

26 February 1984

BRADLEY: Since the end of the second World War, about a thousand defectors from the Soviet Union and Eastern Bloc countries have come over to our side with valuable information, but then became non-persons. Now some former Central Intelligence Agency officials are saying we'd better start changing our attitude toward them or lose one of our most important sources of intelligence. One of those sources was this man, Vladimir Sakharov, no relation to dissident Soviet physicist Andrei Sakharov. Vladimir Sakharov says he may have come in from the cold, but instead of a warm welcome, what he got from the CIA was a cold shoulder. If you had to describe your treatment overall by the CIA, what would you say? VLADIMIR SAKHAROV: Inefficient, unprofessional, rotten, humiliating, degrading.

BRADLEY: The sometimes shabby treatment of defectors in the CIA's resettlement program bothers Mark Wyatt. Wyatt is a former senior liaison officer between U.S. intelligence and foreign intelligence services. And why is Wyatt upset? MARK WYATT: I would say Ed that this is one of our primary sources of high level, intentional level, intelligence. Cracking the Kremlin, for a free country like the United States, is not easy. I cannot tell you whether we have an agent inside the Kremlin or not. I hope so. But it would be a pretty rare case. Because that is about the toughest nut to crack. Whereas, in the United States, the Soviets can operate pretty much with impunity. And as a result, the defector channel is terribly important to us. I don't believe that you could put a price tag on the value of intelligence that we've received from defectors, into the billions of dollars. It is, in short, invaluable to us. A good example of how valuable a defector can be is the case of the 47 Soviet diplomats who were expelled from France last spring. Intelligence experts say those expulsions from Paris, as well as similar ones from London and Rome, were made possible by the defection of Vladimir \*Kusitchgen, a veteran Soviet agent who knew the system well enough to point the finger at Soviet spies in many parts of the world. Kusitchgen is one of many Soviet defectors who abandoned their families, their professions, and their countries to come in from the cold. The people fingered by Kusitchgen held diplomatic posts which they used as a cover to spy on France's most important military and industrial technology. There's no official price tag on the information they were able to gather, but the damage was heavy. The material they stole included information on advance French aircraft carriers and the neutron bomb. Like those people expelled from Paris, Sakharov was also a Soviet diplomat. He says he wanted to earn the right to come to the United States. And about 10 years ago, the CIA gave him the chance. Before defecting, he became a double agent in the Middle East. He brought to the job his knowledge of Arabic and his experience as a KGB operative in Nasser's Egypt while it was under Soviet influence. Experts like Mark Wyatt say he passed on to our side first-hand information about Soviet plans to foment trouble in the Middle East and to disrupt the flow of oil to the West. When the things got too hot, as they say, he came over the mountain, ending his role as a double agent. He was debriefed in this safe house in Virginia. Sakharov expected work that would utilize his training and experience. That is not what he got. What did they do to help you settle in the United States? SAKHAROV: Well, initially, I was, they bought me one-way ticket to Hollywood. And they gave me new identity.

# More U.S. spies needed to fight Soviet-backed terrorism

Max  
Morris

Times-Union Special Writer

NEW YORK — Terrorism is on the rise around the world. There was a 42 percent increase in reported incidents in 1983 against American and allied nations' personnel. The assassination in Rome last week of Leamon R. Hunt is only the most recent example of what is to come.

Hunt was killed by a three-man team in Rome. He was riding in a bullet-proof sedan that proved not to be completely bullet proof. Point-blank, continued machine-gun fire finally shattered the rear window, then killed Hunt, the civilian director-general of our Sinai peacekeeping force in Egypt.

Two groups almost immediately claimed "credit" for the death of this retired foreign-service officer. One was the notorious Brigada Rosa of Italy, and the other was an Islamic fundamentalist group with ties to Tehran. Both demanded an end to U.S. involvement in the Middle East. The Red Brigades' telephone call in Milan also called for Italian withdrawal from NATO and an end to NATO cruise-missile deployment in Northern Italy.

The primary evidence so far points to the Red Brigades. But behind both these groups is the Soviet Union. In each instance so far where members of these groups have been captured, they have had both Soviet-bloc weapons and false papers that can be traced to the Iron Curtain. At that point the open trail stops.

This terrorist tie to Russian supply lines is not just limited to Italian and Islamic groups. There now are documented cases of Soviet support, implicit and explicit, to many others around the world. These include ETA, the Basque organization in Spain; the Irish Republican Army in Northern Ireland; the Bader-Meinhof group in Germany; and the Red Flag faction in Japan.

In addition to these better-known names, there are at least 20 other smaller terrorist groups in Europe, North America and the Middle East that have claimed responsibility for killings and bombings this year in the free world. Most have been shown to have links with Moscow or with an East European country, which is proximately the same thing.

The Russians have every reason to give money and arms to terrorist groups on our side of the Iron Curtain. They see these people as a low-cost, high-return segment of their worldwide arsenal. The work is essentially risk-free since the Russians use three or four levels of "cut outs" between themselves and the actual terrorist operators. This is obvious, for example, in the case of Ali Agca, who shot the pope. His contacts can be traced back two levels. Then the trail stops in Bulgaria. Can anyone advise how to pierce that wall further?

One way would be to make an all-out effort to rebuild our human-intelligence capabilities behind the Iron Curtain. We know, for example, from various "technical sources" about the KGB complex called Balashikha near Moscow. There are clear indications from intelligence that this installation is used to train terrorists from abroad. It probably also is used to train KGB personnel to develop new terrorist contacts overseas.

The problem is that we can't penetrate there. We certainly cannot find out details on this and other operational sites without having people who can get inside. Today we have very few foreign agents left. Most of our "humint" resources were tossed out during the Carter years. The impetus came from ex-Sen. Dick Clark, D-Iowa, and ex-Sen. Frank Church, D-Idaho. The Carter-Mondale administration did not oppose this. In fact, they purged the CIA of nearly all talent we had for developing clandestine sources inside Russia. Walter Mondale should be questioned closely on this.

What can be done? Internationally, we need to start the long task of rebuilding a corps of in-place agents. This must be worldwide, and it will take at least five to 10 years. The confidence we lost in dumping overseas "sources" on our payroll (sometimes even listing their names) will not be regained easily. The present administration is working on it. The CIA director, William Casey, understands what must be done. Most of the present Senate are backing him on "humint" rebuilding.

Terrorism is not, however, merely an overseas phenomenon. We tend to remember the Marine tragedy in Beirut and foreign assassinations such as that of Hunt or attempts such as that on Gen. James Dozier last year. In

fact, there were over 200 terrorist events in America in 1983. These included the Capitol bombing and an attempt on Coast Guard headquarters. No doubt they were at least partly stimulated by poor internal intelligence. FBI sources were equally destroyed by the Carter-Mondale group and its senatorial allies.

In early 1976, the FBI had more than 20,000 domestic security investigations underway. The Carter administration canceled 16,000 of these immediately, and, by 1977, there were only 600 active investigations. These so-called "Levi guidelines" (named for Carter's attorney general) brought the number below 100 by mid-1977. Today those guidelines are still in effect, and only 17 active internal-security investigations can be actively pursued, thanks to these rules.

It is time to put the FBI back in domestic intelligence and improve CIA abilities overseas. Terrorism is growing, not waning. The events of the past few years give proximate proof of the need to remedy the mistakes of the last administration and its senatorial followers. We need to know what is going on before it happens if we are to start the terrorist death-toll downward.

## Peat Project's Demise

There are not many big towns in Washington County or a lot of ways to make a good living. The county seat is Plymouth, and the biggest industry is farming. Its fishermen face the expansive Albemarle sound.

A goodly portion of the land has been acquired by Colony Farms, one of those agri-industry giants that has tried to change the face of agriculture in Eastern North Carolina.

