to cease. House Speaker Thomas P. O'Neill Jr. vowed today that no new funds would be authorized.

The officials who divulged that the mining of Nicaraguan waters had ended declined to say whether it would be resumed. A senior State Department official said that given the adverse publicity overseas and the strong Congressional opposition, it was "very, very unlikely" there would be additional mining financed or supported by the United States.

They said the ship that carried the mines and the Americans involved in directing the mining had left Nicaraguan coastal waters.

But Senate sources said they had not been informed by William J. Casey, the Director of Central Intelligence, that the mining had actually stopped. He met privately with senators on Tuesday and repeatedly refused to tell them the status of the mining, senators said today.

### Reaction Stuns Administration

The Administration seemed stunned by the vehemence of the sentiment on Capitol Hill against the mining. Many senators, including those on the Intelligence Committee, which is supposed to be kept informed of all covert actions, asserted they knew nothing about the American involvement.

But officials of the Central Intelligence Agency, the State Department and the White House all insisted that the appropriate intelligence committees had been informed about the mining as well as other clandestine operations in Nicaragua last fall and subsequently. Last November, Congress approved \$24 million for Nicaraguan rebel activities.

The officials said President Reagan formally approved the mining last December. C.I.A. officials said they had transcripts of testimony before the intelligence committees to document that they were informed.

One State Department official said he had heard that some officials were considering seeking private financing for the Nicaraguan rebels if Congress does not act, but a senior State Department official said that was "off-the-wall thinking" and was "out of the question."

Senator Barry Goldwater, chairman of the Senate Intelligence Committee, said in a letter Monday to Mr. Casey that Mr. Reagan had given his consent to the mining last February, but officials said this was incorrect. The letter was made public by Senate sources on Tuesday.

The officials noted that the Nicaraguan Democratic Force, the leading Nicaraguan-rebel group, publicly announced on Jan. 8 that it had mined Nicaraguan ports and was declaring all Nicaraguan ports to be "danger zones."

### Reservations by Shultz

"The money Congress approved has been used to help the contras in many ways, and the mining is only one aspect of it," a State Department official said, using the name by which the Nicaraguan rebels are commonly known.

Secretary of State George P. Shultz was said by his aides today to have had some reservations about the mining because of possible international criticism, but not about the overall harassment campaign against the Nicaraguan Government. They said that he did not register formal objections to the White House at the time.

One aide said Mr. Shultz felt that the C.I.A. had primary responsibility for the rebel activity and that the mining was not regarded as a particularly big step.

Continued

STAT

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

## Text of Goldwater's Letter to Head of C.I.A.

Special to The New York Times

WASHINGTON, April 10 — Following is the text of a letter sent Monday to William J. Casey, Director of Central Intelligence, by Senator Barry Goldwater, Republican of Arizona, in his capacity as chairman of the Senate Select Committee on Intelligence:

Dear Bill:

All this past weekend, I've been trying to figure out how I can most easily tell you my feelings about the discovery of the President having approved mining some of the harbors of Central America.

It gets down to one, little, simple phrase: I am [expletive deleted]!

I understand you had briefed the House on this matter. I've heard that. Now, during the important debate we had all last week and the week before, on whether we would increase funds

for the Nicaragua program, we were doing all right until a member of the committee charged that the President had approved the mining. I strongly denied that because I had never heard of it. I found out the next day that the C.I.A. had, with the written approval of the President, engaged in such mining, and the approval came in February!

Bill, this is no way to run a railroad and I find myself in a hell of a quandary. I am forced to apologize to the members of the intelligence committee because I did not know the facts on this. At the same time, my counterpart in the House did know.

The President has asked us to back his foreign policy. Bill, how can we back his foreign policy when we don't know what the hell he is doing? Lebanon, yes, we all knew that he sent troops over there. But mine the har-

bors in Nicaragua? This is an act violating international law. It is an act of war. For the life of me, I don't see how we are going to explain it.

My simple guess is that the House is going to defeat this supplemental and we will not be in any position to put up much of an argument after we were not given the information we were entitled to receive; particularly, if my memory serves me correctly, when you briefed us on Central America just a couple of weeks ago. And the order was signed before that.

I don't like this. I don't like it one bit from the President or from you. I don't think we need a lot of lengthy explanations. The deed has been done and, in the future, if anything like this happens, I'm going to raise one hell of a lot of fuss about it in public.

Sincerely,  
BARRY GOLDWATER  
Chairman

# Senate Condemns Mining Nicaraguan Ports

## Administration Tries To Defend Its Position

By Joanne Omang  
and Don Oberdorfer  
Washington Post Staff Writers

The Senate voted overwhelmingly yesterday to condemn U.S. participation in the mining of Nicaraguan harbors, rejecting a last-minute effort by the Reagan administration to defend its position and its program of aid to rebels against the leftist government of Nicaragua.

The 84 to 12 vote, on a non-binding "sense-of-the-Congress" resolution that can have no direct effect on the program, was the first time the Republican-controlled Senate has gone on record in opposition to any aspect of President Reagan's policy in Central America.

"If it is not binding, I can live with it," Reagan said last night at a state dinner for President Salvador Jorge Blanco of the Dominican Republic. "I think there is a great hysteria raised about this whole thing. We are not going to war."

Earlier, a large number of senators from both parties gave a hostile reception to administration officials who came to Capitol Hill to explain the policy. And Sen. Barry Goldwater (R-Ariz.) sent a strongly worded letter of complaint about the mining to CIA Director William J. Casey.

Goldwater, chairman of the Senate Intelligence Committee and a stalwart administration backer, said in the letter that the mining, which has reportedly damaged eight ships from five nations, is "an act of war . . . I don't see how we are going to explain it." A copy of the letter was obtained by The Washington Post.

The Senate vote put that body on record against the use of U.S. funds to "plan, direct, execute or support the mining of the territorial waters of Nicaragua." Sen. Russell B. Long (D-La.) was the only Democrat among the 12 dissenters.

Republicans who voted against the administration included Majority Leader Howard H. Baker Jr. of Tennessee, Minority Whip Ted Stevens of Alaska and Sen. Paul Laxalt of Nevada, a firm friend of Reagan's.

Sen. Edward M. Kennedy (D-Mass.), who sponsored the resolution as an amendment to the administration's tax bill, said afterward that the vote showed "the deep concern all Americans feel about the escalation in Central America and Nicaragua, and the real possibility of American boys dying in the jungles of Central America." Although this is the first expression of such sentiment by the Senate, he said, "There will be more."

Kennedy sponsored a series of unsuccessful efforts last week to eliminate the administration's request for \$21 million to aid the rebels opposing the Nicaragua government and to cut its emergency request for \$62 million in military help for the government of El Salvador.

The appropriations measure carrying both provisions passed the Senate virtually unscathed, but House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) said yesterday that it will not pass the House before its Easter recess begins Friday.

Administration sources, who have insisted the aid is needed right away in El Salvador to keep that country's army from running out of supplies, said a decision would be made today on whether to use emergency funding authority to provide the money or to ask the House and Senate appropriations subcommittees to provide it by reprogramming money allocated to other nations. "We can't wait any longer," one source said.

The administration tried throughout the day to respond to a frenetic week of news and leaked

reports about U.S. actions and plans in Central America, and to concerns from members of Congress that they had not been kept informed.

The White House issued an unusual three-page statement from Secretary of State George P. Shultz, Defense Secretary Caspar W. Weinberger, CIA Director William J. Casey and the president's assistant for national security affairs, Robert C. McFarlane.

"We state emphatically that we have not considered, nor have we developed plans to use U.S. military forces to invade Nicaragua or any other Central American country," the statement said.

Citing "longstanding obligations under the Rio Treaty, our treaty obligations to defend the Pan-

ama Canal or military contingency plans for disaster relief, humanitarian assistance or emergency evacuations," the statement acknowledged that "For over a generation, as prudence would dictate, we have maintained and updated plans for these contingencies. We have not, however, planned to use our forces to invade any country in the region."

The New York Times reported Sunday that "contingency plans are being drawn for the possible use of U.S. combat troops in Central America" if leftist forces cannot be defeated by current strategy. In another article yesterday The Times said the new contingency plans are political ones and that military plans have not yet been fully drawn up. The word "invasion" was not used.

The White House statement also denied plans for "a post-election military enterprise in Central America," apparently referring to a Washington Post article yesterday that reported that a senior administration official had said Reagan "is determined to go all out to gain the upper hand" over

leftists in Central America after the November election, assuming that Reagan is returned to office. The mining is viewed as "a holding action" until that time, the story said.

The statement also insisted that "all U.S. activities in the Central American region have been fully briefed in detail to the committees of the Congress which exercise jurisdiction in full compliance with the law."

Goldwater's letter to Casey disputed that. "It gets down to one, little, simple phrase: I am pissed off," he wrote. "Bill, this is no way to run a railroad . . . The president has asked us to back his foreign policy. Bill, how can we back his foreign policy when we don't know what the hell he is doing?"

Goldwater's letter predicted that the House will defeat the measure containing funds for the Nicaraguan rebels, known as "contras," "and we will not be in any position to put up much of an argument after we were not given the information we were entitled to receive . . . when you briefed us on Central America just a couple of weeks ago."

Goldwater continued, "I don't like this. I don't like it one bit from the president or from you." He promised that "in the future, if anything like this happens, I'm going to raise one hell of a lot of fuss about it in public."

# U.S. rebuts Central America charges

By Jeremiah O'Leary  
THE WASHINGTON TIMES

The Reagan administration emphatically denied yesterday charges that Congress has not been kept informed of covert activities in Central America and that the United States has plans to deploy U.S. combat troops in the region after the November elections.

White House press spokesman Larry Speakes made public a detailed series of denials of these accusations in the names of Secretary of State George P. Shultz, Secretary of Defense Caspar W. Weinberger, CIA Director William Casey and national security advisor Robert C. McFarlane.

The statement, issued after a meeting between the president and Mr. Weinberger, stated:

"In recent days a shrill and often confusing debate has developed over our goals, plans and activities in Central America. Because this debate, much of it uninformed and unattributed, is obscuring the real situation, we believe it in the public interest to set the record straight on our objectives, our policy, and our actions on the record."

Nowhere in the three-page statement was there any mention of allegations that the CIA is behind the mining of Nicaraguan waters. But the statement dealt with four subjects that have created turmoil in Congress and imperiled

passage of the emergency appropriations of \$61 million for El Salvador and \$21 million for the anti-Sandinista forces covertly supported by the United States in their battle against the Marxist regime in Managua.

"First, allegations have been made that we are planning for U.S. combat troops to conduct an invasion in Central America," the statement said. "We state emphatically that we have not considered, nor have we developed, plans to use U.S. military forces to invade Nicaragua or any Central American country."

This point was made by Secretary Weinberger in his Sunday television appearance, but the declaration said: "Some have chosen to disbelieve him, consciously or unconsciously confusing what they call 'invasion' plans with our long-standing obligations under the Rio

Treaty, our treaty obligations to defend the Panama Canal, or military contingency plans for disaster relief, humanitarian assistance or emergency evacuations.

