

WASHINGTON TALK

Briefing

The 'Jugular' Newsletter

Washington is awash with newsletters. Hundreds of them scrutinize the minutiae of Government affairs for clients in industry and for subscribers interested in almost everything from air pollution to tax havens. And now there is "Early Warning," a \$1,000-a-year monthly newsletter for "key decision-makers" who want to know about "matters of jugular concern."

Everything about the nine-month-old venture carries hush-hush overtones. "Personal and confidential" is written on mass-distribution letters recently sent to solicit subscribers. On this basis, it is not surprising that Arnaud de Borchgrave, one of the publishers and writers, said the newsletter itself was "ultraconfidential." According to Mr. de Borchgrave, this means that if you subscribe, you should not make copies on the office copying machine.

The newsletter is published by Mid-Atlantic Research Associates, consisting of Mr. de Borchgrave, former chief foreign correspondent for Newsweek; John Rees, who publishes Information Digest, another newsletter, and Robert Moss, a former editor at The Economist.

"Early Warning" promises to scoop the daily news media on domestic and foreign news, as seen through the eyes of "former intelligence officers, including ranking defectors from the K.G.B. and its proxy services and former government officials recently in sensitive positions." Mr. de Borchgrave said he recently offered early warnings on such things as Libya's troop buildup before its invasion of Chad and a currency devaluation in Venezuela.

"After studying our track record," Mr. De Borchgrave wrote to potential subscribers, "Bill Casey of the C.I.A. took several subscriptions."

William J. Casey, the Director of Central Intelligence, is on vacation, but Dale Peterson, an agency spokesman, said that no copies of the newsletter had arrived in the director's office, although he said Mr. Casey could be receiving them at home.

Mr. Peterson said he was not familiar with "Early Warning," but that even if he were, he would not be able to comment on its contents.

The Report on Reports

After writing legislation, Congress has to know how it works in the real world. Consequently, many laws require Government agencies to make reports on enforcement status, on significant mistakes, on plans to spend large hunks of money and even reports on reports.

The Clerk of the House recently filed a report listing about 3,000 mandatory reports. The General Accounting Office, which regularly reports on wasteful reporting, knows of a couple thousand other reports, which, altogether, cost more than \$80 million a year to produce.

"I like the report the C.I.A. has to write whenever they off someone," said Dan Buck, an aide to Representative Patricia Schroeder and an avid reader of the House Clerk's report on reports. He was referring to a State Department report entitled, "Illegal intelligence activity; significant intelligence failure; corrective action."

Some reports are theoretically available to the public, but it requires dogged research, starting at the House Documents Room. Most reports, however, are deemed confidential.

A sampling: "Certain expenses of the President and Vice President," "Audit of the House Beauty Shop," "Advance report on proposed military or paramilitary operations in Angola," "Americans incarcerated abroad," "Audits of undercover operations," "Means of preserving and conserving intangible elements of the nation's cultural heritage," "Failure to compile a role of members of tribe who possess Kickapoo blood," "Activities of the Gold Star Wives of America," "Annual report of Little League Baseball," "Summary and review of the continuing study of rape," "Efforts to reduce paperwork and reporting."

Periodically, Congress passes a law to toss out some of the less useful studies. Recent cuts from the annual publication list include \$7,000 worth of reports on the Tule Elk herd in California and \$5 million worth of reports on Federal employee training programs.

Michael deCourcy Hinds
 Warren Weaver Jr.

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070002-8

ELECTRONIC NEWS
29 August 1983

DR. NO — CIA director William Casey has written TRW president Stanley Pace threatening to drop the firm from intelligence agency procurements, citing the firm's troubles on high priority CIA and White House programs. TRW's problems with the secret SAFE program have been reported, but the firm also ran into trouble on Program 9646 and CAMS-2 classified projects, as well as work in the White House Situation Room. Neither the CIA nor TRW are talking about the letter...

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Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070002-8

ARTICLE APPEARED
ON PAGE 9-PARADE

WASHINGTON POST
28 August 1983

File Only

PARADE'S SPECIAL

Intelligence Report

Because of volume of mail received, Parade regrets it cannot answer queries.

By Lloyd Shearer ©1983

Laurance Barrett, *Time* magazine's distinguished senior White House correspondent, popped in on us not too long ago to discuss *Gambling With History*, his superb book dealing with Ronald Reagan's accomplishments and failures in his first two Presidential years. Barrett's book, incidentally, was the first to reveal the purloining of President Jimmy Carter's briefing papers during the Reagan-Carter race of 1980.

We asked the knowledgeable, insightful journalist of 25 years' experience if he would play with us the "name-association game," in which one party mentions a name and the other responds quickly with a thumbnail description. Herewith the White House names we dropped and Barrett's verbal pickups:

Ronald Reagan—"The most ideological President of our generation or perhaps the last two generations . . . much underestimated insofar as his grit is concerned . . . often too rigid for his own good and the country's good . . . the biggest thinker and conceptualizer even though a lot of people don't understand that. This Administration is still running very heavily on Reaganism for its philosophical fuel."

Nancy Reagan—"Without question, the most misunderstood lady of the last generation . . . a shrewd woman who has influence on her husband . . . knows the kinds of things he does well . . . good political instincts of her own . . . has a very fine nose for staff matters, appointments . . . was very instrumental, for instance, in the appointment of James Baker as chief of staff."

James Baker (White House chief of staff)—"The best political tactician in the White House . . . expert at legislative affairs and public relations at a high level but not very good at the finer points of policy."

Michael Deaver (deputy chief of staff)—"The man closest to Ronald Reagan . . . probably the most altruistic member of the official household but still a little uncomfortable in his governmental role . . . the ultimate generalist . . . very good at politics and public relations. He has not immersed himself in the hard business of governance . . . flies very much by instinct, just the way his principal [Reagan] does."

William Clark (national security adviser)—"A perfect loyalist to his principal and one of the most cunning inside maneuverers whom I've met in politics."

Edwin Meese (counselor to the President)—"A good and virtuous man who's been forced to play somewhat out of his league."

George Shultz (Secretary of State)—"A temperate influence who has helped Reagan in a number of situations but has been much slower to take hold in the grand sense . . . is finally beginning to emerge as the foreign policy power, although Clark now contests that somewhat."

Caspar Weinberger (Secretary of Defense)—"I think he is probably the least effective Secretary of Defense since Louis Johnson, the difference being that Truman fired Johnson fairly early, and I don't think Reagan will part with Weinberger."

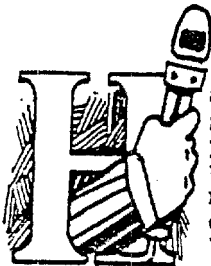
William Casey (director, Central Intelligence Agency)—"I think most people are disappointed in his performance . . . He's been an embarrassment to the Administration outside the CIA because of his stock deals, because he hadn't reported clearly all his assets."

David Stockman (director, Office of Management and Budget)—"A kind of intellectual gypsy who has wandered from one branch of conservatism to another . . . brilliant in many ways . . . certainly knows the budget and fiscal process better than anyone in this Administration . . . has suffered, I think, from a certain immaturity . . . got too high too fast, and some problems resulted."

ARTICLE APPEARED
ON PAGE C-1WASHINGTON TIMES
25 August 1983*File Only*

WILLIAM RUSHER

. . . at home. . .



NEW YORK
as Ronald Reagan
gotten a fair
press? That ques-
tion can probably
never be fully dis-
entangled from
Washington Post
political reporter

Lou Cannon's immortal response: "I think he's had a fairer press than he deserves." But preliminary reports on a study currently being conducted by the Media Analysis Project at George Washington University suggest that what Cannon accidentally implied is substantially closer to the truth than what he was trying to say.

The Media Analysis Project is studying coverage of all "policy news" by nine of the nation's major news sources (the three network evening news programs and the three national news magazines, plus *The New York Times*, *The Washington Post* and *The Wall Street Journal*) during the first 100 days of 1983. The focus is on "soft news" — editorials, columns, commentaries and feature reports.