Much of that farm land is overlaid with huge peat formations.

As one response to the nation's search for energy self-sufficiency, an organization known as Peat Methanol Associates was created. It went to the federal Synthetics Fuels Corp. for grants to develop a project in Washington County, to mine the peat and convert it to methanol which could be used as a gasoline additive.

Over the protests of people who feared the operation would be destructive to the environment, federal support was given.

Ten days ago, Washington columnist Jack Anderson, who has been very critical of the Syn-Fuels operation and its executives, picked out the N.C. project for a lambasting. His sleuths had laid hands on Syn-Fuels staff study documents which spelled out all kinds of potential environmental destructiveness, including:

- Dust emissions from the synthesizing factory which could push air quality above the danger level in a mixture including sulphur dioxide; and,
- Mercury-laced runoff from the mining and cyanide-laced runoff from

solid wastes.

The staff also admitted the probability of economic unsoundness of the project, writing: "Significance of peat is limited by environmental factors and by its unpromising economics relative to coal."

Naturally, Anderson also found some intrigue in the woodpile. Partners in First Colony include CIA Director William Casey and other influential Republicans, he wrote.

Less than a week after that column appeared, the \$540 million project was scrapped by the investors when Syn-Fuels rejected a request for more federal money.

Cancellation drew expressions of disappointment from Gov. James B. Hunt Jr. and from economic development spokesmen. Hunt's press aide said that if the project is not carried through, it would be "disappointing considering that there is a significant potential involved here."

Our inclination is to come down on the side of the environmentalists. We've seen too many of those grim signs in coastal estuaries and tidelands which warn that pollution has rendered them non-fishable.

Several years ago another plan to develop a peat-fired electric generation plant in the Washington County area was dropped after determination that it was not feasible.

The cost of the later First Colony project and the questionable benefits, combined with the potential destructiveness of much of nature's handiwork along our coast, add up to a belief that this plan's shelving is a happy development.

FILE ONLY

CRESWELL, N.C.

Proposed peat project dropped

An embattled peat mining and fuel conversion project in Washington County has been canceled after a federal agency rejected a request for additional financial backing.

Partners in Peat Methanol Associates said Monday they are abandoning plans to build a plant to convert peat to methanol for use as a fuel.

The announcement was made by Koppers Co. of Pittsburgh, a major investor in the project, and came four days after the federal Synthetic Fuels Corp. refused to provide additional support.

In a brief statement, Koppers said Peat Methanol "advised the chairman of the Synthetic Fuels Corp. that the SFC board action on Feb. 16... cancels the project."

Partners in the project will lost about \$15 million in investments, said Robert Fri, president of Energy Transition Corp. The Washington-based company, which lists CIA Director William Casey as a partner, was one of the original participants in Peat Methanol.

The decision is the second time in five years that efforts have failed to produce fuel from peat owned by First Colony Farms in Washington County.

Synfuels was created by Congress in 1980 to develop synthetic fuels and reduce dependence on foreign oil. But it has come under congressional criticism because of delays in approving projects and the need for new fuel sources during a worldwide oil glut.

Peat Methanol became a target of the criticism and has been under study for more than a year by a House subcommittee. Rep. James Broyhill, R-N.C., has called the project a waste of tax funds and a General Accounting Office report questioned the feasibility of the project.

Environmentalists and fishermen also have attacked plans to mine peat from 15,000 acres in northeastern North Carolina. They said the project could damage coastal wetlands and increase pollution.

The National Wildlife Federation and seven other groups filed suit last year seeking to force a major environmental study by the U.S. Army Corps of Engineers.

But state and local officials said the project would provide jobs and industry in economically depressed Washington County.

Peat Methanol Associates received a commitment from Synfuels in 1982 for \$465 million in federal loan guarantees and methanol price supports. Peat Methanol

*CONTINUED*

was responsible for providing up to \$172 million in private financing to get the federal funding.

The project had been scheduled to receive a Synfuels contract in June after three years of development.

But the Synfuels board last week rejected a request for increased aid and said the project could continue with the original support or start over with a new application.

Fri declined to say how much additional funding PMA had sought.

The partners in the project decided not to elaborate on Koppers' announcement, said Fri, whose company was an early developer of the project.

About \$15 million has been spent on the plant, most by Koppers and Transco Energy Co., a Houston-based pipeline firm, Fri said.

The original Peat Methanol partners were Fri's company, Koppers, Transco and J.B. Sunderland, former owner of American Independent Oil co.

Fri said three more private investors had been lined up to meet the federal funding requirements -- First Colony Farms, Burlington Northern Railroad, and Continental Insurance Co.

Peat Methanol Associates will be dissolved, he said, and there is little chance it will be revived.

But Fri said the peat will be mined some day.

"It is a vry attractive energy resource and First Colony has developed the technology," he said. "I think it is just a question of time and market."

# Secrecy Proposal: Risks Weighed

By STUART TAYLOR Jr.

Special to The New York Times

WASHINGTON, Feb. 19 — Congress has forced President Reagan to back off, at least temporarily, from using more censorship and polygraph testing to protect national security, not because it thought the goal unimportant, but out of doubt that such measures would accomplish much.

## News Analysis

In the view of Congressional critics, Mr. Reagan's plan would limit debate on vital issues and compromise the civil liberties of Government officials while doing little to prevent leakage of validly classified information and less to protect national security.

The opposition to two secrecy measures ordered by Mr. Reagan on March 11, 1983, forced the White House to announce last week that it would seek a "bipartisan solution" on the measures. The Administration apparently realized that Congress, which had already blocked these measures until April 15, was likely to extend the ban or make it permanent.

One measure would require more than 100,000 officials in the White House, the military and other departments who handle certain intelligence secrets to sign lifelong censorship agreements. The other would allow disciplinary sanctions against Government employees who refuse to take polygraph, or lie-detector, tests in investigations of unauthorized disclosures, or leaks.

## What Degree of Protection

Few if any members of Congress have proposed prohibiting the censorship agreements and polygraph testing the executive branch has long required of intelligence agents. So the issue is not so much whether some freedoms must give way to protect national security as it is to what degree they must give way.

The Congressional position reflects a kind of cost-benefit analysis: The costs to civil liberties of the Reagan plan were seen as outweighing the benefits to the national security, benefits that some critics deemed negligible.

Richard K. Willard, the Justice Department official who was the principal architect of the measures, has stressed that the Congressional intelligence committees complained in the late 1970's that national security secrets were inadequately protected.

Thus, he asserted in an interview last week, if Congress will not support the Reagan secrecy plan, "it's time for Congress to come forward and say what their solution is to the problem."

# Against Gains

Meanwhile, Mr. Reagan has not revoked his March 11 order, only suspended it pending talks with Congress.

## Security and Censorship

The Administration may have difficulty convincing Congress that the national security requires former officials to submit their writings and speeches for the rest of their lives for "prepublication review," or censorship, by their successors. Critics say such a requirement, at best, would inhibit debate and, at worst, could be used by incumbents as a pretext for silencing their critics.

William J. Casey, Director of Central Intelligence, said in a memorandum last year that such censorship agreements contain "the minimum acceptable standards for protecting the security" of intelligence sources and methods.

But Mr. Willard conceded that the censorship program would do nothing to prevent or detect espionage and little to prevent unauthorized disclosures.

"The most serious problem by far is the leak, the anonymous leak, and prepublication review does not prevent anonymous leaks," Mr. Willard acknowledged. "That's a much more difficult problem to address, but the disclosure of information in books and speeches was something we could do something about."

## Few Disclosures Involved Secrets

The General Accounting Office found last year, in a survey of six agencies, that only 21 of the 328 unauthorized disclosures of classified information over a five-year period had occurred through former officials' writing or speeches. Only one or two of these involved intelligence secrets of the kind that would subject officials who handle them to lifelong censorship.