"For over a generation, as prudence would dictate, we have maintained and updated plans for these contingencies. We have not, however, planned to use our forces to invade any country in the region."

Countering the charge that the United States is planning to conduct a post-election military exercise in Cen-

tral America, the statement said: "This quite simply is not the case. We are not planning for such action now, nor are we planning for it after the election."

On allegations by some critics of the administration that certain CIA activities have not been adequately presented to appropriate committees of Congress, the statement said: "All U.S. activities in the Central American region have been fully briefed in detail to the committees of Congress which exercise jurisdiction, in full compliance with the law."

The White House declaration said President Reagan sent Senate Majority Leader Howard Baker a letter last week assuring him that U.S. objectives and goals in the region have not changed. That letter said: "The United States does not seek to destabilize or overthrow the government of Nicaragua."

The fourth point made in the statement was that the current debate has tended to confuse improvements the U.S. has helped to make in El Salvador with what is really going on in Nicaragua.

Mr. Reagan's principal foreign policy advisors stated: "Our policy toward Nicaragua has been consistent, in that we have supported the multilateral dialogue in what is known as the Contadora process. We have endorsed the 21 Contadora objectives which would require that Nicaragua terminate the export of

subversion, reduce the size of its military apparatus, implement its democratic commitments to the OAS, and remove Soviet bloc and Cuban military personnel."

The administration officials charged that Nicaragua's response to the "process" have been "fraudulent and cynical." The statement accused the Managua government of making propaganda at the United Nations and attempting to sidetrack negotiations to the International Court of Justice.

"A government fanatically dedicated to intervention beyond its borders thus seeks to use an honorable international institution to protect it from its own citizens who are rising against it," the statement said. "This administration will not be deceived, nor will it play that game."

The administration charged that Nicaragua continues to be the source of regional subversion and insurgency. But in El Salvador, the statement said, there has been "an inspiring display of courage and commitment to the democratic process that deserves our admiration and full support."

"It is critical that the American people understand what is at stake in the Central American region," the statement said. It is a region that includes the Panama Canal and millions of people who crave democracy and wish to be free.



# SENATORS OPPOSE FUNDS FOR MINING REBUKE TO REAGAN

## 42 Republicans Support Nonbinding Measure Urged by Kennedy

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, April 10 — The Senate, in an angry rebuke to President Reagan, voted overwhelmingly tonight in favor of a sense of the Senate resolution that opposed the use of Federal funds to mine Nicaraguan waters.

The resolution, which is not binding, was adopted by 84 votes to 12, with Senate Republican leader Howard H. Baker Jr. and 41 other Republicans voting against the Administration. Senator Russell B. Long, Democrat of Louisiana, was joined by 11 Republicans in opposing the resolution, which was sponsored by Senator Edward M. Kennedy, Democrat of Massachusetts.

The Senate action followed reports from Administration officials and members of Congress that Americans working for the Central Intelligence Agency aboard a ship off Nicaragua were supervising the mining of Nicaraguan waters in recent months.

### 'Reagan's Secret War'

The resolution reads in full: "It is the sense of Congress that no funds heretofore or hereafter appropriated in any act of Congress shall be obligated or expended for the purpose of planning, executing or supporting the mining of the ports or territorial waters of Nicaragua."

"The Senate took a first step to halt President Reagan's secret war in Nicaragua," Senator Kennedy, a leading critic of the President's policies in Central America, said after the vote. "Tonight, in a truly bipartisan vote, 84 members of the Senate said 'enough is enough.'"

The vote came after two bitter confrontations between William J. Casey, Director of Central Intelligence, and groups of senators who expressed anger and indignation over both the agency's policy and its failure to inform appropriate Senate committees of its action. The meetings were held in the quarters of the Senate Intelligence Committee, which was swept for electronic eavesdropping devices before each session.

### Goldwater Is Scathing

As a measure of the Senate's indignation, Senator Barry M. Goldwater, Republican of Arizona and chairman of the Intelligence Committee, a strong supporter of the C.I.A., sent a scathing letter to the intelligence chief saying that he felt personally betrayed by the agency's failure to inform his committee of the action.

"I don't like this," Mr. Goldwater wrote. "I don't like it one bit from the President or from you. I don't think we need a lot of lengthy explanations. The deed has been done and, in the future, if anything like this happens, I'm going to raise one hell of a lot of fuss about it in public."

Although Administration officials insisted that both the House and Senate intelligence committees had been informed of the mining, there was considerable confusion over precisely who had been told. Mr. Casey said that he had alluded to the mining at briefings before the Senate and House intelligence committees.

In his letter to Mr. Casey, Senator Goldwater insisted that the Senate Intelligence Committee had not been informed about the mining, although he said the House Intelligence Committee had been informed.

According to senators who attended a briefing with Mr. Casey this afternoon, Senator Goldwater conceded that Mr. Casey may have informed him of the mining but in such an offhand way that the senator had not paid attention to the information. It was unclear who, if anyone, on the House Intelligence Committee had been informed. Committee Republicans said today that they had not been told.

### A 'Covert Operation'

The senators told Mr. Casey that the President had abused his authority and intruded on the war-making powers of Congress, while the Administration contended that it had both the authority and moral duty to mine the Nicaraguan waters.



The New York Times/Paul Hosefros

William J. Casey, head of C.I.A., leaving the Capitol after briefing.

"There was a lot of hostility toward Casey," said a Democratic Senator who attended a hastily called three-hour session at which the intelligence chief sought to assuage the senators. "The anger was not so much that nobody up here knew about it, but it was indignation over the policy of mining another country's harbor and bemusement that the whole thing could be so amateurish."

Mr. Casey insisted that although the agency's role was widely known, it was a "covert operation" and would continue, according to those who attended one of the sessions. He said that he had twice alluded to the mining in testimony before the Intelligence Committee, and said that the committee's staff had been briefed on the action. Mr. Casey added that it was up to the senators to ask the questions that would produce the information.

"That didn't go down very well," said a senator who was at one of the sessions. Another participant said Mr. Casey had been "reupholstered" at one session and predicted that the intelligence chief would not again ignore the statutory requirement to inform appropriate Congressional committees of the agency's activities.

Senator Goldwater, who had defended the C.I.A. in last week's debates, was angriest in his denunciation. In his letter to Mr. Casey, the senator said, "Dear Bill: All this past weekend, I've been trying to figure out how I can most easily tell you my feelings about the discovery of the President having approved mining some of the harbors of Central America. It gets down to one, little, simple phrase." He then used an expletive to describe his anger.

WASHINGTON POST  
11 April 1984

# Goldwater Writes CIA Director

## Scorching Letter

The text of a letter, dated April 9 and made available yesterday, from Sen. Barry Goldwater (R-Ariz.), chairman of the Senate Intelligence Committee, to CIA Director William J. Casey:

Dear Bill:

All this past weekend, I've been trying to figure out how I can most easily tell you my feelings about the discovery of the president having approved mining some of the harbors of Central America.

It gets down to one, little, simple phrase: I am pissed off!

I understand that you had briefed the House on this matter. I've heard that. Now, during the important debate we had last week and the week before, on whether we would increase funds for the Nicaragua program, we were

doing all right until a member of the committee charged that the president had approved the mining. I strongly denied that because I had never heard of it. I found out the next day that the CIA had, with the written approval of the president, engaged in such mining, and the approval came in February!

Bill, this is no way to run a railroad, and I find myself in a hell of a quandary. I am forced to apologize to the members of the Intelligence Committee because I did not know the facts on this. At the same time, my counterpart in the House did know.

The president has asked us to back his foreign policy. Bill, how can we back his foreign policy when we don't know what the hell he is doing? Lebanon, yes, we all knew that he sent troops over there. But mine the harbors in Nicaragua? This is an act violating international

law. It is an act of war. For the life of me, I don't see how we are going to explain it.

My simple guess is that the House is going to defeat this supplemental and we will not be in any position to put up much of an argument after we were not given the information we were entitled to receive; particularly, if my memory serves me correctly, when you briefed us on Central America just a couple of weeks ago. And the order was signed before that.

I don't like this. I don't like it one bit from the president or from you. I don't think we need a lot of lengthy explanations. The deed has been done and, in the future, if anything like this happens, I'm going to raise one hell of a lot of fuss about it in public.

Sincerely,

Barry Goldwater  
Chairman

WASHINGTON TIMES  
 11 April 1984

# Senate votes to oppose mining in Nicaragua

By Thomas D. Brandt  
 THE WASHINGTON TIMES

The Senate voted overwhelmingly yesterday against approving any further funding for the mining of Nicaraguan harbors.

In a non-binding resolution, the Republican-controlled Senate voted 84-12 against additional funding.

"Traditionally, mining someone's harbor has been an act of war," said Sen. James Sasser, D-Tenn., after a closed door briefing on the operation by CIA director William Casey where Mr. Sasser said "there was a lot of hostility."

While it was a non-binding resolution, a top GOP official who took part in the full day of Senate-White House negotiations

leading to the vote said it was fair to categorize it as a repudiation of administration policy.

In the Democrat-controlled House, other parts of the administration's Central

America policy hit a stone wall, even while the White House called for an end to the "shrill and often confusing debate" about policy in the region.

Speaker Thomas P. O'Neill, D-Mass., said the House would give Mr. Reagan no more than half of the \$61.7 million in military aid he requested for El Salvador. This follows

word on Monday from House leaders that \$21 million for guerrillas trying to overthrow the leftist government of Nicaragua was also dead in the House.

Mr. O'Neill said it will be virtually impossible to bring up the Central American aid package until after Congress' Easter recess, unless the Senate or the administration strips it from a conference report swollen with more than a billion dollars worth of unrelated programs.

The Senate vote came on a resolution offered by Sen. Edward Kennedy, D-Mass., but it was supported by some prominent conservatives and usual allies of Mr. Reagan.

They included Sen. Paul Laxalt, R-Nev., Sen. Richard Lugar, R-Ind., and Sen. William Armstrong, R-Col. Both Virginia's Republican senators, John Warner and Paul Trible, supported the measure, as did Paul Sarbanes, D-Md. Sen. Charles Mathias, R-Md., did not vote.

A vote on a second Kennedy motion to require President Reagan to rescind his decision to withdraw the U.S. from the jurisdiction of the International Court of Justice was postponed by agreement of Mr. Kennedy and the Senate Republican leadership.

The White House told Senate Republicans to strike a deal with the Democrats, if possible, allowing a vote on the first proposal on the harbor mining, but postponing the second on the World Court until after the Easter recess, according to a GOP source.

"They were ready to get rid of the issue," the official said of what was

described as a damage-control operation.

"The first part was the most timely and, with implementation, will save lives," said Sen. Kennedy in explanation of why he agreed to the postponement.

He added that if the covert operations to aid those mining the Nicaraguan harbors is not stopped, he will bring a substantive motion to the floor to force a stop.

Sen. Patrick Moynihan, D-N.Y., said that the United States, by its own agreement, signed by then-President Harry Truman, cannot withdraw from the international court without a six-month prior notice.