Only one of the four parts of the project involves Reagan, and the preliminary report published in the June/July issue of *Public Opinion* (the magazine of the American Enterprise Institute) concerns only quantitative findings from the network evening news programs for the first two months of 1983. But

William Rusher is the publisher of the National Review.

even this brief advance peek at the study and its conclusions is fascinating.

According to the report's authors (Michael Robinson, Maura Clancey and Lisa Grand), all of whom are also involved in the project, "Ronald Reagan has received disproportionately critical and negative press from the national media. . . . No matter how we counted, the results came out the same: bad press for Reagan and for his administration."

As the authors point out, this finding is all the more interesting because it directly contradicts recent charges by both the *Columbia Journalism Review* and PBS's *Inside Story*, among others, that Reagan has adroitly rendered the media impotent.

But let the statistics speak for themselves. The researchers identified just under 100 "stories" (network commentaries or features more than 2½ minutes long) on policy issues. Of these, 46 mentioned Reagan. And of the 46, two-thirds "were easily classified as explicitly favorable or unfavorable."

And just what do you suppose were the proportions, pro and con? "Twenty-seven pieces were directly negative toward Reagan." Exactly two were favorable.

What was the actual word count? "Stories in which Reagan was treated favorably totaled 400 words. . . . Stories in which Reagan was treated unfavorably totaled 8,800 words — a ratio of 22 to 1.

negative." (Stories scored as "neutral" totaled 5,800 words.)

The authors warn that this may overstate the case a bit, since many of the longest feature pieces contained only one or two clear negative inferences about Reagan. On the other hand, the only two "favorable" stories involving Reagan (and they were only moderately favorable at that) were both commentaries by NBC's John Chancellor. Aside from those two, there wasn't a single "policy news" story on any of the network evening news programs during the first two months of 1983 that the project analysts could identify as "favorable" to Reagan.

And incidentally, this analysis of the coverage of Reagan does not include the (overwhelmingly negative) coverage of such members of his administration as CIA Director William Casey, or EPA's Anne Gorsuch Burford and Rita Lavelle, unless Reagan was specifically mentioned in the story.

So, if you think you're noticing a lot of negative reporting about President Reagan on the evening news, you're absolutely right. As a classic example, the authors cite ABC's feature report on Reagan's first two years. Over a picture of the president, a brilliantly colored graph traced the growth of unemployment, while on the sound track Reagan's voice could be heard proclaiming the end of the recession. "Sardonic Sam" Donaldson then summed it up: ". . . there is a consensus in Washington that unless he changes his game plan, economically, (his) grade for the next two years will almost certainly be an F."

Take a look at the economy these days, and give Sam an F.

WASHINGTON POST
23 August 1983

STAT

Secret Army Intelligence Unit Lived On After 1980 Iran Mission

By George C. Wilson
Washington Post Staff Writer

When the Carter administration wanted to slip U.S. Army officers into Iran to help prepare for an attempt to rescue the American hostages held there in 1980, the Army created its own Intelligence Support Activity [ISA] to carry out this covert mission.

Three years later, after Congress thought it had closed down, the ISA still exists and is growing, shrouded in secrecy. Its critics, including former CIA director Stansfield Turner and some members of the intelligence oversight committees in Congress, argue that it is unnecessary and potentially troublesome for the Army to have its own intelligence arm.

A four-star general, who spoke about the ISA's origins on the condition that he not be identified, said, "We had some assets that the CIA needed for humint," referring to human intelligence. "So we made them available for the [hostage] rescue operation.

"After that raid was aborted, we decided to keep the organization intact. Casey is all for it," he said, referring to CIA Director William J. Casey.

Other sources said the ISA began in 1980 with a budget of \$2 million, which has tripled since then, although it still is small compared with those of the CIA or the Pentagon's Defense Intelligence Agency. They said that the ISA is run by Col. Jerry M. King out of a building in the Arlington Hall military complex in Arlington.

Army Secretary John O. Marsh Jr.'s desk calendars, which were obtained by The Washington Post, show that he discussed the ISA with Maj. Gen. William E. Odom, assistant chief of staff for intelligence, and

other senior Army officers in at least nine separate meetings last year.

An Army specialist stationed at Fort Bragg, N.C., said in an interview that he is on call for special assignments by the ISA. Congressional critics said that the ISA's real size and budget are difficult to determine because it can call on such specialists stationed throughout the world after selecting them by computer.

The Department of the Army has refused to discuss this or other aspects of the ISA. However, in response to inquiries from both congressional intelligence committees and the press, the Army denied that the ISA is operating in Central America, as was alleged recently by numerous callers to the congressional committees.

Asked about the continued existence and growth of the ISA long after the aborted hostage rescue mission, a member of the Senate Select

Committee on Intelligence said, "I thought we killed that snake."

Turner, who served as President Carter's CIA director, said "It's not a good idea" for the Army have its own intelligence agency.

"First, I don't think that the military is very adept at this kind of clandestine, covert activity," Turner said. "Second, it's a bad idea to set up a competition in this activity."

If both the Army and the CIA are operating agents and doing other covert work, he said, "they're likely to run into each other in back alleys overseas. They will be bidding against each other [for information and agents.] There's not room for two agencies to compete for clandestine resources."

"The military can't have all the resources they think they need under their own control," Turner said. "They have to share communications satellites and intelligence

networks because the country can't afford to let everybody have his own intelligence system.

"The military has got to understand that there has to be cooperation. Satellites are too costly and spies are too costly for everybody to have his own intelligence operation. The military trying to get out of reach of the decision-makers isn't good for the country. It's part of a general mood of the military trying to get its own of everything."

Retired Lt. Col. James G. (Bo) Gritz told the House Foreign Affairs subcommittee on Asian affairs last March that a special Army outfit he called "the activity," which other sources said was a reference to the ISA, was interested in helping him with an operation named Grand Eagle to rescue American servicemen who he said he believes are being held captive in Laos.

According to Gritz' testimony, the ISA withheld its support after becoming embroiled in jurisdictional disputes within the intelligence community.

"Jan. 4, 1982, I received a telephone call at my home in California," Gritz testified. "The chief of that activity on the phone said to me: 'Bo, I have been ordered to put Grand Eagle back on the shelf as if it never existed. There is something here that we cannot see but we can certainly feel. There are still too many people that do no want to see POWs [prisoners of war] returned.'

"The activity was a field unit and would have put an American across into Laos to verify, using various recording means, the presence of Americans thought to be at specified locations" in Laos, Gritz told the subcommittee.

Army officials later denied that the ISA sponsored any of the Gritz forays into Laos.

War by Other Means

THE SHADOW WARRIORS

O. S. S. and the Origins of the C. I. A.
By Bradley F. Smith.
507 pp. New York:
Basic Books. \$20.75.

By PHILIP TAUBMAN

THERE is something serendipitous about the recent spate of books about William J. "Wild Bill" Donovan, the World War I hero who became Washington's spy master during World War II and laid the foundations for the Central Intelligence Agency. It is not that the books reduce the Donovan legend to more human dimensions, although that was long overdue and "The Shadow Warriors" performs the historical refinement without disrespect for Donovan's accomplishments. Nor is it some new insight into how the Office of Strategic Services, which Donovan created and directed, made the Government more receptive to the establishment of a centralized intelligence organization, though that too is amply explained in Bradley F. Smith's book. The unexpected dividend is the pertinence of the story to current foreign policy and intelligence issues, particularly the Reagan Administration's extensive use of covert activities as an instrument of foreign policy.

Mr. Smith, who teaches history at Cabrillo College in California, has done an exhaustive job of research on the O.S.S. and Donovan. If anything, he may have stuffed too much detail into his book. In some sections, the story slows to a crawl with reconstructions of bureaucratic battles that could interest only an O.S.S. veteran. In other places, he adopts the kind of forced prose that one associates with a doctoral thesis. But these flaws may be forgiven because the book offers an honest, lively portrait of an important American and the contributions, good and bad, that he and the O.S.S. made to the American intelligence system.