Such evidence led many Republicans as well as Democrats in Congress to conclude that the Reagan censorship program was a draconian solution to an almost nonexistent problem.

Mr. Willard has suggested that the censorship program would make its most important contribution by making Government employees and others sensitive to the need for secrecy, by putting some fear in them and thus by discouraging the rather casual trafficking in Government secrets long practiced by officials both high and low, reporters, lobbyists and others.

Such benefits, in the view of many in Congress, including Senator Charles McC. Mathias, Republican of Maryland, were too speculative to warrant a sweeping system of censorship.

The polygraph, say Mr. Willard and other Administration officials, is potentially very useful both for ferreting out those who leak Government secrets to the press and for catching foreign spies.

## Fear of Machine Cited

They maintain not only that polygraph testing can detect lying in many cases but also that the fear of detection often spurs people to confess or deters them from leaking in the first place.

Congressional opponents of increased polygraph use, led by Representative Jack Brooks, Democrat of Texas, say they doubt this, and some experts assert that the polygraph is all but useless in detecting whether a person is lying.

Even those who concede that widespread polygraph use might uncover some leakers and spies question whether this would be worth the cost to the freedom and dignity of the innocent employees subject to the testing.

Some employees would falsely be branded as liars, just as some liars would incorrectly be identified as truthful, Mr. Brooks asserts. And even advocates of polygraph testing such as Mr. Willard concede that the machines and their operators sometimes make mistakes.

Another reason for the resistance to expanded polygraph testing is that many in Congress are of two minds about leaks, which have been denounced by every recent President, most forcefully by Mr. Reagan.

While there is strong sentiment for preventing Government employees from disclosing genuine military, intelligence and diplomatic secrets, many members recognize that the executive branch has long labeled as secret thousands of documents posing no threat whatsoever to national security and has sometimes done so to cover up politically embarrassing information.

The vast majority of disclosures of classified materials to the press and to Congress itself involve information that either has little to do with the national security or is already available to the Soviet Union and other nations. Members of Congress sometimes depend on such leaks in doing their jobs, and many would not want to see the employees responsible for them hunted down with polygraph machines.

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400050002-0

# Reagan's Cabinet Now: Who's Up, Who's Down

As his re-election campaign gets under way, Ronald Reagan is priming his cabinet to help spread the word on his administration's record.

The President feels strongly that his cabinet secretaries "ought to get out and explain to bipartisan audiences what has been accomplished," reports an aide—a message given cabinet members at a February 1 strategy session. Only the Secretaries of State and Defense and the Attorney General are exempt from campaigning.

The 13 department heads include seven who have held their jobs since the Reagan administration took office three years ago. Below is a rundown on their standing as seen by the White House and others in and out of government—who is strong, who is not so strong—and the challenges they face this year.

## STATE: A Steady Hand

In 18 months on the job, George Shultz has expanded his influence with a low-key, methodical approach to foreign policy. "He does not think about being the best Secretary of State since Henry Kissinger or Dean Acheson," says a Shultz aide. "He wants to be the best Secretary of State for Ronald Reagan."

A top White House aide says the President and his team-playing Secretary "work as well together as any two men could." That's a far cry from the contentious reign of Alexander Haig, Shultz's

predecessor. Result: State Department concerns get a full hearing, and Reagan spends more time on foreign policy.

State Department insiders credit Shultz with keeping the administration focused on human-rights progress in El Salvador, with strengthening ties with China and with the recent cooling of Reagan's red-hot anti-Russian rhetoric.

Despite his immense prestige within the Reagan camp, aides say Shultz is tiring of Washington and may leave the administration soon after the election.

## TREASURY: Bull Market

Donald Regan ranks as Reagan's most trusted economic expert, far above Martin Feldstein, chairman of the Council of Economic Advisers, and Budget Director David Stockman. Regan's clout derives partly from his adoption of the President's steadfast faith in the economy's prospects and his opposition to major new taxes.

What's more, the Chief Executive and his Treasury Secretary have become friends. They play an occasional round of golf together, and Regan is often a guest at White House functions. Regan, says a top presidential aide, is "one of the real stars of the cabinet." But some expect him to leave next year.

## DEFENSE: Tough Sell

At the Pentagon, Caspar Weinberger is digging in for the biggest battle of his

Secretary is trying to sell Congress on the need for a 17.7 percent hike in military-spending authority at a time when massive federal deficits are in prospect for years to come.

Weinberger hurt his standing with Congress last year when he refused to trim Pentagon budget requests. He ended up with far less money than he wanted and earned the enmity of many lawmakers, including key Republicans.

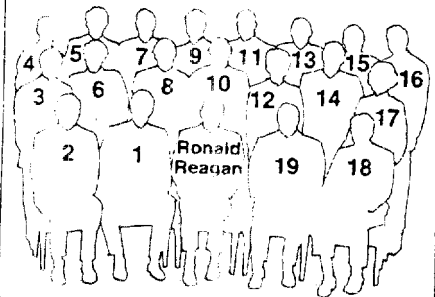
Though his adamancy riles Capitol Hill, it has generally pleased the President. Reports a key Reagan aide: "If you want someone who's articulate, brilliant and unyielding—that's Cap."

## INTERIOR: Domestic Diplomat

Only three months into the job, William Clark is applauded by all sides for clearing away many of the dark clouds of James Watt's stormy tenure.

Though Clark, one of Reagan's most valued aides, arrived with little detailed knowledge of issues facing the department, he is credited with superior management skills and keen political instincts. He quickly insulated Reagan from the fallout of unpopular Watt policies by removing several key Watt appointees, reducing offshore oil leasing and reviving parkland purchases.

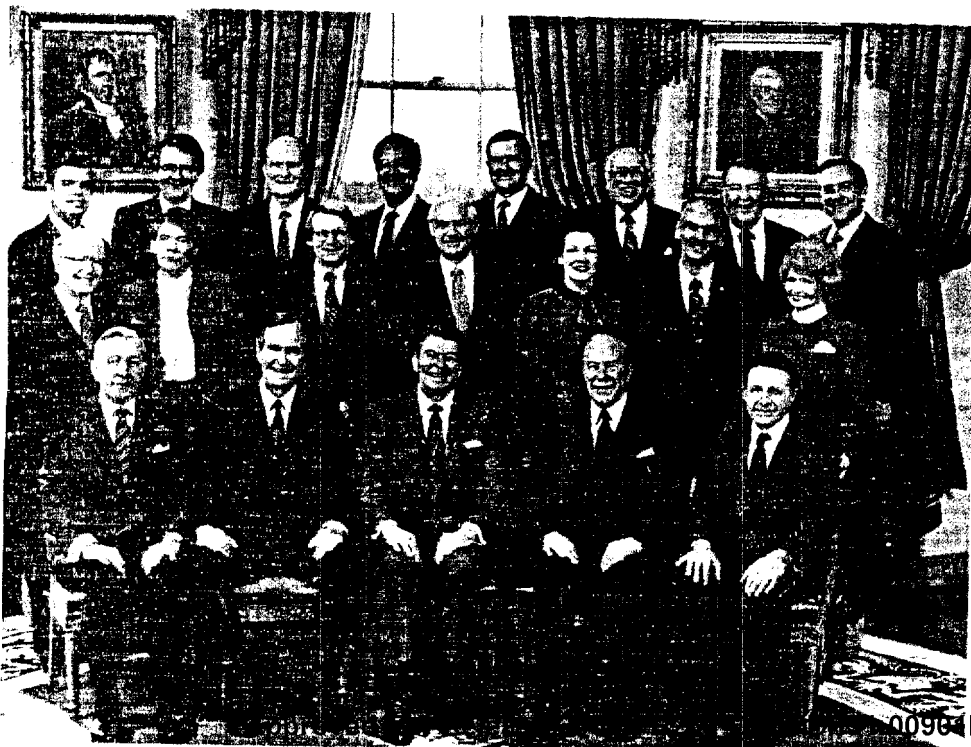
There is renewed communication between the department and environmentalists, Congress and the press. The difference in style between Clark and Watt is like "night and day," says Jay Hair, executive director of the National