He said that the U.S. made a "squalid decision" to try to avoid the court's jurisdiction.

Several senators yesterday were critical of the administration for failing to notify Congress about the mining operation.

"It is indefensible on the part of the administration to ask us to back its foreign policy when we don't even know what is going on because we were not briefed pursuant to the

legal requirements," said Sen. Barry Goldwater, R-Ariz. and chairman of the Intelligence Committee.

Mr. Goldwater rebuked CIA Director Casey for failing to tell him in advance of the agency's role in mining Nicaraguan ports, advising if anything similar to it happens again "I'm going to raise one hell of a lot of fuss about it in public."

"I don't like this," he told Mr. Casey. "I don't like it one bit from the president or from you. I don't think we need a lot of lengthy explanations. The deed has been done and, in the future, if anything like this happens, I'm going to raise one hell of a lot of fuss about it in public."

Although Mr. Goldwater said he had not been informed, Sen. Patrick Leahy, D-Vt., told reporters that he knew about the CIA involvement at the time he voted against the appropriation last week, and "just assumed everybody knew about it."

"I was apparently one of a smaller number than I thought who had been briefed," Mr. Leahy said.

## 'Teflon Factor'

# Reagan Seems Immune to Aides' Misdeeds, But Probe of Meese May Change Pattern

By TIM CARRINGTON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Democrats are talking up the phrase "sleaze factor" to describe a crazy quilt of ethics-law violations and alleged improprieties by more than 40 Reagan appointees.

But another phrase is being bandied about that aptly characterizes the problems President Reagan's foes are having making the sleaze analogy stick. This is the "Teflon factor," which refers to the president's apparent political immunity to most of his aides' mistakes or misdeeds. Although the probe of Attorney General-designate Edwin Meese may change this pattern, Ronald Reagan's ability to deflect embarrassment seems nothing short of uncanny.

"We should all have the skill of Ronald Reagan to stand by and watch things happen on the ship of which he is captain as an innocent bystander," says Fred Wertheimer, presi-



dent of Common Cause, the self-styled citizens lobby. President Reagan's Teflon image contrasts sharply to that of his predecessor in the White House, Jimmy Carter. A former Carter aide grouses that even trivial incidents—such as the reports that chief aide Hamilton Jordan spit a drink at someone—translated quickly into an embarrassment to the president. With President Reagan, the Carter man complains, "things happen and he just says, 'Aw shucks.'"

That response mightn't weather the barrage being aimed by the Democrats as they highlight the ethics issue during the political campaign season. Television advertisements parade half-forgotten figures before the public, like Rita Lavelle, the former Environmental Protection Agency official convicted of lying to Congress about her handling of a toxic cleanup program.

Moreover, the protracted investigation of Mr. Meese may put some chinks in the Teflon surface. Mr. Meese, who is a closer personal friend to the president than other appointees to fall under criticism, is the subject of a probe resulting from the fact that federal jobs were given to persons who lent money to him and his wife.

The way President Reagan reacts publicly to these situations helps explain why he seems to emerge untainted. When questioned about them, Mr. Reagan often dis-

misses them, not with the snarling defensiveness of a Richard Nixon but good-humoredly, as when he said the only problem with the heavily criticized EPA was the way the press was covering it.

### 'Laugh at Ourselves'

While President Carter projected a "homer-than-thou" image, President Reagan suggests tolerance, says a Democratic strategist. "He shows an ability to laugh at ourselves" that makes the public more inclined to forgive, this Democrat says.

Some Democrats charge that the press is letting Mr. Reagan off the hook. Jack Nelson, Washington bureau chief of the Los Angeles Times, responds that he feels the press has actively covered alleged improprieties in the Reagan administration but that the public wants to believe in the president anyway. "People are so damn tired of seeing presidents written up negatively," he remarks.

The Reagan White House seems astute at cutting political losses when it has to. When appointees fall prey to allegations of scandal, President Reagan's pattern is to issue good-natured dismissals, then jettison those who threaten him with continued embarrassment. The forced resignations of EPA Administrator Anne Burford and Interior Secretary James Watt are examples.

And in the case of Mr. Meese, the appointment of a special counsel to investigate the allegations frees President Reagan from having to speak up in his friend's defense. "Carter made the unfortunate mistake of throwing his arms around Lance and saying, 'I'm proud of you, Bert,'" says a former Reagan adviser. "He made a visible symbol of his relationship with Lance. Reagan has avoided that."

Complexity also has prevented certain conflict-of-interest complaints from causing public outrage. The much-criticized but complicated financial affairs of Central Intelligence Agency director William Casey are simply beyond many people's understanding.

By contrast, the Meese situation may be more of a problem for the president because it is more comprehensible. "There are a lot of things that seem arcane to people—stock transactions and things of that nature," says Peter Hart, a Democratic pollster. "But everybody understands a loan-job connection."

### Meese Loans

Earlier this week, Carter administration alumni debated the durability of President Reagan's Teflon surface at a book-signing

Carter's press secretary. "The similarities between the Meese thing and Bert Lance are getting fascinating," says a former Carter aide, who predicts that the Meese loans will end up embarrassing President Reagan just as the Lance banking practices did President Carter.

Some Democrats are circulating a 1978 column written by citizen Ronald Reagan, complaining about the Lance affair. "What seemed to escape the president's notice all the while the Lance affair was simmering last year was the fact that the average citizen resents what seems to be undue special privilege for a few in high places," Mr. Reagan states in the column. Now, as the Meese inquiry drags on, the same complaint is being turned on him.

"If you're loyal to a man, you don't dangle yourself around his neck as an albatross," says Horace Busby, a former aide to President Johnson. He recalls an episode in which three pending appointees were flown to the Johnson ranch for a ceremonial announcement of their new positions. Simultaneously a mail pouch arrived from the White House explaining that one of the appointees had made extensive borrowings he hadn't been able to repay. The president immediately segregated the man and told him he wouldn't get the job after all. President Reagan probably didn't make enough such moves early on, Mr. Busby adds.

A former Reagan adviser worries that other improprieties might surface. "The best thing the White House could do is tell everybody that if anyone has anything out there, they'd better leave," he says.

Democrats, hopeful of some political impact, are weaving the incidents together into a mosaic that shows a general insensitivity toward the high standards expected of public servants. "The floor hasn't fallen in," says Mr. Hart, the pollster. "But I suspect there's a lot of termite damage."

Nevertheless, the president is aided by the random nature of his administration's ethical problems. EPA administrator Burford was charged with mismanaging her agency and granting favors to regulated concerns. Interior Secretary Watt made offensive remarks. Deputy Defense Secretary Paul Thayer came under investigation for allegedly passing on insider stock-trading tips. Other than a general sense of laxity in the administration, the episodes don't suggest a pattern.

ARTICLE APPEARED  
ON PAGE C-6

WASHINGTON POST  
11 April 1984

STAT

STAT

STAT

# CIA Harassment Is Alleged After Worker Reports Abuse.

By Lena H. Sun  
Washington Post Staff Writer

A former covert case officer for the Central Intelligence Agency has sued the agency, accusing officials of harassing her rather than investigating her complaints about the misuse of funds and other improprieties.

The woman, identified only as "Jane Doe" in the suit filed in U.S. District Court in Alexandria, alleged that CIA officials attempted to fire her after she reported abuses she said she discovered overseas on a special assignment in July 1981.

"Jane Doe" is still employed by the agency.

The suit, which accuses the agency of violating her civil rights and its own regulations, seeks unspecified damages and recovery of legal fees. A CIA spokesman had no comment.

Named in the suit are CIA Director William J. Casey; Deputy Director John N. McMahon; Executive Director Charles A. Briggs; John Stein, deputy director of operations; Claire George, assistant deputy director of operations, and James Glerum, chief of a division of operations.

According to the suit, the employee was told that her former supervisor at that overseas location may have been misusing official funds for personal use. "One of these sources indicated that she was prepared to terminate a 10-year relationship with the agency because she suspected that funds owed to her had been misappropriated by Jane Doe's former supervisor," the suit said.

After she returned to the U.S. and reported the alleged improprieties, her next overseas assignment was cancelled, according to the suit. It said the woman was placed on administrative leave and forced to take a "fitness for duty" examination in retaliation for reporting her complaints.

The woman, who worked as an undercover staff employe for the CIA's Directorate of Operations from 1974 to 1982, is currently employed in the agency's Directorate of Science and Technology.

The suit was originally filed in November in Washington, but was shifted after a judge ruled that court did not have jurisdiction because the CIA is headquartered in McLean.

ARTICLE APPEARED  
ON PAGE C-1

WASHINGTON POST  
10 April 1984

FILE ONLY

## Capitol Punishment

# Moles and the Dirt

By Art Buchwald

"I'D LIKE to work in the presidential campaign, sir."

"We're sorry, son, we have all the paid workers we need."

"I think I would be of tremendous value to the candidate."

"Why do you think that?"

"I'm working in the Mondale camp now, and I want to be a political mole for you people."

"Why do you want to be a mole?"

"It's a lot more fun than working for Mondale. I could steal his debate briefing book for you, I could give you the names of people who have donated to his campaign, I could steal advance texts of his speeches, and, if you want me to, I can even plant a bug in his telephone."

"You realize what you're suggesting is not only unethical, but illegal."

"Yes, sir. That is why I thought you might hire me."

"We are not interested in doing anything illegal or unethical."

"You did in 1980. Someone gave you Jimmy Carter's debate briefing book. I'll bet you that guy is really high in the government today."

"Let's get this straight. No one in the Reagan administration ever saw Jimmy Carter's briefing book. Jim Baker didn't see it, Bill Casey didn't see it, Ed Meese didn't see it, and the president was never aware anyone on our side ever had it."

"Don't worry, your secret's safe with me. In any case the fact that no one saw the briefing book did help Reagan in the debates, didn't it?"

"I have no intention of discussing the briefing book with you. We intend to run a clean campaign this time, and we're not going to resort to espionage to reelect the president."

"Right, sir. I always say everything should look on the up and up when it comes to an election. That's why you need me. I'm not even a registered Republican. If I'm caught passing on confidential information, the trail will never lead to the party. Don't even put me on the payroll."

Just have one of your people leave the money for me in a phone booth."

"I should throw you right out of this office."

"Yes, sir."

"What makes you think you can give us information on Mondale's strategy that we don't already have?"

"Well, Mondale really hasn't said anything about Reagan yet. All he does is keep attacking Gary Hart. He has a lot of information on Reagan he's saving if he gets the nom-

ination. I saw one loose-leaf book in his safe titled 'The Sleaze Factor—Don't Use Until September.'"

"What was in the book?"

"I didn't get a chance to read it. But if you give me some Cubans to break into his office I'll get it for you."

"We don't break into Democratic offices any more."

"Oh yeah. I forgot. Well, maybe I can get into the safe by myself and photograph the stuff for you. Could you pick me up one of those infrared cameras from the CIA?"

"You're an eager little beaver, aren't you?"

"I just want to serve my country. I believe a political mole is the most important job in a presidential campaign. Ever since I read about Watergate I dreamed of being one."