William Donovan, if not the father of United States covert operations, surely was their patron saint. He was an indefatigable promoter of clandestine efforts to influence the internal affairs of other nations. During World War II, he produced a blizzard of such proposals, some brilliant, some harebrained. The use of O.S.S. agents to help coordinate the sabotage activities of the French resistance with Allied forces during and after the invasion of Normandy was successful, and Allen Dulles, the O.S.S. chief in Switzerland who later became the director of the C.I.A., used Bern as a base of operations to support resistance groups in France and Italy. But for every success there was a failure or a seriously flawed plan. In March 1942, for example, Donovan proposed to President Roosevelt

that Otto von Hapsburg, the pretender to the Austrian imperial throne, be received at the White House and asked to contact possible pro-Allied groups in Hungary. The only problem, as Mr. Smith points out, was that "the Hapsburgs were anathema to the Czechs and Yugoslavs as well as to the Soviets." The plan was promptly abandoned.

In the end, Donovan and the O.S.S. made covert operations into a respectable and respected form of intelligence activity. As Mr. Smith writes, "It seems obvious that O.S.S. was more influential in its impact on people's ideas and imagination than in its practical wartime achievements." And he concludes, "Whether myth or not, the O.S.S. claim to independent shadow warfare prowess strengthened Washington's belief that it could retain superpower status cheaply and helped lead the United States into making its central intelligence agency into something that it hoped could produce shadow warfare magic."

William J. Casey, the current director of Central Intelligence, is a Donovan disciple. He worked for Donovan in the O.S.S., supervising American agents who operated behind German lines, and has long been a leading member of the Veterans of Strategic Service, a group that has celebrated the achievements of Donovan and supported American intelligence activities. But, as "The Shadow Warriors" makes clear, more than shared experience links the two men. Under Mr. Casey's direction, the Central Intelligence Agency has set in motion a series of covert operations in Central America that would probably make Donovan proud.

"Donovan and the O. S. S. made covert operations respectable."

The advocates of these efforts, involving Nicaragua, Honduras, El Salvador and Guatemala, take a page from Donovan's script when they argue that covert operations are the ideal way to protect American interests in areas where diplomacy has failed and overt military action is too risky.

There are also disquieting parallels between the original justifications for shadow warfare offered by Donovan and the explanations given by current officials for the use of covert actions against Nicaragua. Mr. Smith reports that an early Donovan work about Nazi subversive activities in the United States, "Fifth Column Lessons for America," grossly exaggerated the threat in an effort to shake the American public out of its isolationist complacency. While no one has suggested that the Reagan Administration's descriptions of Soviet and Cuban interference in Central America are fraudulent, critics have accused the Administration of selectively disclosing intelligence information favorable to its policy.

On Language

By William Safire

Clause Wits

The Teeny-Weeny Master Spy

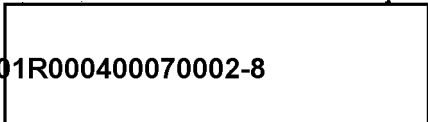
As everyone who gathers intelligence knows, sometimes the smallest bit of information is significant when juxtaposed with a huge mass of data. How is this minuscule (not *miniscule*) bit of data best described? Computer operators speak of *bytes*, which are the equivalent of characters on a typewriter: "Character" is a word made up of nine bytes, or characters. Other disciplines have other words, such as *peewee*, *pint-size* and *infinitesimal*.

At the C.I.A. in this modern era, the preferred term of art was used by Director of Central Intelligence William J. Casey. In a letter to Senator Carl Levin, before agreeing to put his financial holdings into a blind trust, Mr. Casey disputed Senator Levin's argument that the C.I.A. chief had unique access to information: "That really doesn't hold water," Mr. Casey wrote. "It takes only a teeny-weeny bit of information to exploit, if one has that purpose...."

Tiny, the Oxford English Dictionary tells us, had a nursery form of *teeny* in the early 19th century, which then became *teeny-tiny* and ultimately developed, in the 1890's, to *teeny-weeny* and *teentsy-weentsy*. The phrase has traveled well into the 20th century; dissatisfied travelers on T.W.A. have derogated the transworld carrier as "Teeny-Weeny Airlines."

Director Casey is to be commended for his use of such a vivid, if childlike, reduplication in his characterization to the Senate of the diminutiveness of data. He has also vigorously denied any knowledge of passing along purloined Carter documents in what has been dubbed "Debategate," but which will be remembered as "Molehill," if the scandal turns out to be itsy-bitsy. ■

EXCERPTED



SHEET

10 August 1983

NOTE TO THE DCI

Mr. Casey,

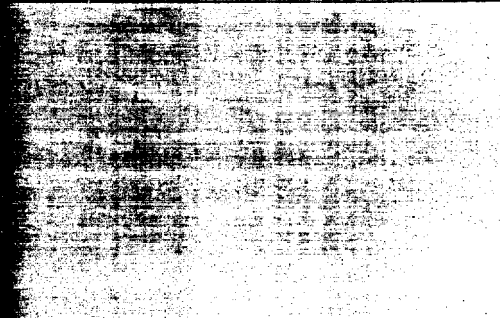
John Scali of ABC News called to reiterate his long-standing request for an interview with you on background to discuss the international situation. You have in your files a formal memorandum from February, 1983 requesting such a briefing. You also talked to Mr. Scali on the phone on 6 July.

Please let us know if you would like us to accept or decline such a meeting.

ER 83-4056

10 August 1983

COMMENTS (Number each comment to show from whom. Draw a line across column after each comment.)



DCI refers to per this request



ACCEPT AND ARRANGE:

Director of Central Intelligence (Date)

DECLINE:

Director of Central Intelligence (Date)



12.			
13.			
14.			
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10 August 1983

Administration's scoundrels create a pattern of immorality

By Richard Broderick

Whatever the outcome of "Debategate," a certain irony attaches itself to the affair. The scandal may be overblown and the crimes, if any, trivial. Nonetheless, the president and his administration now are catching flak they have richly deserved, but not received, after other seamy revelations. Debategate fits neatly into a pattern of lawless, immoral and unethical behavior on the part of an administration loudly opposed to the "permissiveness" of American society.

Consider the case of Max Hugel. Hugel was chosen by Ronald Reagan to be deputy director of the CIA — a job habitually referred to in the newsmagazines as "America's top spy." With no experience in intelligence-gathering and little administrative background, Hugel was chosen for this sensitive post solely on the basis of his friendship with William Casey (more of him shortly).

Six months after Hugel took over his job, copies of his unpublished autobiography fell into the hands of the press. In the manuscript, America's top spy not only admitted but gloated over instances in which, among other things, he'd defrauded the government while in uniform and engineered a bunco scheme wherein burnt-out taxicabs purchased in New York City were sold on the West Coast as clean used cars. Hugel subsequently vacated his CIA position.

Nor has Casey's name been unstained. The CIA director and intimate of Reagan has been linked with more scandals and accusations than can be reiterated here: stock manipulation, improper reporting of assets and income, the use of secret information gleaned from the CIA to advance his personal fortunes on the stock exchange. Now Casey is one of the chief figures in Debategate.

Some of the same charges leveled against Casey — improper reporting of income and assets, acceptance of severance payments and huge consultation fees from private enterprise after taking office — have at-

tached themselves to our nation's top law-enforcement official, Attorney General William French Smith. Smith has also managed to embarrass himself publicly with his ineptitude, as when he referred to the American Civil Liberties Union as a "criminal organization." Under his direction, the Justice Department has also covered itself with something less than glory in its handling of the Bob Jones case, the Baby Doe and squeal-rule fiascos.

Add to the misadventures of Casey and French the putative use of the \$1.5 billion environmental superfund to advance the cause of the Republican Party (Reagan wing) during the 1982 elections, James Watt's fire sale of the nation's natural resources, Richard Allen's \$1,000 gift from former clients in Japan, the recent dismissal of a Reagan-appointed housing official caught using government staff to type, edit and proofread his personal manuscript, and you have an administration that's positively Hardingish.

Why has a president ostensibly obsessed with the nation's moral fiber surrounded himself with such a collection of featherbrains and possible felons?

The easy answer is that Reagan is another Harding, an easy-going, somewhat dim light bulb incapable of figuring out or controlling what his subordinates are up to. But this explanation won't wash; Reagan has shown himself to be tough and decisive on issues that matter to him — like his politicking for the 1982 budget, or for the AWACS sale to Saudi Arabia.