## The Reagan Team

1. Vice President George Bush
2. Donald Regan, Secretary of the Treasury
3. Terrel Bell, Secretary of Education
4. John Block, Secretary of Agriculture
5. Raymond Donovan, Secretary of Labor
6. Jeane Kirkpatrick, Ambassador to the U.N.
7. Malcolm Baldrige, Secretary of Commerce
8. David Stockman, budget director
9. Samuel Pierce, Secretary of HUD
10. William French Smith, Attorney General
11. William Clark, Secretary of the Interior
12. Elizabeth Dole, Secretary of Transportation
13. William Casey, director of the CIA
14. Donald Hodel, Secretary of Energy
15. Edwin Meese, presidential counselor, Attorney General-designate
16. William Brock, U.S. trade representative
17. Margaret Heckler, Secretary of HHS
18. Caspar Weinberger, Secretary of Defense
19. George Shultz, Secretary of State

continued



Wildlife Federation: "The only thing they have in common is the same kind of chromosomes. Both are males."

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400050002-0

to Baldrige's plan to help the industry against foreign competitors, the President in December sided with his Commerce Secretary.

farmers like the way it boosts their income. Yet Block keeps on good terms with two vital constituencies: The White House and farmers.

**JUSTICE: Ardent Advocate**

Look for Attorney General-designate Edwin Meese to bring an activist's leadership to the Justice Department.

The departing William French Smith sometimes seemed unenthusiastic about the job. But Meese, a former California county prosecutor, is animated by a long-held love for law enforcement.

Even as Reagan's trusted counselor, just a few steps from the Oval Office, Meese busied himself with law issues. Now—expected to win Senate confirmation soon—he will continue Smith's crackdown on drugs and organized crime and will push Congress to reform immigration and anticrime laws.

One possible pitfall: Meese has shown a tendency to make controversial remarks that could undermine his effectiveness.

**EDUCATION: Late Bloomer**

Terrel Bell, once the cabinet wallflower, is enjoying newfound status now that education has become an in-vogue national issue.

Educators today give Bell standing ovations for his promotion of quality schooling—quite a change from the yawns he once elicited with a now forgotten promise to abolish his department.

As a confident cheerleader for school improvements that don't require heavy federal funding, Bell has won Reagan's appreciation for honoring a campaign issue. Rumors that he wants to resign are no longer heard.

**TRANSPORTATION: Political Plus**

Since joining the cabinet one year ago, Elizabeth Dole has proved herself a skilled politician.

She has managed to support issues—such as putting air bags in cars—that are unpopular with the White House, yet she still is regarded as a team player. Dole has also developed into the administration's in-house advocate of women's issues. In transportation, she has made noncontroversial highway and air-safety issues a priority. She has pushed for red-tape reductions and the commercialization of outer space.

**COMMERCE: Buy American**

As much as anyone, Malcolm Baldrige has given the administration an increasingly protectionist bent.

He has fought for limits on textile and steel imports and sought curbs on auto exports by Japan. Despite unanimous opposition of fellow cabinet members

Baldrige's plan to help the industry against foreign competitors, the President in December sided with his Commerce Secretary.

**LABOR: Staying Power**

At a time when the President needs votes from U.S. workers, Raymond Donovan can offer only slim ties to organized labor.

Union leaders dislike his continued cutting of agency programs and his

STEPHEN R. BROWN



Attorney General-designate Meese is expected to be more active than his predecessor.

loosening of wage-protection rules that apply to federal construction.

"We don't have a heavy menu"—other than getting Reagan re-elected—Donovan says of his chores this year. He looks forward to hitting the campaign trail, although most labor leaders are flirting with the Democrats.

Once expected to be the first departee from the Reagan cabinet, Donovan now boasts he will be last to leave, citing what he calls his vindication on charges that he violated the law while raising money for Reagan's 1980 campaign and that he had dealings with mobsters during his days as a contractor in New Jersey.

**AGRICULTURE: PIK Man**

John Block is a survivor.

In recent months, he has come under fire as rising farm subsidies have threatened to swell the flood of federal red ink. He was widely ridiculed last year when, as a public-relations move, he and his family lived on food stamps for a week. Controversy flared over the costly payment-in-kind (PIK) land set-aside

**ENERGY: Low Profile**

Donald Hodel, says one industry official, is "the first Energy Secretary to know anything about energy."

Still, Hodel's low-key style and the fading of energy issues from the national consciousness have kept him out of the headlines and curtailed his influence in the administration.

One continuing task for Hodel: To whip his demoralized department into shape now that the White House has given up on abolishing the 6-year-old agency.

**HUD: Silent Mission**

Samuel Pierce, still one of the cabinet's least visible members, has accomplished much of what the White House sought from him.

"Silent Sam" has cut the staff and spending of the Department of Housing and Urban Development. That hasn't endeared him to urban groups, though he is credited with saving key block-grant programs.

As the administration's highest-ranking black, civil-rights groups have found him a weak advocate for minorities. That image problem eased somewhat last month when Pierce received a civil-rights award from Coretta Scott King.

**HHS: Deep Water**

Margaret Heckler may be the biggest disappointment of the Reagan cabinet.

After 11 months as Secretary of the Department of Health and Human Services, Heckler's supporters and foes say the ex-congresswoman remains a poor administrator with little grasp of issues. Aides were aghast recently at her lack of knowledge of the shorter life span of American blacks.

One problem is a perception that Heckler lacks conviction. Shortly after being nominated last year, she announced support for the administration's "squeal rule" requiring physicians to notify parents of minors seeking contraception. She had fought the rule in Congress.

On the plus side, White House aides say the politically savvy Heckler has brought a more compassionate tone to the agency, once the target of administration attacks on waste. She has also won praise for her advocacy of child-support enforcement. □

By JOSEPH P. SHAPIRO with members of the magazine's Washington staff



# C.I.A. Seeks to Read Moscow Auguries

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, Feb. 12 — When the Soviet leader Leonid I. Brezhnev died 15 months ago, the Reagan Administration was ready. In a memo to President Reagan, William J. Casey, the Director of Central Intelligence, picked Yuri V. Andropov as a dark horse closing fast at the finish to succeed Mr. Brezhnev.

Mr. Casey and the Soviet experts at the Central Intelligence Agency apparently were not as prescient on this occasion. When Mr. Andropov died Thursday, the C.I.A. dismissed the first news reports about the death, saying they were unfounded.

After acknowledging that the Soviet leader was dead, intelligence officials said Friday that Mikhail S. Gorbachev, a member of both the Soviet Communist Party Politburo and the Secretariat, seemed to be the most likely candidate to succeed Mr. Andropov as General Secretary of the Communist Party. Those officials said Mr. Gorbachev was followed, in order, by Grigory V. Romanov, also a member of the Politburo and the Secretariat; Defense Minister Dmitri F. Ustinov; and Konstantin U. Chernenko, the last of the three men who are members of the Politburo and the Secretariat.

By today, the consensus in the C.I.A. and the Reagan Administration was that Mr. Chernenko, a Brezhnev protégé who was outmaneuvered by Mr. Andropov in 1982, would emerge at least temporarily as the new Soviet leader.

The initial betting on Mr. Gorbachev illustrated the difficulty of trying to analyze, much less predict, the decisions and actions of the Soviet leadership, intelligence officials said. Mr. Gorbachev, although the youngest member of the Politburo at 52, was widely believed to be Mr. Andropov's personal choice for a successor.