"What makes you so sure Mondale is going to win the nomination?"

"I'm not sure. But if he doesn't, I can become your political mole in the Hart camp. Hart would never suspect someone who came over from the Mondale campaign of being a mole for Reagan."

"Now get this straight. We have no intention this time of resorting to any dirty tricks in the '84 campaign. Everything we do is going to be above reproach. The president insists on it."

"Yes, sir."

"All right, leave your résumé with my secretary and if you check out, a guy named Joe will call you at home Monday night."

© 1984, Los Angeles Times Syndicate

CENTRAL AMERICA  
/U.S. AID

RATHER: Good evening. This is the CBS Evening News, Dan Rather reporting tonight from CBS News election headquarters in New York. While Democratic candidates slugged it out today in the Pennsylvania primary, President Reagan and those in Congress concerned about his Central America policy slugged it out on Pennsylvania Avenue. Mr. Reagan struggled to salvage his policy, following disclosure that the CIA is directly involved in the mining of Nicaraguan harbors. Our coverage begins with Lesley Stahl.

STAHL: The Reagan administration charged today that Cuba is arming and training guerrillas for a major offensive this fall against El Salvador. The charge was part of the administration's own offensive, aimed at salvaging its military aid and covert operations in Central America, which are facing bitter opposition in Congress. At a welcoming ceremony for the president of the Dominican Republic, Mr. Reagan lashed out at Cuba. REAGAN: Instead of seeking mutual respect and friendly commerce with its neighbors, it exports violence and hatred. Cuba is now dependent on a far away, totalitarian power without whose subsidy its dictatorial government could not export aggression, or indeed survive.

STAHL: The administration is fighting for its \$21 million request in Congress to continue covert guerrilla operations against Nicaragua, including the mining of its harbors. Administration officials are warning they'll have to start shutting down the whole covert operation as early as next week unless Congress acts quickly. Despite that, President Reagan will not make a personal appeal for the covert aid, no lobbying or phone-calling because his adviser says, 'We've probably lost this one already.' Central America is turning into a potentially damaging issue for the president's campaign, as there were questions in Congress today not only about the wisdom of the policy but about whether Mr. Reagan himself is making the decisions. JAMES BAKER (White House Chief of Staff): The, the president is the decision-maker in this administration. The president makes these decisions.

STAHL: The White House engaged in some damage control late this afternoon by putting out this three-page statement denying that there are any plans at all for the U.S. to use combat troops in Central America and urging Congress to pass its request for aid to El Salvador. Lesley Stahl, CBS News, the White House.

Continued

WASHINGTON POST  
10 April 1984

# CIA Views Minelaying Part Of Covert 'Holding Action'

By Bob Woodward and Fred Hiatt  
Washington Post Staff Writers

The CIA views its involvement in the laying of mines in ports off Nicaragua as part of a "holding action" until its covert war against that country's leftist Sandinista government can be stepped up if President Reagan wins reelection, according to senior administration officials.

Administration officials said the minelaying was justified by intelligence reports pointing to a major autumn offensive by leftist rebels in nearby El Salvador. One official close to the intelligence community said that "tons of material are flowing into El Salvador" from Nicaragua for the offensive, which the officials said could compare to the "Tet offensive" in Vietnam in 1968.

While acknowledging that the CIA's direct involvement in the mining of Nicaraguan ports carries significant political and diplomatic risks, this official said it is intended to "harass" Nicaragua rather than to produce any immediate military objective in Central America.

If Reagan wins reelection, however, according to another senior official, "the president is determined to go all out to gain the upper hand" over leftist forces in the region. Such a stepped-up effort is likely to involve substantially more money for U.S.-supported forces in the region rather than the introduction of U.S. troops, this official said.

The laying of underwater mines was approved after the administration considered and rejected a much greater expansion of the covert war late last year, according to officials.

At one point, when necessary support from Congress was not forthcoming, the White House asked the CIA if it could divert money from

other operations or "slush funds" for operations in Central America. The CIA responded with a legal opinion advising against any attempt to skirt the letter or spirit of congressional oversight.

"The CIA has become very strict on that and does not want to get into any problems like those in the past," one White House official said.

CIA officials reportedly said that the harbor-mining operation was within the guidelines laid down by Congress for the covert war. Congressional intelligence oversight committees were not notified about the mining before it began, officials said.

The CIA began directing mining operations in several Nicaraguan ports about two months ago, according to officials. The mines are dropped from CIA-owned speedboats operated by U.S.-backed Nicaraguan rebels and specially trained Latin American employees of the CIA.

The operation is directed from a larger CIA vessel that stays in international waters, the officials said. That ship is equipped with a helicopter which provides air cover for the minelaying operations, they added.

The mines are described as crude "home-made" devices triggered by the noise of ships passing over them. They may cause extensive damage but are unlikely to sink large ships, officials said. "It is not designed to kill anyone," one official added.

At least eight ships from several countries, including the Soviet Union and the Netherlands, have been damaged by the

mines so far, according to the Nicaraguan government.

Administration officials have told congressional intelligence committees that the covert war against Nicaragua is in-

tended only to pressure the Sandinistas not to "export" revolution to El Salvador and other nations in the region. But occasional broader justifications from officials have led critics to charge that President Reagan wants to topple the Sandinista government.

The Senate last week approved an administration bill providing \$61.7 million for military aid to El Salvador's U.S.-backed army and \$21 million for CIA support for the Nicaraguan rebels. The House twice rejected the latter request last year and the issue now must be resolved in conference.

Administration officials argued that the \$21 million could be crucial in helping the U.S.-backed forces defeat the expected fall offensive in El Salvador. But another informed source was more skeptical and said the \$21 million would only allow the U.S.-supported forces to maintain a stalemate in the region during the year.

This source said, and the CIA has not disputed, that President Reagan will increase the U.S. effort in the region if he wins reelection in November. "Everything is on hold until then," this source said, adding that Reagan realizes he still would

be unlikely to get the necessary political and congressional support to send U.S. troops into combat in Central America.

Defense Secretary Caspar W. Weinberger told his senior Pentagon staff in a meeting yesterday to make clear, to anyone who asks, that the Pentagon does not have contingency plans to send troops into combat in Central America and to clear all statements on that issue with Michael I. Burch, assistant secretary for public affairs.

Officials said the Pentagon probably does not have contingency plans in the sense of detailed outlines of which Army unit would go where. But, since last summer, U.S. forces have been practicing amphibious landings in Honduras, building



ARTICLE APPEARED  
ON PAGE A-7

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

NEW YORK TIMES  
10 April 1984

## Slanting of Central America News Is Charged

By GEORGE VOLSKY

Special to The New York Times

MIAMI, April 9 — A Cuban-American spokesman, reflecting fears of a Congressional cutoff of aid to Central America, told Central American government and business leaders here today that they should try to correct what he called the media-distorted picture of the situation in the region.

The speaker, Jorge Mascanosa, is chairman of the Cuban-American National Foundation, a Washington-based lobbying organization that sponsored a two-day conference here on "prospects for democracy in Central America."

He said a publicity campaign should be aimed at acquainting the American public with the "true situation in the region which is being distorted" by American news coverage, which he asserted was generally hostile to the status quo in the region.

"We are losing a battle for the American public opinion," Mr. Mascanosa told his audience of more than 300 people, including some 150 from six Central American countries and Foreign Ministers from Costa Rica, El Salvador and Guatemala, as well as American Ambassadors to the three nations.

He was responding to what appeared to be a sense of frustration on the part of the conference's predominantly conservative participants that they were being misunderstood by Americans and characterized as ultrareactionaries. At the same time, concern was expressed here that Congress might delay or cut appropriations for economic and military aid to the region.

Appearing on one of the panels were Senator Paula Hawkins, a Florida Republican, Congressman Daniel B. Fasco, a Florida Democrat who is chairman of the House Committee on Foreign Affairs, and Congressman John McCain, a Republican of Arizona, who explained to Central Americans the Congressional appropriation process and the chances of aid to the region being approved this year.

Mr. Mascanosa said that while there are some 200 groups in Washington lobbying against American aid to Central America, there was not a single organization trying to make Congress and public opinion "see the situation as it is: that the region wants democracy and is fighting for it."

Conrado López Andreu, president of the National Association of Private Enterprise of El Salvador, who described himself as a representative of the conservative forces there, asked the three members of Congress what the American reaction would be if Roberto d'Au-

buisson, the leader of the Salvadoran right, was elected president on May 7. The three replied that the United States would accept the popular choice. There was no follow-up question on what the impact on aid to El Salvador would be in such a case.

Mr. Fasco told the Central Americans that no matter who was in the White House, Congressional action on aid to Central America depended on the support of the American people. Mr. McCain, who praised the Salvadoran electoral process, said internal political improvements in the country, including bringing the killers of Americans to trial, would have a bearing on the amount of money Congress would approve.

Replying to a reporter's question, Mr. Fasco said published reports of American involvement in the mining of Nicaraguan ports would, if true, make the Central American aid application process "more difficult." Referring to William J. Casey of the Central Intelligence Agency, he said: "If this is a direct United States operation, I am against it. If Casey is directly running this show, it's very serious. I have had no knowledge of this, but obviously it could affect the aid package."

The three Central American Foreign Ministers stressed that regional problems have to be solved locally. They praised peace efforts by the four-nation Contadora Group — Mexico, Panama, Colombia and Venezuela. But as Carlos José Gutiérrez, the Costa Rican Foreign Minister, said, "The solution must be strictly Central American."

# Democrats Assail Reagan's Policy On Nicaragua

## U.S. Mining of Ports Creates Strong House Opposition To Funding for Guerrillas

By DAVID ROGERS  
And ROBERT S. GREENBERG

Staff Reporters of THE WALL STREET JOURNAL  
WASHINGTON — The Democratic-controlled House moved toward a bitter confrontation with President Reagan over Central America policy following the disclosure that the U.S. helped to mine Nicaraguan ports.

Led by House Speaker Thomas O'Neill, Democrats of different philosophical stripes assailed the Reagan administration's policy yesterday. Rep. O'Neill called the policy morally and legally "indefensible" and flatly predicted that the House will kill an administration request for \$21 million to continue covert guerrilla operations against Nicaragua's Marxist government.

Mr. O'Neill said he hoped to complete action on the Nicaragua funding this week. But the whole Central America package was thrown into doubt late yesterday when House Appropriations Chairman Jamie Whitten (D., Miss.) asked to delay action on the measure.

Apart from the Nicaragua request, the White House is seeking \$61.8 million in military aid for El Salvador. But unless Mr. Whitten's objections are met, the entire bill is likely to be shelved until after the spring recess beginning at the end of this week.

Even some earlier Democratic supporters of the administration's Central America policy were raising objections to the mining operation and to the White House decision on Friday to withdraw the U.S. from the jurisdiction of the World Court on Central America matters. But administration spokesmen brushed off these attacks, and insisted current U.S. policies are both sound and legal.