Another answer may lie in Reagan's background as an actor, a profession in which appearance is ascendant over reality. According to this theory, the acting profession is founded on relativism, and Reagan's moralizing is nothing more than an illusion, a theatrical warhorse that plays well in Peoria.

But I think there is still another explanation, less facile, that goes to the very heart of the Reagan ideology. There simply is no contradiction

between Reagan's espousal of personal freedom and his attempts to gut the Freedom of Information Act, his vow to "get government off the American people's back" and his support for the squeal rule, his exhortations to return to a more restrictive morality and his association with scoundrels. It's all in keeping with the way he and his closest friends and supporters see themselves and their role in the world.

By this time it must be obvious to all but the truest believers that the Reagan administration is not a conservative government at all. Rather, with the exception of a few pragmatists, it is composed of radical reactionaries who long to return to a golden era of America that never was and never could be, an era when America's arms were supreme overseas and its civilian population homogeneous, hard-working and — above all — docile. Beneath this pseudo-nostalgia runs a darker stain of avarice, religious fanaticism and will-to-power. The Reaganites have consistently displayed contempt for the democratic process.

There is, ultimately, a fatal link between this contempt and the immorality and illegality that surface time and again in the Reagan administration. A relationship exists between Debategate and blatant efforts to pack federal agencies with officials openly hostile to the organizations they are supposed to manage, Watt's zealotry and the "secret" war against Nicaragua.

Reagan and those around him believe themselves in possession of the One True Law — all others are not only wrong but heretical. It is not unusual for those who believe that they alone possess the One True Law to believe themselves somehow above that law. Absolute power, as Lord Acton observed, corrupts absolutely; but so does absolute certitude. And that is the frightening lesson of Debategate.

Richard Broderick is a free-lance writer living in Minneapolis.

8 August 1983

ARTICLE APPEARED
ON PAGE 23

Kissinger: Seeking a Consensus

Henry Kissinger was back in Washington last week sorting out the agenda for his new bipartisan commission on Central America. Shortly after his preliminary meetings with Ronald Reagan and George Shultz, Kissinger talked with NEWSWEEK's Henry W. Hubbard about his new job. Excerpts:

On his appointment: On July 9, Judge Clark called me up and said he would like to put forward my name to the president as chairman of a commission on Central America and how would I feel about that? I told him it was virtually impossible, and I hoped he wouldn't put me in a position where I would have to turn down the president . . . that it was an area in which I was relatively less familiar and that I didn't know whether a commission was the way to go at it. I also said I had so many other things to do. Those were the main points. The following Tuesday I was at a dinner with United Nations Ambassador Jeane Kirkpatrick, and she urged me very strongly to take it. I told her that I was reluctant. [On Wednesday] I had lunch with Shultz, arranged weeks beforehand. The conversation covered the waterfront, and at the end of it we discussed the Central American commission. He indicated some interest in it, but also that he understood my doubts about it.

[Later that day, at a meeting with Clark,] I told him that while I almost certainly could not take it there were a number of prerequisites for the commission. One, it had to be physically located in the State Department to make it clear that there was State Department pre-eminence; two, that the executive director should be a Foreign Service officer so there would be a flow of communication and no implication of a separate commission foreign policy. And third, I thought it was absolutely essential that the secretary of state not be just acquiescent but enthusiastic. This didn't have anything to do with me at that point. I was turning it down. These were not conditions. This was what I thought was required for an effective commission.

During the course of Saturday I decided I definitely would not do it. I called Clark to tell him. But . . . he said he had just achieved the concurrence—the enthusiastic support—of everybody: Casey, Weinberger, Shultz, Jeane Kirkpatrick, the president. . . . He asked me to think about it overnight. On Sunday three things happened. [AFL-CIO president Lane] Kirkland made his participation conditional on my chairmanship. Shultz called me at great length to urge me to take it. He used

the rather subtle argument that as a friend he really had no right to ask me to undertake such a chore, but that as secretary of state he thought there was a great need. . . . About 6 o'clock, the president called. He said he had no second choice and urged me to accept. If you have been secretary of state, you really feel you have no right to tell the president that his conception of the need does not override yours. So I accepted.

On the commission's policies: My impression is that the president and secretary of state think that with luck it would do what the [social security and MX] commissions did. I do not believe it lends itself to quite the same treatment because the other two commissions were working for a specific legislative deadline and dealt with a specific numerical content. This is a much broader field, and it does not point to any one decision; it will involve a series of decisions over a long period of time.

I believe it is in the overwhelming national interest not to have Central America turn into a major political issue—and this has been my theme when I called every member of the commission. It seems to me desirable to take Central America out of politics, whoever wins the election. Even if there is a change in administrations, a new president might well be grateful to have a bipartisan group on whose report he can rely so that he doesn't start immediately with a huge controversy. I think we really cannot afford, if we can avoid it, another searing debate like we had 10 years ago,

and this time about an area that is on our doorstep.

On his understandings with Reagan: Look, when you undertake a presidential assignment you cannot make a treaty with the president. . . . I had a long talk with Secretary Shultz Monday evening, and that morning a briefer but very satisfactory and cordial talk with the president. Neither imposed restrictions, neither said, "We hope you stick to our policy framework." Nobody said to me, "Look, by the time you

have to report, we may have a different ball game altogether. My impression is that we won't. They have said that what they want from this commission is a statement of middle- and long-range objectives. We agree that we should stay out of operational issues because we would create total confusion, and also we would be mixing into the responsibilities of the executive branch. Obviously the executive branch is free to accept or reject the commission's recommendations.

On the commission's goals: I would think that we would try to define what the objectives of America should be in the general area immediately south of us in its political, economic and social components, and that, of course, will have to include a security element. If my fellow commissioners agree, we will not offer tactical advice for the immediate situation. We will probably start at the other end of the telescope and seek to define the long-term objectives. I don't want to give the wrong impression. I am generally sympathetic to the administration, but a bipartisan consensus is crucial for the solution of the Central American problem, and therefore the consensus of the commission is more important than my individual views.

On the current military exercises: I was not informed or consulted about the maneuvers before they took place, nor have I asked for that.

I became conscious of these maneuvers the day after I was announced. . . . My general interpretation of the situation is that the administration is telling the truth about what it is doing. Obviously they want to send a message as to their capabilities. I don't find that incompatible with the charter of the commission.

On his travel plans: We're certainly planning to visit as a commission the whole area, including Nicaragua. We will have contact with the Contadora countries—all of course with the full knowledge of the State Department. And whatever contact we have will be of a fact-finding and under no circumstances of a negotiating nature. I had really not thought of including Castro. He is part of the reality, but not in a fact-finding nature. And seeing Castro is a political event. [Contact with] the Soviet Union is totally out of the question.

COVER STORIES

A Big Stick Approach

U.S. policy in Central America becomes tougher—and harder to sell



Democrats whooped, whistled, clapped and stamped their feet in glee as the totals went up on the House of Representatives electronic scoreboard. "We got everything we wanted," crowed

Norman Mineta of California after a long evening of whipping his Democratic colleagues into line. "This sends a clear message to the President that his policies are misguided." Republicans who supported the Administration were raging and bitter. "There will be great rejoicing in Managua and Havana tomorrow," stormed Bill Young of Florida. A G.O.P. House leader decried the vote, and the way the White House had handled the issue, as "a complete, all-out screw-up—the worst legislative defeat of the Reagan Administration."

Symbolically, it may have been. In practical terms, the 228-to-195 House vote Thursday night to shut off covert U.S. aid to the *contra* guerrillas who are fighting the Marxist government of Nicaragua will have no immediate effect. The Republican-controlled Senate almost certainly will not approve a similar bill. So the *contras'* campaign will continue—though whether the Administration can persuade Congress to renew U.S. support for the guerrilla struggle, much less double it as President Reagan wants to do in the new fiscal year that begins Oct. 1, is now in doubt.