## Passed Over Once

Mr. Chernenko was not only passed over once for the top spot, but was also associated with an old-guard leadership that Mr. Andropov had indirectly criticized. He is 72 years old. His selection, intelligence offi-

cialists said, would probably reflect a reluctance among older Soviet leaders to turn over power to younger men like Mr. Gorbachev who might rule for 20 years or more.

As the C.I.A.'s Soviet analysts scrambled over the weekend to keep up with developments in Moscow, they could appreciate the assessment of Richard Helms, a former C.I.A. director, who described the Kremlin leadership as "the toughest target of all" for American intelligence agencies.

"If Chernenko is not officially named in the next 24 hours, we'll know there's a donnybrook going on in the leadership," one intelligence official said.

The deliberations inside the Kremlin cannot be photographed by American satellites. Nor can the conversations and politicking in the Politburo be monitored by electronic eavesdropping equipment, intelligence officials say. They said the United States was once able to collect information by intercepting the radio conversations of Soviet leaders as they rode around Moscow in limousines. The Soviets eventually learned about that practice and ended it by encoding the communications.

The C.I.A. depends on information gathered by agents and collected from sources both inside the Soviet Union and abroad. "It's old-fashioned intelligence," one C.I.A. official said. "The Kremlin is one place where we can't depend on high technology to penetrate the target."

This weekend the C.I.A.'s experts on the Soviet Union, directed by Robert M. Gates, the Deputy Director for Intelligence who is a Soviet authority himself, pored through volumes of computerized information about Soviet leaders.

Working in a nondescript office building in Vienna, Va., a Washington suburb, the staff of the Soviet department prepared papers for Administration officials about the succession process itself, compiled profiles of leading candidates, and examined the implications for the Soviet Union and the United States of the selection of

specific individuals as the new General Secretary.

## Chairman of Commission

The growing consensus that Mr. Chernenko will succeed Mr. Andropov, intelligence officials said, was based primarily on his selection as chairman of the funeral commission and on his appearance at the head of the line when Soviet leaders passed by Mr. Andropov's body.

Within days of Mr. Brezhnev's death in November 1982, the C.I.A. produced a 29-page classified report on Mr. Andropov that included a detailed account of agency reports on his background, his ascent to power, an assessment of his likely impact on the Soviet Government and relations with the West, and a description of his personal life and health.

In a summary, according to an Administration official, the report concluded that "Andropov will be a formidable adversary." The report added: "He is perhaps the most complicated and puzzling of all the current Soviet leaders. He is ruthless, clever, well-informed, a tough fighter and cunning."

Much of the report, intelligence officials said, was drawn from the Soviet press, interviews with Soviet defectors and émigrés and observations by American intelligence agents and diplomats in Moscow. The lack of inside sources, the officials said, was evident in the report's comment that Mr. Andropov had married twice but it was unclear whether his second wife was alive. On Saturday intelligence officials in Washington felt the confusion about that issue had been resolved when Mr. Andropov's widow, Tatyana, appeared beside the bier in Moscow.

Intelligence officials declined to describe in detail this weekend's C.I.A. reports about the policies and health of Mr. Chernenko, Mr. Gorbachev or other Soviet leaders, except to say that Mr. Chernenko might prove to be a interim leader. They said Mr. Chernenko has suffered for years from emphysema.

The key power broker in the succession, as he was when Mr. Brezhnev died, is probably Marshal Ustinov, the officials said.

ARTICLE APPEARED  
ON PAGE 216WASHINGTON POST  
12 February 1984

# Covert Hit Teams Might Presidential Ban

The Reagan administration has debated whether to authorize covert operations abroad that would allow military or CIA hit teams to secretly attack terrorist groups responsible for recent bombings of U.S. installations. By one account the debate is still going on and no decision has been made.

"It is being pondered at the highest levels of our government," one senior intelligence official said last week. "When and how do you strike back? There comes a point when the only thing that these people understand is force. Do you send in the Air Force or a three-man hit team?"

Several officials, including FBI Director William Webster, confirmed last week that the administration is still debating how to respond to recent terrorist attacks abroad. Webster said in an interview that he would oppose any covert retaliation.

"Our revulsion at inhuman and utterly reprehensible acts of violence must never cause this nation to depart from the principles that have made it the hope of freedom and justice throughout the world," said Webster. "These arguments were advanced in Vietnam and have caused us problems ever since. We're big enough and strong enough to play by our own rules. We cannot do things that in later, more sober time will appear reprehensible."

CIA Director William J. Casey also reportedly is opposed to CIA involvement in any effort at undercover retaliation against terrorists. "Once shot, twice shy," one source said, describing a strong CIA reluctance to participate in such activities since the revelations of CIA plots to assassinate Cuban President Fidel Castro in the 1960s.

Nonetheless some CIA and military officials argue that the most effective way to retaliate—with the fewest mistakes and fewest innocent victims—is through a surgical strike by a hit team, run and organized by the United States but probably composed of U.S. military personnel or even foreign nationals.

Air strikes or bombardments with 16-inch, one-ton shells from the battleship New Jersey do not have the precision of a small hit team with a definite target, these officials have argued.

One senior intelligence official in Beirut recently said that air strikes, while in theory more "morally" acceptable and conventional, have killed many unintentionally. In recent months, Israeli air strikes in the Syrian-controlled Bekaa Valley in Lebanon—a major terrorist staging area—killed about 100 friendly Lebanese internal security police, this official said. The Israelis have acknowledged that some individual air strikes killed 20 to 30 civilians.

Those officials opposed to using hit teams say it would be assassination. And, they noted, an executive order concerning the intelligence community, first signed by President Ford in February 1976 and later reaffirmed by Presidents Carter and Reagan, prohibits assassination. The order says: "No employe of the United States government shall engage in, or conspire to engage in, political assassination."

One official said the order could be revoked or simply ignored, arguing that covert action against terrorists could be defined as something other than "political assassination." This apparently could be done in secrecy. The law does not require the administration to give Congress prior notification of covert operations.

Both a White House and a State Department official confirmed last week that the use of a covert hit team was still being debated. They indicated that if any effort was made, the CIA would probably not be involved and the action would be called and considered "military activity" or even a "commando strike." These officials declined to indicate exactly what might be decided or when. They also declined to indicate whether President Reagan has taken a position on the question.

## BOUTERSE'S REVOLUTION

# Suriname Zigs Left, Zags Right

CLIFFORD KRAUSS

**W**hen the Reagan Administration launched the invasion of Grenada, it got an apparent vote of support from an unexpected quarter: Suriname, which is ruled by a military regime of self-proclaimed leftists who believe power comes out of the barrel of a gun.

On a sticky tropical morning, December 8, 1982, Lieut. Col. Dési Bouterse, Suriname's head of state, ordered his troops to firebomb radio stations, a newspaper office and a union headquarters in the capital city of Paramaribo. Rampaging soldiers then roused out of bed the country's sixteen most prominent dissident leaders, including a conservative industrialist and two members of the Communist Party. That night, fifteen of the prisoners were tortured and executed on the riverfront. The following morning the military regime announced that a Christmas coup planned by the Central Intelligence Agency had been averted in the nick of time. The regime has yet to reinstate freedom of speech and assembly as well as to allow independent political activity in this Dutch-speaking country on the northeastern shoulder of South America.

The alleged coup attempt was the seventh of eight the government claims have occurred since Bouterse and his Magnificent Sixteen—a group of disaffected noncommissioned officers—took power almost by accident in 1980. The brutality with which it was put down touched off a flurry of diplomatic activity: protests in the name of human rights from the United States and the Netherlands; a call for "internationalist solidarity" from Cuba and for "non-intervention" from Brazil.