The White House policy faces additional scrutiny, however, even in the Republican-controlled Senate. William Casey, director of the Central Intelligence Agency, has been summoned to appear before the Senate Intelligence Committee this afternoon for questioning regarding the CIA's role in the mining of Nicaraguan ports.

Sources say American personnel aboard a ship controlled by the CIA in the Pacific Ocean are overseeing the mining operation, which began late in February and has targeted three Nicaraguan ports. Though anti-Sandinista insurgents aided by the CIA have claimed responsibility for the mining, sources say the operation is being carried out by self-contained units of Salvadorans and other Latin Americans from outside Nicaragua.

According to sources, the mining operation was the subject of a National Security Planning Group meeting within the Reagan administration in February, yet the Senate committee was uninformed of the matter weeks later at a hearing March 12. Under a 1980 law, the president is required to "fully inform" congressional intelligence committees of operations abroad in "a timely fashion." And the failure to notify the panel has infuriated senators embarrassed by the news disclosures on the mining and CIA role.

"I think the fur will fly," said a senior senator on the committee. While the president has enjoyed broad bipartisan support in the panel, there is serious opposition to the mining because of the direct role reportedly played by the CIA and the question of whether the U.S. is violating international law.

On the Senate floor, the controversy surrounding the mining operation has prompted liberals to reopen debate on the Nicaragua war. Sen. Edward Kennedy (D., Mass.) seized the floor in the midst of deliberations on a tax bill last night to offer an amendment opposing the mining and the decision to withdraw from the jurisdiction of the World Court. Sen. William Cohen (R., Maine) and Sen. David Durenberger (R., Minn.), both members of the Intelligence Committee who backed funding last week, indicated they would support Mr. Kennedy. Senate Majority Leader Howard Baker (R., Tenn.) said the vote on the amendment could be close.

Mr. Kennedy said: "This policy defies all logic, it defies all reason, and it defies all law. I am convinced that the only way we are going to halt this military escalation is with Congress."

Soon after the first disclosures of CIA activity last Friday, the administration gave notice to the United Nations that it was withdrawing from jurisdiction of the World Court for any disputes arising from its actions in Central America.

And Nicaragua announced yesterday that it filed suit against the U.S. in the court, asking the court to declare illegal all U.S.-backed insurgent activities against Nicaragua. The Sandinista government also asked the court to order an immediate end to U.S. support of the insurgents, known as "contras."

Rigoberto D'Escoto, Nicaragua's foreign minister, said at a news conference here that U.S.-sponsored covert activities have "already cost Nicaragua more than 1,300 lives, injuries to many times that number and hundreds of millions of dollars in damage and destruction." He added that the U.S. effort to withdraw from the jurisdiction of the World Court is a "clear manifestation of nervousness" that it would lose a court case.

At the State Department, senior officials indicated that if the court rules that the U.S. hasn't given adequate reasons for withdrawing, Washington could try another approach. These officials said that under a U.S. declaration made in 1946, when the U.S. joined the court, Washington stated that the court's authority doesn't apply to disputes deemed to be within "the domestic jurisdiction of the United States of America as determined by the United States of America." One official suggested this clause might be used to avoid the court's jurisdiction.

The two-year U.S. withdrawal has provoked sharp criticism in Congress. "I think Shakespeare had a phrase, 'You protest too much,'" said Sen. Daniel Inouye (D., Hawaii), of the State Department's stated worries that the Nicaraguans would misuse the court. "It sounds like a guilty man."

Mr. O'Neill described the withdrawal as "shocking," and a long line of Democrats, running from such Southern moderates as Rep. Sam Gibbons of Florida to more traditional liberals such as Rep. Mike Lowry of Washington condemned the decision in speeches on the floor.

"I think it hurts us as a nation," said Mr. Gibbons of the withdrawal from the court, an unprecedented step for the U.S. "I think we have more to lose on this than any other nation on earth."

10 April 1984

CENTRAL AMERICA JENNINGS:  
/U.S. AID

Two aspects of the president's policy have now really angered members of Congress: the White House decision to challenge Nicaragua's right to take its case against the United States to the World Court and the mining of Nicaraguan harbors, allegedly with White House support and CIA direction. ABC's Anne Compton is on Capitol Hill.

COMPTON: CIA Director Casey knew when he arrived to brief senators he was walking into a virtual brick wall of opposition over Nicaragua. Casey had received a letter obtained by ABC News from Barry Goldwater, chairman of the Intelligence Committee, who says he never got formal notice of the mining operation. It was an extraordinary reprimand filled with raw language. Goldwater declared the mining is an act violating international law. 'It is an act of war, Bill,' wrote Goldwater. 'How can we back the president's foreign policy when we don't know what the hell he is doing?' Goldwater predicted that the \$21 million the Senate approved last week for Nicaraguan rebels is now doomed. Casey stayed on the Hill more than three hours explaining the Nicaraguan operations to the entire Senate behind closed doors. Afterwards most senators remained indignant over the mining of the harbors and the administration's refusal to acknowledge any World Court action on Central America. DONALD RIEGLE (D-Mich.): Whether Casey understands it, this policy has to be changed. And if it isn't changed, it's likely to take us into a war that no one wants.

COMPTON: On the floor of the Senate support had grown for Senator Edward Kennedy's resolution, a non-binding 'sense of the Congress' resolution, saying the U.S. should take no part of mining operations in Nicaraguan waters. The snowball effect of the last few days has doomed chances that the \$21 million in covert aid to the rebels can ever pass the House. Speaker Tip O'Neill will not even let it come up until after next week's Easter recess. O'Neill displayed his own personal irritation at the president too. The White House claimed it informed him of developments. O'Neill said today, 'That is false.' Anne Compton, ABC News, Capitol Hill.

FLYNN: This is Rita Flynn. President Reagan spent most of the day trying to steer clear of the fury in Congress over Nicaragua. For example, during a meeting with the leader of the Dominican Republic. UNIDENTIFIED REPORTER: Mr. President, will the two of you talk about the mining of Nicaragua's harbors, sir? (inaudible background noises) PRESIDENT REAGAN: No questions in photo opportunities.

Continued

CENTRAL AMERICA  
/U.S. AID

JENNINGS: Good evening. The government of Nicaragua has taken its case against the United States to the World Court in the Hague. Nicaragua has a long list of charges, one of which is U.S. responsibility for mining Nicaraguan ports. Outside the court today, the Nicaraguan ambassador to Holland explained his country's position. CARLOS ARGUELLO GOMEZ (Nicaraguan Ambassador to the Netherlands): ...because Nicaragua feels that it is a legal case, that international law is being violated, that the killing of people, the aiding to the contras to kill people in Nicaragua, to mine our ports, to destroy hospitals, to destroy industries in Nicaragua is a violation of international law.

\* \* \* \* \*

JENNINGS: The U.S.-supported campaign against Nicaragua is not new. Only last week, the Senate voted in favor of another \$21 million to support the antigovernment rebels. Many members of Congress have opposed the mining of Nicaragua's harbors, and what has upset them today is the administration's decision to ignore the World Court. Charles Gibson is on Capitol Hill.

GIBSON: The twin revelations, first, that the CIA had supervised the mining of Nicaraguan harbors, and second, that the U.S. would ignore World Court actions, touched off a congressional firestorm today. REP. MICHAEL BARNES (D-Md.): I'm shocked, frankly, that the president of the United States would show so little respect for international law. REP. BERKLEY BEDELL (D-Iowa): These elements of President Reagan's Central American policy border on sheer lunacy. The mining of harbors is an act of war. Does the president realize or accept responsibility for such actions? REP. PETER KOSTMAYER (D-Penn.): The president formulates, but the Congress appropriates. Cut him off now.

GIBSON: The congressional anger comes at a bad time for the administration. It comes just as House-Senate conferees are due to take up \$21 million in aid requested by the administration for the anticommunist Nicaraguan rebels and \$61 million in military aid for the government of El Salvador. These revelations could kill those funds. The speaker was asked if the House will ever pass any more money for the rebels in Nicaragua. REP. THOMAS O'NEILL (Speaker of the House): I doubt it. I doubt that the House will ever pass it.

GIBSON: The Senate had voted just last week to fund the anticommunist rebels in Nicaragua. Today, some senators, even influential Republicans, were saying the

Continued

MEESE  
BY GREGORY GORDON  
WASHINGTON

Senate investigators reviewing Edwin Meese's nomination to be attorney general are inquiring into the refusal of a 1980 Reagan transition fund, of which Meese was a trustee, to disclose how it used nearly \$500,000 raised from private donors.

Some of the money donated to the Reagan Transition Foundation Inc. apparently was paid as consulting fees to Meese, a top Reagan campaign official who later became presidential counselor.

On his 1981 financial statement, Meese listed the foundation among three sources from which he received "compensation in excess of \$5,000 paid by one source."

Meese's most outspoken critic on the Senate Judiciary Committee, Sen. Howard Metzenbaum, D-Ohio, has been exploring the use of the transition fund and plans to ask Meese to testify about it under oath if his stalled confirmation hearings ever resume, an aide to the senator said.

One question, for example, could center on whether the foundation paid for any of Meese's travel. In the latest revelation to jeopardize Meese's stalled nomination, it was disclosed this week that he failed to report on his ethics statements acceptance from private sources of expenses for numerous trips.

Meese, CIA Director William Casey and Air Force Secretary Vernon Orr served as trustees of the Transition Foundation, a private non-profit corporation set up because the Reagan team said the \$2 million allotted by the government was insufficient for the transition.

While the foundation's coffers totaled nearly \$750,000, including \$250,000 in leftover Reagan primary campaign funds, the Reagan team did not use \$286,590 of the funds provided by the government for the most elaborate transition in history. The Reagan transition also established a separate fund, the Presidential Transition Trust, to raise money for the transition, and no accountings of its activities were made public either.

Orr said in 1981 that, because private expenditures on the transition were not covered by any law, there was no obligation to make public the names of those who contributed up to \$5,000 each to the foundation. He said corporate gifts were barred.

At the time, public interest groups questioned the administration's refusal to release names of contributors, asserting the use of private funds created "a potential for abuse."

The General Accounting Office, which later performed two audits on the use of government funds during the transition, ran into stiff resistance from Meese and other foundation officials when auditors requested information about use of the fund.

Continued

"On two occasions we attempted unsuccessfully to gather information on the nature and purposes of the two funds," the GAO said in a report to Rep. John Dingell, D-Mich., on Jan. 28, 1982. It said it also asked the executive office of the president to "explain the rationale for charging certain transition-related expenses to the Presidential Transition Foundation and not the federal appropriation," but got no response.

Orr, who served as overseer of the transition budget, said in a 1981 interview that the New York accounting firm of Arthur Anderson and Co. would conduct an independent audit of the foundation's funds and the results would be made public. No such disclosure ever was made.

Orr said through a spokesman this week that he would not make the audit public and that he would have "no comment" as to the reason.

UPI then pressed for an interview with Orr to discuss the amount of money paid Meese and the other trustees, details of disbursements from the fund and the use of any excess money. After conferring with Orr, John Halbert, the Air Force's assistant director of public affairs, responded, "He's not interested in discussing the subject."