As the fiery debate that preceded the balloting illustrated, Ronald Reagan has at last succeeded in getting the U.S. public excited about his Central American policy, but in a manner opposite to any that he ever intended. For there was no question what had caused the defeat. It was a series of ill-timed revelations, in particular the disclosure that the U.S. had begun a number of highly visible—and, say critics, highly inflammatory—military maneuvers in Central America. Over the next six months, a total of 19 U.S. warships will take part in exercises off both coasts of Nicaragua, and as many as 3,000 to 4,000 American troops will participate at any one time in war games in neighboring Honduras. As the vote drew near, Congress was further roiled by leaks appearing in the press that the Administration planned to expand its covert actions against Nicaragua and possibly to increase the number and activities of U.S. military advisers in El Salvador. All this contributed to a public impression that

the Administration is now pushing toward a military solution to the threat of spreading Communist influence in Central America, at the risk of involving the U.S. in what could be a widening war.

That public reaction is surely exaggerated, but the Administration did a woeful job of trying to counter it. The National Security Council and Defense Department shortsightedly failed to brief key congressional leaders about the planned military maneuvers beforehand, then compounded their error by not getting out their side of the story once Government sources opposing the moves began to leak the decisions to the press. Sensing the situation was getting out of hand, Reagan called a news conference on prime-time TV two days before the House vote to protest what he called "the constant drumbeat" of news reports suggesting a newly militaristic policy. In his calmest and most measured tones, he described the naval and military maneuvers as routine (*see box*) and stressed the economic and diplomatic aspects of his Central American strategy. But how far he still has to go in easing public doubt and worry is shown by the comments of two Republican Representatives, both loyal Reaganites, after the House vote on the Boland-Zablocki bill (for Democrats Edward Boland of Massachusetts and Clement Zablocki of Wisconsin) stopping aid to the *contras*.

Olympia Snowe of Maine had been against the aid shutoff in committee. But she became alarmed by the plans for the maneuvers and "baffled and confused" by the explanations offered by National Security Adviser William Clark and Secretary of State George Shultz at a belated briefing for House Republicans. So she voted with the Democrats, explaining, "If the Administration went this far, I'm afraid of what's down the road." Lynn Martin, who represents a district that includes Reagan's home town of Dixon, Ill., voted the Administration's way out of loyalty, but with the gravest misgivings. She fears that the purpose of U.S. aid to the *contras* is no longer just to stop the flow of arms from Nicaragua to the leftist rebels in El Salvador but to bring down the Sandinista government in Nicaragua. Said she: "We don't want to be like the Soviets. Besides, those maneuvers sent a warning signal to my little brain: What is this? I'm a conservative who's been with them all the way,

but Viet Nam is a lesson." Martin evidently was not reassured by Reagan's specific statement at his news conference that "there is no comparison with Viet Nam, and there's not going to be."

A more specific, and widespread, anxiety about the maneuvers was voiced by Maryland Democrat Clarence Long. Said he: "My worry is that this will provoke an incident, a 'sinking of the *Maine*,' that will force us into action." One questioner at Reagan's news conference noted that the units involved in the maneuvers have orders to defend themselves if they are fired upon. The President replied that this is a standard order to all U.S. military forces everywhere. He amplified: "We don't want war, but I don't think that you prevent war by letting your personnel out there become the victims."

It was precisely to cope with doubts such as those expressed in Congress that Reagan two weeks ago appointed a twelve-man commission headed by former Secretary of State Henry Kissinger. The commission's charter is to study all aspects of Central American policy and recommend a long-range plan judged capable of winning bipartisan support. But the momentum of events may not wait for the commission's report, and much of that momentum has been spurred by the Administration itself. Visiting Washington last week to get the commission organized, Kissinger announced plans to conduct a study so comprehensive that its conclusions will not be ready until February. The Administration long before then will have to offer a more convincing explanation of its purposes in Central America if it is to retain enough public support to carry out its policies. Said the Raleigh (N.C.) *News & Observer*, in an editorial headlined LATIN POLICY BLUSTER: "If President Reagan encouraged any hopes that the bipartisan commission he appointed might broaden his view of Central America, he is doing everything possible to douse them."

In fact, Reagan and his advisers may need to think the strategy through themselves considerably more thoroughly than they have done to date. The decisions that are causing so much uproar have been taken largely in response to the pace of events, and they have led to major disagreements within the Government. The military and naval maneuvers, to take the most prominent

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NEW YORK MAGAZINE

8 August 1983

This Is the F.B.I.

YOUR JUNE 13 "INTELLIGENCER" [BY Sharon Churcher] incorrectly attributed to me a number of critical comments about C.I.A. Director William Casey. Bill Casey has worked hard and effectively to strengthen the resources available to the F.B.I. to carry out its counter-intelligence responsibilities. Relationships between our two agencies have improved consistently over the past five years. The suggestion that cooperation between us is steadily deteriorating is simply not true. I have a warm professional and personal relationship with Director Casey and have the highest respect for the distinguished service he has rendered to our country.

William H. Webster
Director, U.S. Department of Justice
F.B.I.
Washington, D.C.

Editor's note: New York stands by its story.

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ON PAGE A-22MIAMI HERALD
7 August 1983

'Secret war' in Nicaragua may expand

More money is needed, CIA boss tells Congress

By ALFONSO CHARDY
Herald Washington Bureau

WASHINGTON — CIA Director William Casey has told Congress that President Reagan favors expanding CIA assistance for Nicaraguan guerrillas by increasing their funds, their manpower and the scope of their activities, congressional sources say.

Congressional intelligence committee members and aides said Casey also told Congress that the expanded goals of the campaign would now include forcing Nicaragua's leftist Sandinista government to reduce its ties to Cuba and the Soviet Union.

Briefing a closed-door meeting of the Senate Intelligence Committee last Wednesday, Casey steadily denied that Reagan seeks to overthrow the Sandinistas, the sources said.

But he left some committee members with the impression that he expects the expanded CIA aid to give the *contras* — counterrevolutionaries — sufficient strength to trigger "political change" within Nicaragua, the sources said.

The administration's chief official goal in financing the *contras* has been the interdiction of weapons allegedly shipped from Nicaragua to leftist guerrillas in El Salvador, although no major interceptions have been reported.

The CIA chief hinted that the guerrillas' pressures had contributed to recent conciliatory offers by the Sandinistas, and suggested that more paramilitary pressure was needed to push the Sandinistas into further concessions, the sources said.

CIA spokesman Dale Peterson said the agency would not comment on the matter. All the sources asked to remain anonymous because of the classified nature of the information.

The sources said Casey told the Senate panel that the details of the expanded CIA campaign would be given to the House and Senate intelligence committees by mid-September, when Reagan submits a new Nicaraguan "finding" — a legally required report justifying and setting out the limits of covert operations.

The new finding would contain the administration's proposals for covert operations during the 1984 fiscal year, which begins Oct. 1. The Senate Intelligence Committee must approve both the finding and the 1984 covert budget before any money is released. The House intelligence panel is expected to vote

only on the budget, not on the finding.

The sources said that although Casey indicated that Reagan and his chief advisers have given preliminary approval to the new finding, he suggested that it was still officially under review and had not yet been endorsed by the National Security Council or signed by the President.

Congressional sources in contact with the intelligence community said they understand that the CIA is seeking between \$30 million and \$50 million for the Nicaragua operation in fiscal 1984. Other reports, not confirmed, put the figure at about \$80 million.

The agency initially had requested \$19.5 million for fiscal 1984, a figure similar to the amounts approved for fiscal 1982 and 1983, according to a Senate Intelligence Committee member.

A House Intelligence Committee member said the CIA has already gone over its \$19.5-million budget for fiscal 1983 because of the unexpected growth in the *contras*' strength, from about 1,000 men in 1981 to about 8,000 today.

Afghanistan operation

It is not clear how much the CIA overspent in Nicaragua, because it apparently dipped into its secret contingency fund for the additional cash. One member of Congress speculated that the overrun may have been anywhere from \$20 mil-

lion to \$50 million.

Congressional sources also understand that the CIA is seeking about \$300 million in fiscal 1984 to fund covert operations in other countries like Afghanistan, Cambodia, El Salvador and Guatemala. The agency's fiscal 1983 budget for such activities was about \$200 million, the sources said.