The Netherlands played the stern postcolonial parent and cut off the \$10 million in annual aid (about \$300 for each of the country's 330,000 inhabitants) it had been sending to Suriname since its independence in 1975. Amsterdam tacitly condones the activities of a group of counterrevolutionary Surinamese exiles based in the Netherlands and led by former President Henck Chin a Sen, who hopes to regain power.

The Reagan Administration, reasoning that the massacre had made Bouterse vulnerable, ordered the C.I.A. to plan an operation in which a force of Surinamese dissidents would seize Paramaribo, a pleasant town of clapboard houses with a close-cropped Revolutionary Square. But the House and Senate Intelligence Committees blocked the operation. Committee members said the testimony of Director of Central Intelligence William Casey and U.S. Am-

bassador to Suriname Robert W. Duemling had not persuaded them that Cuba was behind Bouterse's crackdown. Instead of unleashing the C.I.A., the Administration halted a three-year \$2.5 million economic aid program. Suriname was to become an example of the Administration's human rights policy toward Third World countries.

Cuba accepted Bouterse's claim that he had been the target of a C.I.A. plot and increased its modest aid program, which provided advisers on internal security, propaganda, forestry and health care. Between fifty and seventy-five Cuban technicians—a handful of them military personnel—rotated through Suriname in any given month. Cuba trained Bouterse's bodyguards. Its backing enabled the colonel to declare his economic independence from the West and still have a window on the outside world.

Brazil refused to join the Dutch and American attempts to isolate and destabilize the regime, choosing to carry on its traditional policy of friendly relations with neighboring governments regardless of ideology. But it attached a caveat to its support. A week after the December bloodbath, Foreign Minister Ramiro Saraiva Guerreiro told the Spanish news agency E.F.E., "It should be more than a hope that Suriname will not be transformed into a point of East-West conflict or a source of risk for Brazilian security. Brazil will never tolerate that." The Brazilian military, which saw Suriname as a potential base, was outraged by the itinerary Bouterse chose for his trip to the New Delhi summit of non-aligned nations in March 1983. After picking up Prime Minister Maurice Bishop in nearby Grenada, he traveled to Havana, where the two leaders met with Fidel Castro. Then the Surinamese, Grenadian and Cuban delegations boarded an Aeroflot jet and proceeded to New Delhi via Moscow. Recalling the influence of Frantz Fanon on Suriname's young leaders, British journalist Andrew Whitley of *Financial Times* wrote that Bouterse's travel route "has more to do with the exorcism of colonial devils . . . than with any Machiavellian schemes by Havana."

Seven months later, on October 25, U.S. marines and Army Rangers hit the beaches of Grenada, and Bouterse suddenly found a new set of devils. Although he formally condemned the invasion, later that day he expelled Cuban Ambassador Oscar Osvaldo Cárdenas, canceled the Cuban aid program and fired several government workers who were members of the pro-Cuban Revolutionary People's Party (R.V.P.). Brazilian and American diplomats, including Ambassador Duemling, professed their pleasure with this development. The Dutch, however, did not relent in their condemnation of the military regime. The Cubans maintained a discreet silence, perhaps figuring they should have known better than to get involved with a political opportunist like Bouterse.

*CONTINUED*

ARTICLE APPEARED  
ON PAGE F-19WASHINGTON POST  
11 February 1984

FILE ONLY

**JACK ANDERSON****Synfuels' Plan  
To Harvest Peat  
Is Questionable**

Congress is having serious second thoughts about the \$15 billion blank check it gave the U.S. Synthetic Fuels Corp. to develop new sources of energy. After nearly four years of lavish sightseeing and study, the highly paid Synfuels officials have yet to produce an erg of energy from alternative fuels.

Rep. Howard E. Wolpe (D-Mich.) has introduced a bill that would bar further Synfuels grants until Congress has had a chance to sort out the agency's problems. About 100 House members are co-sponsors.

In addition, the House Energy and Commerce Committee is planning moves to curb the Synfuels spendthrifts.

Unfortunately, these good intentions may come too late to save the taxpayers much money. Synfuels is planning to spend at least \$10 billion by the end of the year.

What makes this rush to dole out the billions particularly outrageous is that the corporation has said that it might not submit a comprehensive strategy plan to Congress this year, despite the law requiring one. This means that the lawmakers will have

no control over the kinds of projects Synfuels aids.

It also means that the projects may not get the scrutiny they should have if they are to avoid harm to the environment. Internal Synfuels documents obtained by my associates Corky Johnson and John Dillon provide a shocking example of the agency's apparent indifference to environmental considerations.

The project involves peat mining on North Carolina's coastal wetlands by First Colony, whose partners include CIA Director William J. Casey and other influential Republicans. The peat would be synthesized into methanol gas.

The project will start out as a relatively small pilot plant, which the Synfuels staff says it believes will have little impact on the environment. But the point of Synfuels' \$450 million investment is to create a large-scale commercial operation; and that's a different story.

"[The] site has available land for tenfold expansion of the plant," a staff evaluation points out, "but a great many environmental issues will require resolution." The staff warns of "adverse impacts on local fishing from plant discharges and/or mining runoff."

The wetlands that would be affected by the peat project provide a livelihood for 23,000 commercial fishermen and associated workers.

Noting that the wetlands are "en-

vironmentally sensitive," the staff cited an independent study that warned: "A large-scale peat harvesting operation has the potential for impacting local air quality, water quality and biological systems."

Dust emissions alone from the synthesizing factory could push air quality over the danger level, according to Synfuels staff documents. Expanding the operation as planned could spew unsafe quantities of sulphur dioxide into the air.

In addition, runoff from the peat mining would increase mercury levels in the water and poison the fish, while solid wastes produced by the plant could leak cyanide into the ground water, the staff warned.

Despite the risks, the Army Corps of Engineers and the Environmental Protection Agency, which have jurisdiction over the wetlands, have given First Colony permission to go ahead. Synfuels officials insist that steps will be taken to protect the environment.

The crusher is this: the whole project may be as economically unsound as it is environmentally dangerous. "Significance of peat is limited by environmental factors and by its unpromising economics relative to coal," the Synfuels staff concluded.

The Environmental Policy Center has filed a class-action suit against the First Colony project, naming the EPA and the Army Corps of Engineers as defendants.

ARTICLE APPEARED  
ON PAGE A-19WASHINGTON POST  
10 February 1984*Rowland Evans and Robert Novak*

# Shultz's Failure

President Reagan's decision to pull the Marines out of Beirut resulted less from 1984 election year fears than from his worry that Secretary of State George Shultz's failed Lebanon policy threatened new and worse disasters for the United States.

Even so, if Shultz himself had been in Washington over the past weekend, when the withdrawal decision was reached, he might have blocked it. "There would have been at the very least a lot more acrimony," a key Reagan Mideast adviser told us, "and perhaps another costly delay." Shultz's blind clinging to a diseased policy that had long since become terminal now hands Syria the juicy key role that the United States might have played in building a new Lebanon.

Given Reagan's notorious patience with wayward advisers and aversion to hiring a third secretary of state in three years, he will retain Shultz. But although the withdrawal decision shifts Reagan away from new disasters, there is no way to nullify grave harm done to his foreign policy, his credibility and his country's standing in the world by Shultz's blindness.

One measure of that harm was a secret meeting Monday between Saudi Arabian King Fahd and French President Francois Mitterrand in the Elysee Palace. The Saudi monarch was a key but unsuccessful intermediary between the United States and Syrian President Hafez Assad during the long effort by pro-American Arabs to get Shultz to deal with Syria's concern over U.S.-Israeli pressures on Lebanon.

Fahd flew to Paris for a single purpose: to convince Mitterrand that if America's European allies failed to persuade the United States to play an evenhanded role between Israel and the Arabs, Western influence in the Arab world was doomed to be overshadowed sooner or later by the Soviet Union.