In 1981, Orr asserted the names of donors were being withheld to protect them from being deluged with solicitations from charities. "Charities love to get lists of people who give big sums."

ARTICLE APPEARED  
ON PAGE 6

WALL STREET JOURNAL  
6 April 1984

## U.S. Role in Mining Nicaraguan Harbors Reportedly Is Larger Than First Thought

By DAVID ROGERS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The Reagan administration's role in the mining of Nicaraguan harbors is larger than previously disclosed, according to sources who say that units operating from a ship controlled by the Central Intelligence Agency in the Pacific participated in the operation.

Though anti-Sandinista insurgents have claimed credit for the mining, a source familiar with CIA briefings on the operation said that the units operating from the ship are self-contained, and are composed of Salvadorans and other Latin Americans from outside Nicaragua.

The mines were described as acoustic devices, triggered by the sounds made by ships traveling in the port and planted from small boats operating from the larger mother ship.

The mining operation, which has targeted two Pacific Coast ports, Corinto and Puerto Sandino, has been bitterly protested by the Nicaraguan government, which has accused the U.S. of playing a major role.

President Reagan, questioned about the matter at his news conference Wednesday, refused to comment, but the issue has provoked concern in Congress, even among those supporting CIA aid to the anti-Sandinista insurgents.

Many in Congress have feared escalation of the conflict if economic, as well as military targets, are attacked. Also, there is concern about the threat to non-Nicaraguan ships using the same ports.

Corinto is the port most affected by the mining, according to government statements in Nicaragua, and as many as seven ships, four of them foreign, have been described as having hit mines since late February. Two more vessels reportedly have hit mines in the smaller ports of Puerto Sandino and El Bluff on the eastern Caribbean coast, and ships at Puerto Sandino have come under attack from high-powered speedboats, according to news reports from Nicaragua.

Two anti-Sandinista groups, the Nicaraguan Democratic Force in the North and the Revolutionary Democratic Alliance in the South, have claimed responsibility for the mining and speedboat attacks, but Nicaragua says the U.S. is directly responsible because of the equipment used and skill of those involved.

The CIA is currently operating under a \$24 million appropriation to fund the anti-Sandinista insurgents, and the administration is seeking an additional \$21 million for

the remainder of the fiscal year ending Sept. 30. These funds, as well as \$61.8 million in military aid for El Salvador, won final Senate approval yesterday, but Mr. Reagan faces continued opposition in the House, which has twice voted to cut off funding for the Nicaraguan war.

Without further funding, the administration estimates that aid for the insurgents

will be exhausted by May, but there doesn't appear to have been a cutback in operations to date. Though there are fewer armed and trained fighters, the total insurgent force is estimated between 12,000 and 15,000, according to sources, and the revised limit approved by the administration is as high as 18,000.

Though the president enjoys bipartisan support in the Senate for at least limited funding for the insurgents, such moderate Republicans as Sen. William Cohen of Maine have questioned the mining in light of the threat to economic targets.

The Senate Intelligence Committee hasn't had a full briefing on the operation, but CIA Director William Casey recently appeared before the House Intelligence Committee, where details of the mining were apparently first disclosed to members of Congress.

During Senate debate this week, the Intelligence Committee chairman, Barry Goldwater, (R., Ariz.) surprised other senators by openly referring to a document or paper indicating that the administration had directly authorized the mining. Mr. Goldwater's remarks were dropped from the published record made available yesterday, and while an aide to the senator dismissed the matter, two other sources indicated that such a paper or staff memo did exist.

The House briefing was, in any case, more detailed, according to a source familiar with the presentation made by the CIA. According to this source, the units operating from the ship were described as separate from the "contras," or insurgent faction of native Nicaraguans whom Mr. Reagan has described as "freedom fighters" being helped by the U.S.

The administration has denied that it seeks to overthrow the leftist Nicaraguan government, and in an effort to reassure senators, the president sent a letter to Majority Leader Howard Baker (R., Tenn.) Wednesday night pledging that the U.S. "does not seek to destabilize or overthrow" the Sandinista regime.

The letter appeased Sen. Daniel Patrick Moynihan of New York, the ranking Democrat on the Intelligence Committee, but Mr. Moynihan said yesterday that he remains concerned about the mining of the ports, both because of the threat to economic targets and potential violations of international laws of the sea.

There was unusually strong support among members of the Intelligence Committee yesterday for an amendment to prohibit any aid to an individual or group seeking the violent overthrow of a government in Central America. Of the panel's 15 members, six Democrats, including Sen. Moynihan; and one Republican, Mr. Cohen, backed the proposal, but it was tabled by the GOP leadership on a 51-44 roll call.

The Senate action came as Secretary of State George Shultz met privately with the bipartisan leadership of the House on the Central America aid package. Speaker Thomas O'Neill (D., Mass.) remains opposed to any funding for the CIA operation, and he later met with liberals pressuring for a strong stand against the administration when the two houses meet in conference to work out the final form of the aid bill.

RECEIVED

FINANCIAL TIMES

5 April 1984

# CIA warns of high-tech security risk

BY LOUISE KEHOE IN SAN FRANCISCO

U.S. and Japanese high-technology joint ventures and marketing agreements in the computer and semiconductor industry pose a danger to U.S. national security, according to Mr William Casey, director of the Central Intelligence Agency (CIA).

"Increasingly in Europe and the U.S., domestic companies are serving as a Trojan horse for Japanese semiconductor and computer suppliers," he said in the text of a speech prepared for delivery before an audience of California electronics industry businessmen.

"That is, the Japanese companies such as NEC, Fujitsu, and Hitachi have made arrangements to supply top-of-the-line computers (to U.S. companies) and permit those companies to affix their own labels," he said.

"We view this as a dangerous course in a national security context as well as in a commercial context," he said.

His statement implied that the high degree of Japanese involvement in the U.S. and European electronics industry indicated a weakness in U.S. and European control over strategic technology. U.S. industry officials also claim that Japanese technology is more accessible than their own to Soviet purchasers.

In calling for stricter control of the export of certain types of elec-

tronics equipment, Mr Casey said: "Manufacturing, inspection and, most importantly, automatic test equipment (for semiconductor and computer products), which can alleviate acute Soviet deficiencies in military-related manufacturing areas, must be strictly controlled."

The control of exports of this equipment represents a "major intelligence, enforcement and competitive and patriotic challenge," he said.

The CIA has identified 300 companies operating in the West which, it says, are engaged in the diversion of U.S. high-technology goods to the Soviet Union.

"Most diversions occur by way of Western Europe, which is why we have made such a strong effort to enlist the help of our European allies in combating illegal trade activities."

California's Silicon Valley was the "bull's eye in a massive, well coordinated and precisely-targeted Soviet technology intelligence acquisition programme," he said.

Several U.S. companies fit his Trojan horse description, notably National Advanced Systems, a subsidiary of National Semiconductor, which markets mainframe computers built by Hitachi of Japan, and Amdahl Corporation, which has shared much of its technology with Fujitsu.



# CIA boss: Soviets easily get high tech secrets

By John Flinn  
Examiner staff writer

PALO ALTO — There may be no way to shut off completely the flow of Silicon Valley secrets to the Soviet Union, CIA Director William Casey says.

"We can limit it. We can slow it down. But can it be stopped? I don't know. We just have to do our best," he said at a meeting of the Commonwealth Club yesterday in Palo Alto.

Casey told the business leaders that the Bay Area's high-technology industries — particularly Silicon Valley's small, innovative firms — are the targets of a massive, coordinated, Soviet acquisition program. The small firms have the technology Moscow wants most but they lack the sophisticated security programs of larger companies.

The ability of Soviet spies to spirit away U.S. technological secrets "far exceeds any previous estimates," according to the 71-year-old Casey, who has run the intelligence agency since being appointed by President Reagan in 1981.

Plugging those leaks — or at least slowing them down — is vital to U.S. security, Casey said.

"U.S. microelectronics production technology is the single most-significant technology acquired by the Soviets since the end of World War II," he said.

During the late 1970s, they got their hands on about 30,000 samples of Western production equipment, weapons and military components, and more than 400,000 technical documents, according to Casey.

About 70 percent of the technology most important to Soviet weapons systems was stolen by KGB agents from Western sources, he said.

"They've been so successful in getting our technology — and getting it early — that they've developed countermeasures to our weapon systems before we had the weapon systems deployed," he said.

Soviet military leaders, Casey said, had plans of the U.S.'s giant C-5A military cargo plane before it rolled out of the hangar for the first time.

The precise gyros and bearings in the latest generation of Soviet intercontinental ballistic missiles are copies of those designed by the United States, he said. So is the radar in the Soviet version of our AWACS planes, he said, and the Soviet space shuttle is a virtual copy of the National Aeronautics and Space Administration's.

The Soviet trucks used in the invasion of Afghanistan were made in a plant outfitted with \$1.5 billion worth of modern Western machinery, Casey said.

Stolen Silicon Valley secrets are also used by the Soviets to create their own civilian microelectronics industry, according to the CIA director.

"The Zelenograd Science Center, the Soviet equivalent of Silicon Valley, was equipped, literally from scratch, with Western technology," Casey said.

"All Soviet monolithic integrated

circuits are copies of U.S. designs. They even copied the imperfections contained in some of the U.S. samples."

Much of the technology is obtained legally. Soviet spies comb through open trade literature, religiously attend scientific conferences and send students here to study, Casey said.

He blamed the situation on the federal Freedom of Information Act, which he likened to "shooting ourselves in the foot."

"We're the only country that gives foreign agents a license to poke in our files," Casey said. "Increasingly, people are recognizing the damage that that does to our security."

Soviet agents, he said, also buy high-technology equipment with military applications through legal channels. Agents purchased \$20 billion worth between 1970 and 1976 before the United States began to clamp down.

As the United States has imposed restrictions, the Soviet Union has turned to sophisticated schemes to obtain the technology through dummy corporations in foreign countries. The CIA, Casey said, has identified some 300 firms in 30 foreign countries involved in these schemes.

In late 1983 and early 1984, customs agents in Sweden seized several advanced VAX computers and 30 tons of related equipment being smuggled by Richard Mueller of West Germany, a reputed KGB agent.

The computers had been shipped from the United States through South Africa and West Germany to Sweden and were due to be shipped to the Soviet Union when they were intercepted, Casey said.

# CIA Chief Says Spies Infest Silicon Valley

By Stephen Magagnoli

The Soviet Union is stealing thousands of top-secret military documents from technology-rich Silicon Valley almost as fast as they are developed, CIA Director William J. Casey said yesterday.

Casey, speaking before a Commonwealth Club luncheon group of 300 in Palo Alto, said there are several thousand Soviet-bloc agents operating in the West, "and your firms here in Silicon Valley are at the very top of their list."

The Soviet spies zero in on small, innovative computer and microelectronics firms in Silicon Valley, "not only because they are at the leading edge of the technologies that Moscow is most in use of" but also because their security measures are easily penetrated, Casey said.