The Afghanistan operation, involving the supply of arms, food and medicine to rebels fighting Soviet forces, is reported to be the most expensive — about \$100 million per year — but not as extensive as operations in Central America.

House Intelligence Committee sources who have seen drafts of the new Reagan finding expected in September say it seeks to raise the estimated number of *contras* from a current level of about 8,000 to 12,000 and perhaps even to 15,000 by next spring.

Contra leaders who asked to remain anonymous said recently that although the CIA has set a funding limit of 8,000 fighters, they actually have armed another 2,000 with funds obtained elsewhere.

Congressional sources said Casey told the Senate panel that the new finding would expand the *contras*' official role beyond the interdiction of arms shipments to El Salvador. Their new goals would include pressuring the Sandinistas to cut back their ties with Cuba and the Soviet Union, hold democratic elections and stop exporting Marxist

revolution to their neighbors, the sources said.

Aid to Pastora?

Part of the proposed expansion of the CIA campaign also calls for the merger of the four main anti-Sandinista guerrilla groups: the Nicaraguan Democratic Force (FDN); the MISURA alliance of Miskito, Sumo and Rama Indian rebels; the Democratic Revolutionary Alliance (ARDE); and the Armed Forces of the Nicaraguan Revolution (FARN).

The FDN, the largest of all the groups with an estimated 6,000 to 7,000 fighters, receives the bulk of the CIA assistance. The estimated 1,000 to 2,000 MISURA rebels also receive U.S. aid, both directly from the CIA as well as through the FDN.

CIA seeks more aid for Nicaraguan rebels, sources say

By Alfonso Chardy
Inquirer Washington Bureau

WASHINGTON — Despite a House vote to end covert aid to Nicaraguan rebels, the Reagan administration plans to add more men and money to the Central Intelligence Agency's not-so-secret "secret war" against the Sandinista government, CIA director William Casey reportedly has told the Senate Intelligence Committee.

The CIA plans to help increase the number of *contras*, as the U.S.-backed counterrevolutionaries are known, from the current level of about 8,000 to as many as 12,000 to 15,000 by the spring, according to sources familiar with Casey's closed-door testimony on Wednesday.

Casey denied that the administration was seeking to overthrow the Sandinistas, but he left some of the 15 members of the Republican-controlled committee with the impression that an expanded covert operation would give the *contras* the ability to trigger "political change"

in Nicaragua, congressional sources said.

Although skeptical committee members objected that the operation had so far been a failure, Casey indicated that rebel pressure had contributed to the Sandinistas' recent conciliatory stance on negotiations in Central America, the sources said. He suggested that more, not less, paramilitary pressure was needed to push the Sandinistas into additional concessions.

CIA spokesman Dale Peterson said the agency would have no comment on the matter.

Casey also told the committee that President Reagan would send it a new proposal for the enlargement of the Nicaraguan operation by mid-September, the sources said. The proposal would cover operations during fiscal 1984, which begins Oct. 1.

The proposal must be approved by a majority of the Intelligence Committee before funds for next year's covert operation can be included in

the 1984 intelligence authorization bill.

The House voted July 28 to cut off funds for the remainder of 1983, but the Senate has not acted. Meanwhile, the operations are being financed under a "continuing resolution" that allows the government to operate until appropriations bills are passed.

Casey reportedly told the committee the new plan would shift the focus of the covert operation from stopping Nicaraguan arms shipments to the guerrillas in El Salvador to pressuring the Sandinistas to do three things: lessen their links to Cuba and the Soviet Union, call elections and stop exporting revolution to their neighbors.

Casey indicated that Reagan and his chief advisers had given preliminary approval to the new proposal, but he suggested that it was still under review and had not been endorsed formally by the National Security Council or signed by the President.

Casey acknowledged that several middle-level CIA officers and State Department officials had expressed reservations about the expansion plan, the sources said.

The sources — Intelligence Committee members and their aides who asked to remain anonymous — said the CIA dissenters based their objections on moral grounds, fears that anti-CIA sentiments would be rekindled among the American people and a belief that expanded covert action could invite Cuban military intervention.

Other CIA officials reportedly informed the Senate committee and the Democratic-led House Intelligence Committee that an increase in paramilitary operations in Nicaragua could prove costlier than originally

thought, the sources said.

Congressional sources who are in contact with the intelligence community said the CIA was seeking between \$30 million and \$50 million for the Nicaragua operation in 1984. Initially it had asked for \$19.5 million, about the same as was approved

for 1982 and 1983, according to a Senate Intelligence Committee member.

A House Intelligence Committee member said the counterrevolutionary force had grown from fewer than 1,000 men in 1981 to about 8,000 today.

Congressional sources also say they understand that the CIA is seeking a total of \$300 million in 1984 — about \$100 million more than in 1983 — to finance covert operations elsewhere in Central America, particularly in El Salvador and in Guatemala, and in other parts of the world, chiefly Afghanistan and Cambodia.

The Afghanistan operation is said to involve the supply of arms, food and medicine to Afghan insurgents fighting Soviet occupation forces. It is reported to be the most expensive — costing about \$100 million a year — but not as extensive as operations in Central America.

The covert action fund, controlled by the CIA's Directorate for Opera-

tions, is included in the regular 1984 intelligence authorization legislation, a classified bill awaiting Senate debate in the fall.

The bill contains funding for the entire American network of intelligence agencies. It is believed to total between \$12 billion and \$15 billion a year, including about \$1 billion for the CIA.

The fight over the Nicaraguan operation could delay passage of the 1984 intelligence bill beyond Sept. 30, the end of this fiscal year. A delay could threaten a shutdown of American intelligence facilities because of a lack of money, the sources said.

The problem lies in the different views on Nicaragua policy in the Senate and in the House. The Senate favors a compromise that would allow the Nicaragua operation to continue in limited form; the House insists on a complete shutdown.

It also is possible that the President will veto the bill if Congress bans covert aid in Nicaragua.

Behind the House Vote on 'the Secret War,' a Low-Profile Insider

By Don Oberdorfer
 Washington Post Staff Writer

The most surprising foreign policy development of the just-recessed session of Congress—the House's vote last week against "the secret war" in Nicaragua—is a message to President Reagan from the Democratic centrists and the political system at large about the controversial aspects of his Central America policy.

The 228-to-195 vote to cut off undercover CIA aid is also a vivid reminder of the personal and institutional factors that contribute to Washington decision-making, especially on Capitol Hill.

The man behind the vote, in this case, was Rep. Edward P. Boland (D-Mass.), a veteran member of the inner circle of the House, a moderate-to-conservative on most national security issues and, of central importance to this controversy, the chairman of the Permanent Select Committee on Intelligence since its founding seven years ago.

Boland's main argument, which he stated in presenting his cutoff bill, was that "This secret war is bad U.S. policy—because it does not work; because it is in fact counter-productive to U.S. interests; because it is illegal." The ensuing floor debate, which was rated by Capitol Hill reporters as one of the best in a long time, revolved mostly around these issues, pro or con.

In the background, though, was the personal credibility of Boland and the institutional credibility of the Intelligence Committee, whose Democratic members strongly backed their chairman in calling for an end to the undercover U.S. aid.

Boland, 71, has been in the House for 30 years without making waves or headlines. He is so controversial

at home that a few years ago he spent a total of \$47 on his reelection campaign, a record low for any House member that year, and such a publicity seeker that he does not even place his biography in the Congressional Directory, rarely issues a press release or grants an interview and recently turned away many offers to be interviewed on national television programs about his stand on Central America.

Within the House Boland is considered a serious and powerful figure, but to the public, at least until recently, his profile was so low that by his own admission, "If you ask

anyplace else but Springfield, Mass., nobody would even know me."

Before the controversy about the Nicaraguan "contras" Boland was perhaps best known among capital insiders as the close friend and, for 24 years, the Washington roommate of Rep. Thomas P. (Tip) O'Neill Jr. (D-Mass.). During most of that time O'Neill commuted home to Cambridge every weekend and Boland was a bachelor. He married late, 10 years ago, and now flies home to his wife and four young children on weekends.