King Hussein of Jordan, due here to see Reagan next week, has expressed similar worries privately to U.S. officials. Shultz's insistence that Lebanon's hapless president, Amin Gemayel, swallow the May 17 Israeli-Lebanon troop withdrawal agreement increased these Arab fears. It warned pro-American Arabs that a future Israeli invasion of, for instance, Jordan, like the 1982 invasion of Lebanon, could bring similar U.S. pressures on Hussein to sign humiliating terms as the price of Israeli withdrawal.

For Shultz the tragedy of failure is deep and personal. The collapse of Gemayel's government was indirectly caused by his addiction to the one-sided May 17 agreement. Yet, with the exception of a few pro-Israeli Foggy Bottom fantasizers, it was universally perceived as the wrecking of Shultz's hopes for a new U.S.-backed, Israeli-sponsored Lebanese regime.

The collapse of Gemayel's government has now imposed a death sentence on the May 17 agreement. But when a high official of a trusted U.S. ally spent nearly two hours last December warning Shultz the agreement would explode in the West's face, Shultz gave no ground.

As leader of the Western alliance, the United States is uniquely immune to pressures from its partners. The Lebanon debacle may make it less so.

Strange, the perception of American influence declining in the ashes of Lebanon is better understood in the Pentagon and the cloak-and-dagger brigades of the CIA than in Shultz's State Department. Defense Secretary Caspar Weinberger, CIA Director William Casey and, before he joined the Cabinet, former national security adviser William Clark understood how the Arabs would read Shultz's 1983 demand for a pro-Israel Lebanese government: as implicit U.S. support for Israel's 1982 invasion.

But the bitter fruits of Israel's invasion of Lebanon and Shultz's flawed policy ever since have not yet all been gathered. The buildup of Soviet power in Syria continues far beyond

its previous peak; Syria rides ever higher on the humiliation of the United States; internal political turbulence immobilizes Israel; the United States risks more Islamic wrath by killing Moslems when necessary to suppress rebel fire in Beirut.

Still to count is the political cost at home for Ronald Reagan's high-flying reelection campaign. The one-in-10 chance that Gemayel will somehow be preserved following his surrender to Damascus might contain the cost somewhat. At best, however, American influence will be reduced to a veneer, showing Reagan a big loser in the superpower game and blackening his foreign policy record. That is just what Reagan's advisers feared and privately predicted—all of them, that is, except those on the seventh floor of the State Department.

©1984 Field Enterprises, Inc.

# CIA asks aid hike for Nicaragua

By ALFONSO CHARDY  
Herald Washington Bureau

WASHINGTON — The CIA has advised Congress that the rebels it finances in their battle against Nicaragua's Sandinista government have made some progress, and that it wants additional funds for them this year and next, according to several congressional sources.

The sources also said that CIA Director William Casey told the House and Senate intelligence and armed services committees in classified briefings that the CIA would continue backing the insurgents until the Sandinistas fulfill four conditions:

- End support for Salvadoran guerrillas.
- End military and security ties with Cuba in particular and the Soviet bloc in general.
- Reduce the size of military forces and stop "threatening" neighboring countries.
- Call elections and allow opposition leaders to participate.

Congressional sources, who have had access to classified information, said Casey told the committees that the administration would submit a supplemental request to the House and Senate intelligence committees for additional funds in 1984.

The sources said that President Reagan's budget proposal sent to Congress Feb. 1 also contains, in a classified segment, a request for funds for 1985.

The sources said Casey spoke of needing between \$20 million and \$50 million this year and about \$50 million next year. However, the sources said, Casey did not provide final figures. Currently, the Honduran-based rebels are operating from a \$24-million fund approved by Congress last year.

The money is expected to run out by June and Congress has prohibited the CIA from dipping into its contingency fund to finance the rebels, as it had done before. That was part of the compromise between Congress and the administration to allow the covert operation to proceed even after the House voted twice in 1983 to end it.

"The contras [anti-Sandinista rebels] have become a line item in the budget," a knowledgeable congressional source said. "They have become institutionalized like U.S.

## Around the Americas

## rebels

military aid for El Salvador, and therefore the CIA keeps coming back for more money every year."

"We have received assurances of a commitment from the United States to continue giving us support," Adolfo Calero, civilian head of the Nicaraguan Democratic Force (FDN), one of the groups fighting the Sandinistas, said in an interview. "We believe the U.S. commitment is secure."

Some members of Congress have criticized the FDN for failing to expand its operations within Nicaragua, for not taking any villages or cities and for not "liberating" territory in January as had been expected.

As a result, some congressional sources said, the CIA reportedly had warned the FDN late last year that if it didn't step up the "secret war" by Feb. 1, the agency could re-examine its support for the anti-Sandinistas.

These sources said the CIA demanded that the FDN, in exchange for continued support, take its war to the cities, occupy territory to establish a provisional government, reorganize its general staff, streamline its fighting campaign and ultimately form a military alliance with the other anti-Sandinista rebel group, the Costa Rican-based Democratic Revolutionary Alliance (ARDE).

These same sources suggested the FDN has met some of the demands and is working on others. As a result, the sources added, the CIA has concluded that its covert program in Nicaragua has been moderately successful — particularly because it has pressured the Sandinistas into a more conciliatory stance toward the United States.

But Calero acknowledged that the organization has not achieved certain objectives. He said that some of them, such as seizing territory or igniting city warfare, were "options" and not "do-or-die" goals.

He said recent changes to improve the efficiency of FDN's effort included the shake-up of the general staff, formerly consisting mostly of military chiefs. This group, said Calero, was replaced with a civilian-military junta headed by Calero himself.

ARTICLE APPEARED  
ON PAGE A-4WASHINGTON TIMES  
7 February 1984

FILE ONLY -DCI

# Reagan aides fight effort to replace Meese

By George Archibald  
WASHINGTON TIMES STAFF

Several of President Reagan's top aides reacted swiftly yesterday to counter efforts by top Republicans to persuade the president to name a conservative successor to Edwin Meese III as White House counselor.

Michael K. Deaver, one of the president's top lieutenants, and Mr. Meese himself reportedly telephoned a number of individuals associated with the renewed campaign reported yesterday in The Washington Times.

"Their message was basically that Mr. Reagan is the number one conservative in the White House, that he doesn't need another top-level conservative to advise him, and that he is happy with the new staff arrangement following Mr. Meese's nomination as attorney general," said one source familiar with the calls.

The White House reaction yesterday added fuel to the speculation in conservative circles that a "deal" or "understanding" not to replace Mr. Meese had

been struck by the president and White House chief of staff James Baker III when Mr. Reagan decided to send Mr. Meese to the Justice Department.

According to reports, Mr. Baker was the first to ask Mr. Reagan for the attorney general's job when it became known that William French Smith had resigned. Mr. Meese also requested the post and after Interior Secretary William Clark weighed in on Mr. Meese's side, the president decided to turn Mr. Baker down, it was reported.

Mr. Reagan then privately agreed not to fill Mr. Meese's counselor post, so the report went, to give Mr. Baker undisputed control of the White House.

During a "long talk" with Mr. Baker last week, a House leader warned that the arrangement left Mr. Baker in an exposed position, according to a source familiar with the meeting. "Baker now realizes he has a problem. Everything that goes wrong between now and November will be blamed on him and Deaver," the source said.

Messrs. Baker and Deaver are travel-

ling with the president and could not be reached for comment.

Mr. Meese could not be reached for comment.

A senior White House official denied that a "deal" had been made by the president and his top lieutenants. Mr. Reagan considered naming someone else as his counselor but decided "he didn't want to do it," the official said.