Last October, the FBI arrested James Harper, a Mountain View engineer, for stealing key missile defense documents from his wife's Silicon Valley company, Systems Control Inc., and selling them to Eastern bloc agents.

Casey estimated that 70 percent of the Soviet Union's military and weapons technology is stolen from others. "We find the increasing power and sophistication of Soviet weapons come from our own creative ability."

He said the Soviet version of the airborne warning and control systems plane (AWACS), the bearings in Soviet intercontinental missiles and even the Russian space shuttle were built with stolen Western technology.

Casey called for imposition of strict controls on the manufacture, inspection and testing of electronics equipment that could be of benefit to the Russians.

The Soviet-bloc nations come by much of their technological information by attending scientific conferences, reading trade journals, using the Freedom of Information Act and sending students to American universities, Casey said. "They [the Russian students] are usually 40 years old and have advanced degrees, while our students go to study poetry in Kiev," he said.

Casey, who took over the CIA in 1981 after serving as Ronald Reagan's campaign manager, said the agency is filling its ranks with scientists, engineers, communications specialists and computer experts to keep pace with advancing technology. "We will get four times more information in the late 1980s than we do today," he said.

Casey made a recruiting pitch to executives of the high-tech firms. "We're always looking for new talent," he said.

ARTICLE APPEARED  
ON PAGE A-10

OAKLAND TRIBUNE (CA)  
4 April 1984

# Silicon Valley top Soviet spy goal, says CIA head

By Patricia Radin  
The Tribune

PALO ALTO — Silicon Valley, with its high-technology industries, is the "bull's-eye" for Soviet spies, CIA director William J. Casey said here yesterday.

Speaking to 500 local leaders at a Commonwealth Club luncheon, Casey said, "You in this room are the bull's-eye in a massive, well coordinated and precisely targeted Soviet technology acquisition program.

"The ability of the Soviet military-industrial complex to acquire and assimilate Western technology far exceeds any previous estimates."

This intelligence effort is sometimes so successful, said Casey, that the USSR has designed countermeasures for American weapons before they have even been deployed.

"The Soviets had our plans to the C-5A before it flew," asserted Casey. "The Soviet trucks which rolled into Afghanistan came from a plant outfitted with \$1.5 billion of modern American and European machinery. The radar in their AWACS is ours. Their space shuttle is a virtual

copy of ours.

"... All Soviet monolithic integrated circuits are copies of U.S. designs. They even copied the imperfections contained in some U.S. samples."

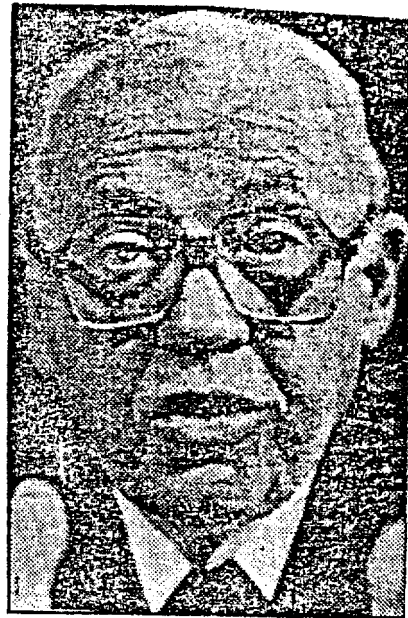
Casey, 70, was President Reagan's campaign manager in 1980 before being appointed to his present position. His 45-year career includes military service in World War II, a law practice and a publishing business.

Last year, after it was disclosed that he been acquiring a financial interest in companies doing business with the CIA, Casey placed his stock holdings, estimated at between \$5 million and \$8 million, into a blind trust.

Outlining the transfer of technology from the U.S. to the Soviet Union, Casey said much of it is done legally. The Soviets read trade magazines, attend scientific conferences and send students here to college. In addition, they simply buy machines and copy them: between 1970 and 1976, they went on a \$20 billion shopping spree, Casey said.

In addition to legal means, said Casey, they steal secrets.

Casey pictured the Soviet in-



William J. Casey  
*High-technology warning*

telligence-gathering force as "hostile" and "determined" to "penetrate" Silicon Valley secrets.

He offered little hope of protection, saying that the youngest and most innovative high-tech firms have the most desirable information and the poorest security.

But he did make a lengthy pitch for the CIA, which he said is essential to world security.

In closing, he urged, "Send promising young people our way."

# Soviets target innovative U.S. firms in technology hunt, Casey warns

By Peter McCormick  
Staff Writer

Small, innovative companies in the computer and microelectronic fields have been singled out by the Soviet Union in its efforts to obtain Western technology, CIA Director William J. Casey warned a Palo Alto audience on Tuesday.

Casey, 71, called the Soviets' attempt to acquire sophisticated technology "many-sided" and "world-wide" in a luncheon speech to several hundred Peninsula members of the Commonwealth Club of California.

Casey urged business leaders in the audience to send "promising people" who were interested in joining the CIA. Describing the CIA's work, Casey told his audience that "in a sense, this is your organization."

The CIA director's speech combined warnings of the Soviet menace with glowing praise for his intelligence agency.

Casey said that the Soviets concentrated on small and innovative firms because those were leaders in the technologies that Moscow is most interested in.

"Such firms' security procedures are usually inadequate to protect against penetration by a determined, hostile intelligence service," he said.

Casey characterized efforts by the Soviet Union to acquire Western technology as one of the latest threats to American security.

"The ability of the Soviet military-industrial complex to acquire and assimilate Western technology far exceeds any previous estimates," Casey said.

Casey said that U.S. microelectronics production was "the single most significant industrial technology acquired by the Soviets since the end of World War II."

"In the late 1970s alone," Casey said, "Moscow acquired several thousand pieces of Western microelectronics equipment worth hundreds of thousands of dollars in all of the major processing and production areas."

These, he said, included automatic assembly and test equipment, "which they are most in need of."

The Soviets have built a modern microelectronics industry from its acquisitions, Casey said, including the Zelenograd Science Center, which he called their equivalent of Silicon Valley.

Fifteen years ago, he said, Soviet intelligence began recruiting "100 carefully trained scientists a year, whom they would send around the world."

The Soviets have taken advantage of academic exchange programs and have sent "40-year-olds with advanced degrees, while our students are sent over to study poetry and Kiev," Casey said.

In addition, the CIA has identified 300 dummy firms in 30 different countries that are engaged in diverting material to the Soviet Union.

The Reagan administration has responded to those Soviet operations by invoking the Export Administration Act, which requires companies to obtain licenses for exporting certain technologies.

Daryl Hatano, government affairs representative from the Semiconductor Industry Association in San Jose, said his industry does work with the government, as Casey urged. However, semiconductor companies most often work with the U.S. Department of Commerce, which requires the firms to obtain export licenses before sending products abroad.

"The bottom line is that we do work with the government," said Hatano, who had not heard Casey's speech.

Those industry officials say they support the administration's efforts to fight Soviet industrial espionage, but the consequences of licensing requirements for commercially competitive equipment have worried some people.

Bill Reed, executive director of the Semiconductor Equipment Materials Institute Inc. of Mountain View, said his industry supports administration efforts to fight industrial espionage. However, he cautioned against too many restrictions on export licenses, which he said would give foreign competitors an edge over American firms.

"If everything has to be individually certified for export, we could be subject to endless delays."

Continued



Gary Parker — Mercury News

CIA Director William J. Casey addressed Commonwealth Club luncheon

CIA DIRECTOR WARNS OF USSR'S TECHNOLOGY SPY EFFORT  
BY JONATHAN SHARP  
PALO ALTO, CALIFORNIA

THE SOVIET UNION IS SO GOOD AT ACQUIRING U.S. TECHNOLOGY THAT MOSCOW DEVELOPS WAYS OF COUNTERING AMERICAN WEAPONS EVEN BEFORE THEY ARE DEPLOYED; CIA DIRECTOR WILLIAM CASEY SAID TODAY.

HE TOLD SEVERAL HUNDRED BUSINESSMEN FROM THE "SILICON VALLEY" THAT THEY WERE THE TARGET OF A HUGE AND WELL-COORDINATED SOVIET EFFORT TO ACQUIRE TECHNOLOGY; THROUGH LEGAL OR BY ILLICIT CHANNELS SUCH AS SPYING.

"THE ABILITY OF THE SOVIET MILITARY-INDUSTRIAL COMPLEX TO ACQUIRE AND ASSIMILATE TECHNOLOGY FAR EXCEEDS ANY PREVIOUS ESTIMATES;" HE SAID IN A SPEECH AT A PALO ALTO HOTEL.

"THEY (THE SOVIET UNION) HAVE BEEN SO SUCCESSFUL IN GETTING TECHNOLOGY EARLY THAT WE KNOW THAT THEY DEVELOP COUNTER-MEASURES BEFORE WE CAN DEPLOY OUR OWN WEAPON SYSTEMS;" HE SAID.

CASEY SAID MOSCOW OBTAINED PLANS FOR THE HUGE C-5A GALAXY AIRCRAFT EVEN BEFORE IT FLEW; AND THAT BEARINGS AND OTHER SOPHISTICATED EQUIPMENT IN SOVIET INTERCONTINENTAL MISSILES WERE DESIGNED BY THE UNITED STATES.†

"THE RADAR IN THEIR AWACS (RADAR AIRCRAFT) IS OURS. THEIR SPACE SHUTTLE IS A VIRTUAL COPY OF OUR INITIAL SHUTTLE DESIGN. AND THE LIST GOES ON AND ON."

SOVIET TRUCKS USED IN THE INTERVENTION IN AFGHANISTAN WERE EQUIPPED WITH \$1.5 BILLION WORTH OF MODERN AND EUROPEAN MACHINERY; HE SAID.

CASEY SAID THAT DURING THE LATE 1970S, THE SOVIET UNION GOT HOLD OF ABOUT 30,000 SAMPLES OF WESTERN PRODUCTION EQUIPMENT; WEAPONS AND MILITARY COMPONENTS; AND OVER 400,000 TECHNICAL DOCUMENTS BOTH CLASSIFIED AND UNCLASSIFIED.

"THE MAJORITY WAS OF U.S. ORIGIN; WITH AN INCREASING SHARE OF OUR TECHNOLOGY OBTAINED THROUGH WESTERN EUROPE AND JAPAN;" HE SAID.

CASEY ESTIMATED THAT IN THE LATE 1970S SOVIET INTELLIGENCE SERVICES AND THEIR SURROGATES IN EAST EUROPE "STOLE ABOUT 70 PER CENT OF THE TECHNOLOGY MOST SIGNIFICANT TO SOVIET MILITARY EQUIPMENT AND WEAPONS PROGRAMS."

Continued

HE SAID THE ZELENOGRAD SCIENCE CENTER, THE SOVIET EQUIVALENT OF THE SILICON VALLEY, WAS EQUIPPED "LITERALLY FROM SCRATCH" WITH WESTERN TECHNOLOGY.