After being elected speaker of the House in January, 1977, O'Neill was briefed by the CIA top brass every Wednesday morning in Sam Rayburn's secluded "Board of Education" drinking room in the Capitol.

After a few months of hearing secrets he could not tell anyone else, O'Neill decided to turn over the job to a committee of trusted people, lest one of his sleepy solo sessions at 7 a.m. be the basis for an executive branch claim that by consulting him the House had been consulted about some questionable or ill-fated operation in the twilight zone between war and peace.

Set up as a select committee, the intelligence panel's membership is under the personal control of the speaker rather than being subject to party vote. O'Neill used that control to install a group of respected, serious and uncontroversial people.

For the chairmanship O'Neill picked his old friend and roommate, of whom he recently said, "Eddie is so secretive he wouldn't even tell his left hand what his right hand is doing."

Boland, in turn, decided to share the secrets and the responsibility with his fellows and rule by consensus, in all but the rarest of cases bipartisan consensus.

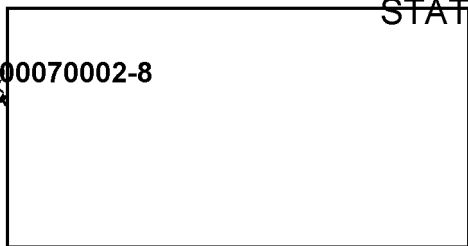
Partly because they share secrets they can't talk about, the intelligence committee has become something of a special club in the House, with most members spending much time in their clubhouse, the tightly guarded Capitol office of the committee, reading classified reports and

hearing briefings from officials of the CIA and other intelligence agencies.

Under the post-Watergate Hughes-Ryan law, all secret U.S. intelligence operations must be authorized in writing by the president and presented in timely fashion to the intelligence committees of the House and Senate.

In this way the committees have been informed of dozens of such operations, large and small. In most cases, they have gone along. At other times, although they possess no veto power under law, their doubts or criticisms expressed by letter to the CIA have been enough to cause the questioned operation to be dropped.

Right from the start, Boland and his colleagues were leery of the "secret war" in Nicaragua, and right from the start, the Reagan administration seemed determined to proceed no matter what.



Shultz defends Latin exercise

By David Rogers
Globe Staff

WASHINGTON - Secretary of State George P. Shultz, saying the United States must be willing to make a show of force in Central America, yesterday defended US plans for military maneuvers near Nicaragua as part of a broader policy that he credited with encouraging Nicaragua and the leftist insurgents in El Salvador to seek negotiations.

"Nations as well as men need incentives to change their behavior," Shultz told the Senate Foreign Relations Committee in explaining the maneuvers, some of which will take place in Honduras near its border with Nicaragua.

At the same time, he assured the committee that ground troops involved in the exercises will withdraw if they encounter hostilities.

Shultz' testimony was his first public appearance before Congress since the announcement of the maneuvers. Plans for the maneuvers, which will involve both land and sea forces, have provoked concern in both houses of Congress.

"A critical interplay is under way between the military and diplomatic aspects of our policy," Shultz said. In response to Sen. Claiborne Pell (D-R.I.), the committee's ranking minority member, Shultz said the United States has

no intention to engage anyone.

"If a hostile situation develops, our forces will withdraw," he said, adding that this is the standard rule governing such training exercises. "They will defend themselves but withdraw."

"At least until recently there has been no incentive for the Sandinistas, no incentive for the Salvadoran guerrillas, no incentive for Fidel Castro and no incentive for the Soviets to believe that anything credible, anything difficult, stood in the way of imposition of communist rule by armed force in El Salvador and in the rest of Central America," Shultz said. "But something has now begun to happen."

"The evidence is there - in the interest in dialogue by the Salvadoran guerrillas, even in the words of Ortega and Castro. Messages have been sent. . . . The substance of these messages is this: A victory by the far left and its foreign supporters through armed force is not in the cards."

While admitting a failure in not consulting Congress on the maneuvers, Shultz renewed his promise to consult with the committee before any increase in the number of military advisers in El Salvador is approved.

He neither encouraged nor ruled out the possibility of a meeting with Castro.

And although he defended covert aid for Nicaraguan insurgents, Shultz said a regional settlement is possible without the overthrow of the Sandinista government.

Last month, President Ronald Reagan said it would be "extremely difficult" to achieve peace in the region as long as Nicaragua's government remains in power.

A Republican source sympathetic to the Administration said after Shultz' appearance, "I think they're on a campaign that the lessons of Vietnam aren't lost on them either." The source said the White House is learning it will have to "sell this crummy war, if you'll pardon the expression, to America."

According to Senate sources, a recent meeting between Richard Stone, the special US envoy, and Ruben Zamora, a leader of the leftist insurgents in El Salvador, exceeded the Administration's expectations.

Vice Admiral Thomas Bigley, who accompanied Shultz yesterday, said the joint military maneuvers with Honduras may continue until February. Bigley, director of plans and policy for the Joint Chiefs of Staff, said the timing of the maneuvers was in part a response to concern in Honduras about the military buildup in Nicaragua.

The increased military involvement in Honduras has provoked concern because the Central American nation has also been a base for Nicaraguan insurgents largely financed and armed by the CIA.

C.I.A.

Intra-Agency Rifts Laid to Nicaraguan

Operation

By PHILIP TAUBMAN
Special to The New York Times

WASHINGTON, Aug. 4 — United States covert operations in Nicaragua have proved to be a mixed blessing for the Central Intelligence Agency, the organization is responsible for financing and managing 10,000 Nicaraguan rebels.

In a profession dominated by the often tedious work of collecting and analyzing information, the operations in Central America have given intelligence officials a chance to plan military strikes, coordinate airlifts of supplies, create a sophisticated field communications network and, most important, serve as the front line of President Reagan's policy on Central America.

But the Nicaraguan operation, which is expected to become the largest paramilitary effort mounted by the C.I.A. since the Vietnam War, has, according to agency officials, produced divisions within the agency that are significant and growing.

The problem is that covert activities, which often involve propaganda campaigns, secret donations to pro-American political parties or attempts to overthrow a hostile government, tend to produce divisions within the C.I.A. In addition, they dominate the public image of the agency, often unfavorably; create frictions with Congress and inject intelligence officials into command roles that can conflict with the obligation of producing neutral intelligence reports.

A Natural Split

The Nicaraguan campaign has placed the proponents of covert action, including William J. Casey, the Director of Central Intelligence, at the fulcrum of American foreign policy. Some Defense Department officials noted recently that, with the operations in Nicaragua, Mr. Casey is directing more troops in combat than the Army, Navy, Air Force and Marines combined. No regular American forces are currently engaged in combat anywhere in the world. And Mr. Reagan, despite plans for extensive military maneuvers in Central America and the Caribbean, including preparations for a possible

partial blockade of Nicaragua, has said no thought is being given to sending American forces into combat in the region.

But the Nicaraguan operation has also created several rifts within the agency. One, expected by many, is between the operations directorate, which handles the collection of intelligence and runs covert activities, and the intelligence division, which analyzes raw intelligence information and produces finished reports for the President and other policymakers. The intelligence division, filled with scholars and researchers, looks at covert operations the same way a college faculty views the varsity football team: with a mixture of suspicion, condescension and contempt.

The operations staff, not surprisingly, is primarily populated by action-oriented people, cloak-and-dagger specialists who fancy a Holmesian deduction over a computer print-out any day. Traditionally, the operations staff, particularly those devoted to managing covert activities as opposed to the clandestine collection of intelligence, view the intelligence division about the way a varsity football team views the faculty: with a mixture of suspicion, condescension and contempt.

These traditional strains have been exacerbated by the large covert operation in Nicaragua, according to agency employees. Many in the intelligence division contend that the Nicaraguan venture, as a highly visible and widely criticized operation, has once again thrown the C.I.A. into controversy. Only recently, they say, the agency pulled out of the decline that started in the mid-1970's with disclosures about intelligence abuses, including the attempted assassination of foreign leaders, illegal spying on American citizens and drug testing on unwitting human subjects.