The quiet campaign to place an influential conservative in the president's inner circle of advisers was mounted by a broad-based group of Republicans. Leaders include members of Mr. Reagan's former "kitchen cabinet," New York financier Jeremiah Milbank, Heritage Foundation board chairman Frank Shakespeare, and former Transportation Secretary Drew Lewis, who is expected to become the president's campaign chairman, according to sources involved in the effort.

According to sources, those who have been involved in the discussions include Sen. Paul Laxalt, R-Nev., Mr. Clark, and CIA Director William Casey, who chaired Mr. Reagan's last presidential campaign, the sources said.

More than 10 GOP senators, including several moderates and liberals, have joined the effort to persuade Mr. Reagan to bring a strong conservative into his top staff, according to Capitol Hill sources.

Some GOP moderates, including Sens. Charles Percy, R-Ill.; Rudy Boschwitz, R-Minn.; and Thad Cochran, R-Miss., are also concerned "because they understand that if the (conservative) coalition isn't held together that it may affect them," said one source.

Colorado brewing magnate Joseph Coors, a leading conservative and longtime friend of Mr. Reagan, is reportedly the group's prime candidate to be the new White House counselor.

Mr. Coors was scheduled to meet with White House officials tomorrow to discuss the need for filling Mr. Meese's slot.

Others that have been advanced for the job are Edwin J. Feulner Jr., president of the Heritage Foundation; William A. Wilson, one of Mr. Reagan's closest friends; and Jeane J. Kirkpatrick, U.S. ambassador to the United Nations.

BARRY GOLDWATER, ARIZ., CHAIRMAN  
 DANIEL PATRICK MOYNIHAN, N.H., APPROVED

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400050002-0

JAKE GARY LYAN  
 JOHN H. CHAFFE, RI  
 RICHARD C. LUGAR, IND.  
 MALCOLM WALLACE, WYO.  
 DAVID DURKIN, MANN.  
 WILLIAM V. ROY, JR., DEL.  
 WILLIAM S. COHEN, MAINE

WALTER D. HUDDLESTON, KY.  
 JOSEPH R. BIDEN, JR., DEL.  
 DANIEL K. INOUE, HAWAII  
 PATRICK J. LEAHY, VT.  
 LLOYD BENTSEN, TEX.  
 SAM NUNN, GA.

## United States Senate

SELECT COMMITTEE ON INTELLIGENCE  
 WASHINGTON, D.C. 20510

February 2, 1984

HOWARD H. BAKER, JR., TENN., EX OFFICIO  
 ROBERT C. BYRD, W. VA., EX OFFICIO

ROBERT R. SIMMONS, STAFF DIRECTOR  
 GARY J. SCHMITT, MINORITY STAFF DIRECTOR

IN RESPONSE PLEASE  
 REFER TO 84-0351

The Honorable William J. Casey  
 Director of Central Intelligence  
 Central Intelligence Agency  
 Washington, D.C. 20505

Dear Bill:

I am sure you were appalled, as I was, by the hemorrhage of classified information concerning the CIA which appeared in The Wall Street Journal on Tuesday. All ascribed to an "authoritative government source."

I assume you are investigating the matter. Would it be useful for our Committee to hold a hearing? I cannot believe that a loyal officer would release such sensitive information. This kind of thing must be stopped.

Another disquieting element is the seeming effort to politicize the Agency. According to the Wall Street Journal, the "authoritative government source" gave an "upbeat summary of the CIA's expansion during the first three years of the Reagan administration." The report continued:

The source's message, likely to be repeated during President Reagan's reelection campaign, is that a revived CIA is back in business around the world.

This is unacceptable. It comes on the heels of a statement by White House spokesman Larry Speakes, commenting on the intelligence section of the Long Commission Report, that the Carter administration had "crippled" the Central Intelligence Agency. The New York Times put it thus:

### WHITE HOUSE CONTENTS CARTER CRIPPLED CIA

...Mr. Speakes said: "We don't quarrel with the fact that the CIA and other intelligence-gathering agencies have been crippled by decisions of the previous Administration, and we are in the process of rebuilding capabilities. But it takes time to re-establish our intelligence-gathering methods."



2 February 1984

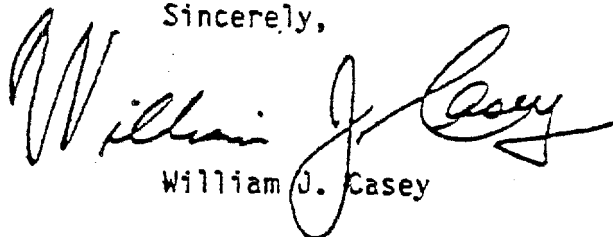
Ms. Meg Greenfield  
Editor, Editorial Page  
The Washington Post  
1150 - 15th Street, N. W.  
Washington, D. C. 20071

Dear Ms. Greenfield:

That was a strange performance in your reporting of the statement I made in response to Senator Hart's citing as improper my not placing my securities in a blind trust. I pointed out that Senator Hart had sat in the Senate when the mandatory blind trust was rejected and disclosure established instead as the appropriate method to protect the public interest when officials sell or buy property.

The purpose of my brief statement was to call attention to the fact that Hart was there when the rules were established and now cries foul at transactions which were contemplated at the time and which were handled in every respect in conformity with those rules. The story in your January 30 issue managed to entirely omit this central point, while reiterating Hart's politically motivated charges. It is hard to attribute this handling of my explicit statement to accident or incompetence.

Sincerely,

  
William J. Casey

2 February 1984

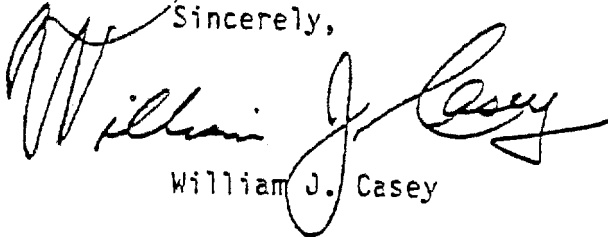
Mr. Max Frankel  
Editorial Page Editor  
The New York Times  
229 West 43rd Street  
New York, New York 10036

Dear Mr. Frankel:

That was a strange performance in your reporting of the statement I made in response to Senator Hart's citing as improper my not placing my securities in a blind trust. I pointed out that Senator Hart had sat in the Senate when the mandatory blind trust was rejected and disclosure established instead as the appropriate method to protect the public interest when officials sell or buy property.

The purpose of my brief statement was to call attention to the fact that Hart was there when the rules were established and now cries foul at transactions which were contemplated at the time and which were handled in every respect in conformity with those rules. The story in your January 30 issue managed to entirely omit this central point, while reiterating Hart's politically motivated charges. It is hard to attribute this handling of my explicit statement to accident or incompetence.

Sincerely,



William J. Casey

ABC NEWS THIS MORNING

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400050002-0

CAMPAIGN '84/  
CIA BRIEFING

AARON: Two days after President Reagan announced he was running for reelection, the CIA director he appointed outlined some of the agency's successes. Senior correspondent John Scali reports.

SCALI: The usually silent CIA is publicizing some of its major successes of the past three years, but top officials say the timing is not connected in any way with the start of President Reagan's reelection campaign. CIA Director Casey, who was chairman of the Reagan political campaign in 1980, called a special briefing for reporters, his first since taking office, to emphasize how much stronger CIA is now than during the days of the Carter administration. Some 800 more covert agents are now at work, he said, with more CIA outposts overseas, more analysts, and superior reporting. He pictured the Soviet KGB as now on the defensive, struggling to cope with CIA's anti-communist operations around the world. Casey skid very lightly over CIA shortcomings, such as failure to warn in advance of terrorist bombings. All in all, a very upbeat report. Officials at the Republican National Committee said they wouldn't be at all surprised if some of Casey's conclusions wound up in a political speech or two, even though, they said, he never intended to produce campaign ammunition. John Scali, ABC News, Washington.