"THEY EVEN COPIED THE IMPERFECTIONS CONTAINED IN SOME OF THE U.S. SAMPLES," CASEY ADDED.†

CONCERN ABOUT THE FLOW OF TECHNOLOGY TO COMMUNIST COUNTRIES HAS LED TO SILICON VALLEY, LOCATED SOUTH OF SAN FRANCISCO, BEING RULED OFF LIMITS TO SOVIET DIPLOMATS AND JOURNALISTS.

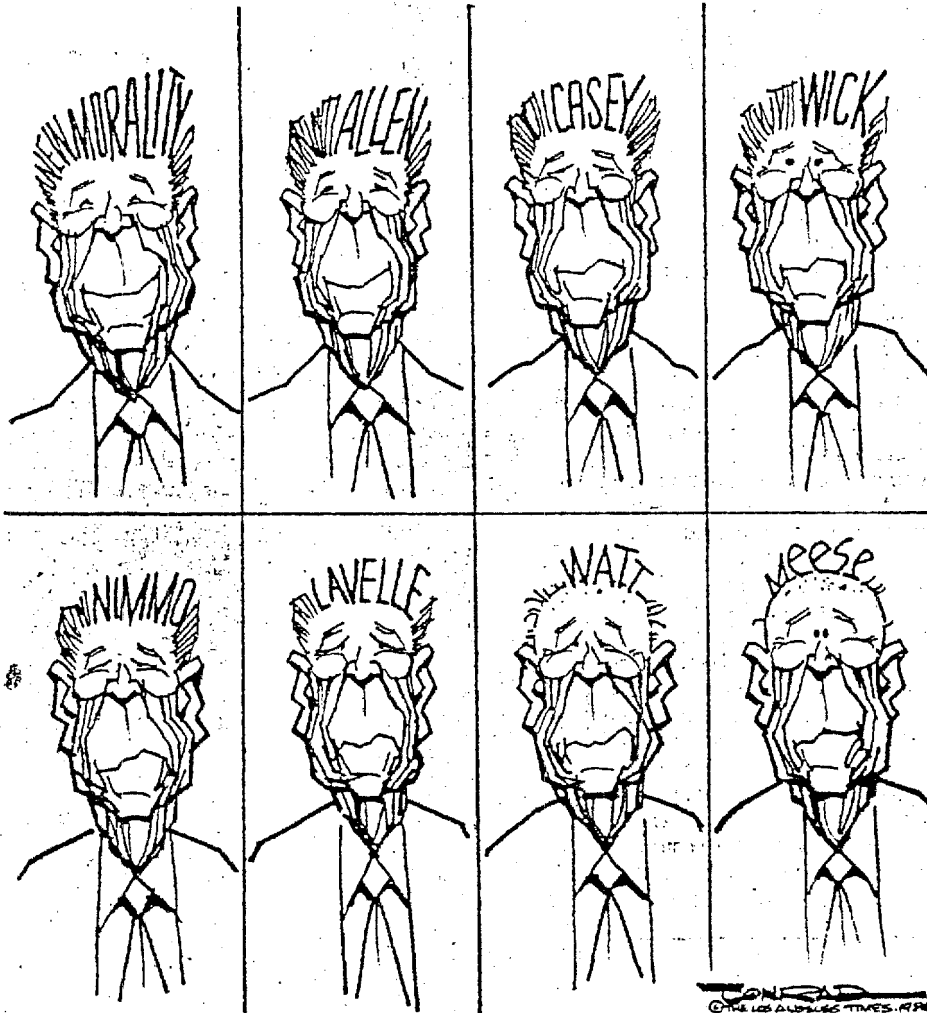
IN ADDITION, THE U.S. CUSTOMS SERVICE, THE FBI AND THE COMMERCE DEPARTMENT LAST YEAR LAUNCHED "OPERATION EXODUS" IN A BID TO CURB WHAT OFFICIALS CALL THE TECHNOLOGY HEMORRHAGE OF MILITARY SECRETS.†

ARTICLE APPEARED  
ON PAGE 7, Section 1

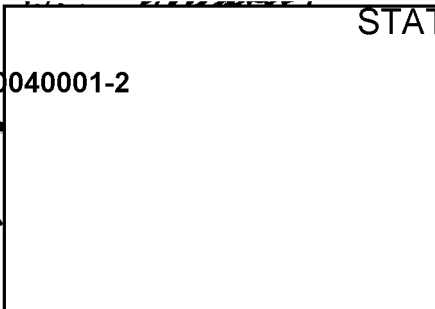
LOS ANGELES TIMES

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

FILE ONLY *DCI*







**CAVEAT  
 Realism,  
 Reagan  
 And  
 Foreign  
 Policy**

**ALEXANDER  
 Haig**

**■ "Al, Join My Team"**

When Ronald Reagan asked me to be his Secretary of State, I had spent no more than three hours alone with him. In the fall of 1978, Reagan and I met at his home on the heights above Los Angeles. The evening had been arranged by Richard Allen, whom I had known as an uneasy member of Henry Kissinger's staff on the National Security Council. Allen was now Reagan's foreign policy adviser. I was still Supreme Allied Commander in Europe. I had made some statements about U.S. policy toward the Soviets that the press had interpreted as being critical of the policies of my Commander in Chief, President Jimmy Carter. Thereupon Allen had called me to say that Reagan would like to hear my assessment of the European scene.

\*\*\*\*\*

To my knowledge, never before my confirmation had there been hearings so openly conducted on ideological grounds rather than merely political ones. For some men there is a high emotive content in terms that apply to me: soldier, Republican, conservative, patriot. Add to that tinder the burning issues of Watergate, Viet Nam, Cambodia, wiretaps, the CIA, Chile, and you have the makings of a pretty hot time.

The question that ought to be asked of nominees for high office is this: Who are you and how did you become the person you are today? However, it was unlikely, as the date of my confirmation hearing before the Senate approached, that anyone was going to join me in a philosophical exercise on the relationship between personal experience and policymaking. The primary subject would be Nixon.

\*\*\*\*\*

**■ "Nobody Has a Monopoly on Virtue"**

*Rumors of Haig's appointment had already touched off intense controversy about his White House years. As Kissinger's aide on the National Security Council, Haig had requested FBI wiretaps on a number of reporters and Government officials in 1969-71 to determine the source of embarrassing leaks to the press. Later, as Richard Nixon's chief of staff when the Watergate scandal was approaching its climax, Haig resisted efforts by Special Prosecutor Leon Jaworski to obtain Oval Office tapes that ultimately discredited Nixon. Critics also faulted Haig for having helped Nixon and Kissinger conduct the war in Viet Nam, including the 1970 incursion into Cambodia. Yet another cloud over his nomination was the persistent though contested allegation that the Nixon Administration ordered the CIA to organize the 1973 military coup d'état in which Chile's Marxist President, Salvador Allende Gossens, was overthrown and killed.*

**■ My "Grab For Power"**

For years, members of Reagan's staff had been communicating with their chief's friends and enemies through the press, rewarding the one and punishing the other. They had often communicated with each other in the same way. It seemed natural to them, now that they were in the White House, to communicate thus with other officials, and even with foreign governments.

At first, I did not realize that the media had let themselves be converted into White House bulletin boards. When I would deliver a sensitive memorandum for the President's eyes only in the early afternoon, and then hear quotations from it on the evening news, I would react with surprise and call up the White House to express my shock. How naive I must have seemed.

Since my meeting with Reagan on Jan. 6, we at State had been working with Defense, the NSC staff and CIA to produce a mutually agreeable version of NSDD1, the National Security Decision Di-

ARTICLE APPEARED  
ON PAGE 3A

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400040001-2

WASHINGTON TIMES

FILE ON

2 April 1984

# President Reagan's dander is up over attacks on his friend Meese

## NEWS ANALYSIS

By Jeremiah O'Leary  
WASHINGTON TIMES STAFF

President Reagan ordinarily is the most amiable of men but he is in a state of black fury about what the Democrats are doing to his friend and nominee for attorney general, Edwin Meese III, and the highly publicized TV commercials depicting a series of his appointees as a rogue's gallery of unethical opportunists.

He told an interviewer last week, "I'm the guy they're after with their demagoguery. Well, all right then, come after me." Those close to Mr. Reagan since the Democratic candidates had their roundtable debate, the unveiling of the TV commercials and the Meese affair have good reason to believe that the president will strike back hard as the campaign progresses and in his own debates with the eventual Democratic challenger.

The incident that really tore it as far as Reagan was concerned was when the mud slinging reached the low point last week with the breathless disclosure that Mr. Meese kept a set of cuff links from the Korean government now reputed to be valued at \$375.

Some White House officials among the nine or ten who received the cuff link gifts of jade and gold thought they looked more like prizes from a crackerjack box. In any case, the Koreans were told last fall that U.S. officials could not accept presents worth more than \$140 in value. At least one source close to the White House reported that an appraisal of the cuff links showed them to be within the \$140 statutory limitation.

The cuff link affair was the last straw because of its sheer triviality and the TV commercials angered Mr. Reagan as few of his intimates have ever seen him. The ads portray Richard V. Allen, Anne Burford, Secretary of Labor Ray Donovan, CIA Director William Casey, Deputy CIA Director Max Hugel and a long list of others as if they were all guilty of chicanery and some had been fired for it by the White House.

In the case of Mr. Meese, the president let it be known that he will stand by his nominee until the bitter end "because they (the Democrats) are trying to destroy a human being the way they are."

The president is known to believe that none of his appointees over the past few years improved their financial condition by coming to serve in the administration and many of them suffered financial loss by moving to fixed income jobs in Washington. Mr. Meese came here with three children to put through college with one heavy mortgage in the San Diego area and another new one on the Meese home in McLean.

The \$60,000 salary with which Mr. Meese started here could not begin to cover mortgages on the unsold house in California or the new one in Virginia. As a result, a series of loans and real estate deals were worked out with long time Meese friends to sell his San Diego house after 20 months. Friendly bankers did not foreclose until Mr. Meese was able to work his way out of near bankruptcy. Some of these old friends ended up with government jobs but the Senate Judici-

ary Committee has failed to prove a connection between the financial arrangements and the appointments. Friends of Mr. Meese say he had nothing to do with arranging the jobs and that there is no evidence of influence peddling.

Nevertheless, Mr. Meese called for appointment of a special prosecutor, expected to be named this week by a three judge panel, to seek vindication. Both he and the president are dug in now for the rest of the fight which cannot end for at least four months when Mr. Meese will return to face his bete noire, Sen. Howard Metzenbaum, D-Ohio for the grand finale of his confirmation hearings.

The only way Mr. Meese will throw in the towel will be if he decides on his own that his nomination is hurting President Reagan's candidacy as the campaign heats up after the national conventions. But as of now, Mr. Meese is of no such frame of mind and the president has said even if Mr. Meese tries to withdraw the nomination Mr. Reagan will refuse to let him do it.

From this situation, the Democrats can expect no more Mr. Nice Guy from Ronald Reagan because his dander is up and the gloves are off. In the end, it may just be that the leak on the Korean cuff links was a serious overplay of the hand by Mr. Meese's enemies. It foreshadows a campaign that could get downright vitriolic with no holds barred.