It hurt, these employees say, to see the C.I.A.'s activities debated for weeks in Congress, culminating in the vote by the House last month to end

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say may hamper the C.I.A.'s ability to attract young talent is compounded by an internal rivalry over resources. Under the stewardship of Mr. Casey, the agency's budget has been growing nearly 25 percent a year, not taking inflation into account, making it one of the fastest-growing agencies in the Government.

As covert activities have grown, more and more money has been required to pay for them. Intelligence officials have asked Congress for \$80 million to finance the Nicaraguan operation in the fiscal year that begins in October. That is money that many in the agency think should go to other objectives, such as the improvement of intelligence reports.

No Comment From Casey

But there are other, less predictable tensions. Mr. Casey, who has taken a keen personal interest in the Nicaraguan operation, has reportedly bypassed some of his senior aides in running it. Agency officials report that he has often dealt directly with the head of Central American operations, sometimes leaving the chief of the operations directorate, John Stein, and other top aides out of the decision-making process. A spokesman for the agency, Dale Peterson, said Mr. Casey would not comment on the reports.

Mr. Stein is not known among agency employees as an enthusiastic advocate of covert operations and was reportedly among some senior officials who raised objections before Mr. Casey recently decided to expand the Nicaraguan operation. These officials feared it would escalate the combat and could bring Cuban forces more directly into the fighting. Like most agency officials, Mr. Stein was not available for comment. Mr. Peterson said Mr. Casey would not comment on this matter either.

CONTINUED

WASHINGTON
MOST NICARAGUAN REBELS NOW SAID TO BE NOT FIGHTERS
BY ROBERT PARRY

Fewer than half the estimated 10,000 to 12,000 CIA-backed rebels opposed to the leftist Nicaraguan government engage in combat, making their actual fighting force smaller than the guerrilla army in nearby El Salvador, administration officials say.

The new assessment of the rebel combat strength comes one week after the House voted to cut off covert aid to the rebels, with some members expressing concern that the rebels' power suggested the CIA was trying to oust the leftist government in violation of U.S. law.

The officials, who spoke on condition they not be identified, put the total number of combat-ready Nicaraguan rebels variously at from 3,000 to 5,000 men. The rest, they say, are armed but handle non-combat support functions.

The new figures suggest the "contras" or counter-revolutionaries, are less of a threat to the leftist Nicaraguan government and its 25,000-man regular army than had been previously believed.

In El Salvador, the leftist guerrilla force battling the U.S.-backed rightist government numbers about 5,000 to 6,000 regular fighters with roughly an equal number of support personnel, the officials said.

The rapid growth of the Nicaraguan contra army had prompted optimism among its leaders that they might be able to oust the Sandinista government in Managua by year's end. But some members of Congress claimed the size of the force suggested the Reagan administration is violating a 1982 law barring covert aid "for the purpose" of overthrowing the Sandinistas.

Spurred by that concern and fears of a Vietnam-style U.S. commitment in Central America, the House voted 228-195 last week to cut off covert aid to the contras. Although the Senate is considered unlikely to pass the cut-off bill, the House action could threaten administration plans to obtain new money from Congress to pay for the program next fiscal year, which starts Oct. 1.

That funding battle is expected to be fought out when Congress returns from its August recess next month.

Reports that the actual number of combat-ready fighters is lower than had been widely believed could undermine arguments that the CIA operation is designed to oust the Sandinistas and thus reduce pressure to cut off the covert assistance, one Democratic congressional aide said Friday.

The contra army _ originally explained to congressional intelligence oversight committees as a highly trained 500-man paramilitary force targeted against Cuban installations in Nicaragua _ began forays from Honduran bases in March 1982.

By last May, it reportedly had grown to about 7,000 men, and now, U.S. officials put its total size at between 10,000 and 12,000.

CONTINUED

ARTICLE APPEARED
ON PAGE A-19WASHINGTON POST
5 August 1983

Rowland Evans
And Robert Novak
**What Changed
Jim Wright?**

When House Majority Leader Jim Wright hurried out in front of his rampaging Democratic troops to lead them to victory in cutting off U.S. aid to Nicaragua's *contras*, it signaled the winner in the struggle for his and his party's soul. Wright had been a sympathetic participant in long negotiations with CIA Director William Casey and other Reagan administration officials seeking a bipartisan plan to keep the *contras* in operation. His last-minute turn the other way marked no ideological conversion; it reflected the harsh realities of internal House politics.

A conservative Democratic colleague explained what happened: "He saw some slippage in what he wants more than anything else, and that's to be speaker." Liberal Democratic congressmen, who have viewed the bushy-browed, stemwinding Texan as "too southern, too country-boy and too syrupy," commented after his performance that they were reassessing their previous hostility to him. By exchanging a profile in courage for front-runner as potential speaker, Wright took no stand against the Democratic Party's similarity in international affairs to the Republican Party of the 1930s. Increasingly, today's mainstream Democrats advocate trade protection, oppose defense spending and are militantly anti-interventionist from Latin America to Africa.

Yet Wright has never shown the slightest attachment to Marxist insurgents or isolationism. On a visit to Nicaragua in 1982 he recognized it as the Marxist dictatorship it is. When Sen. Chris Dodd delivered his leftist response to President Reagan's April 27 address on

Central America, Wright was appalled and said so. Even before that, Wright, in closed-door House committee sessions, was giving Republicans the impression he was eager for bipartisan compromise. About a month ago he was one of several congressmen sitting in on meetings with Casey, White House Chief of Staff James Baker, Deputy Secretary of State Kenneth Dam and other administration officials. As Secretary of State George Shultz quietly told Wright over breakfast five days after the vote, the administration thought the majority leader was aboard. So did many House members.

After the Fourth of July recess, negotiations tailed off. The administration claims Wright lost interest. Democrats argue it was impossible to pin down the administration. Nevertheless, as late as July 27, the day before the vote on CIA funding, Wright emissaries were passing word that he might well go along with a compromise so long as Rep. Phil Gramm, the Texas Democrat-turned-Republican—was not a cosponsor.

That Wright instead led the charge in the House against the *contras* is widely attributed on both sides of the aisle to his hopes to be speaker. Whether or not liberal Democratic congressmen actually threatened to block his ambitions, Wright needs no weathervane to see which way the wind is blowing. The gale wind blowing through the House on July 28 came from junior House Democrats such as Thomas J. Downey of New York. Downey outdid himself with his description of the *contras* as "10,000 thugs, brigands and thieves." Downey and his brethren filled the debate with denunciations not of communist Cuba and Nicaragua but of the *contras* and El Salvador's democratically constituted government.

Democratic moderates were swept along. The moderates blame the outcome on the administration's refusal to bargain. But in fact the realities of Democratic politics in the House would have precluded Wright from supporting any proposal acceptable to the administration without terminating his ability to retain his party leadership.

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Mobutu, U.S. hosts say Chad war grows

By Peter Almond
WASHINGTON TIMES STAFF

U.S. officials said yesterday they believe Libya is escalating the war in Chad as government forces there increase their successes against Libyan-backed rebels.

"I believe the situation is getting worse, particularly with the intensification of the bombing raids on the civilian population of Faya Largeau," added Zairean President Mobutu Sese Seko as he emerged from a lunch at the State Department yesterday.

Mobutu's visit to the United States has taken on a sense of urgency because of the situation in Chad, where the United States has sent surface-to-air missiles and four advisers to assist in instructing Chadian troops on their use.

Mobutu has up to 1,800 Zairean troops guarding the Chadian capital of N'Djamena. A senior State Department official said yesterday they are being used to free Chadian troops for use on the front lines in the north of the country. The official could not confirm Zairean reports that an additional 1,000 troops are about to be sent there.

Mobutu had lunch at the State Department yesterday with Vice President George Bush, Secretary of State George Shultz, Defense Secretary Caspar Weinberger, Treasury Secretary Donald T. Regan, CIA Director William Casey and USIA Director Charles Z. Wick.

Rescheduling Zaire's \$5 billion debt — of which about \$800,000 is owed to the United States — was a prime concern of Mobutu and his American hosts, but officials said Libyan adventurism in

North Africa also was a central topic of discussion.

"Zaire is a very large country, and it is inadequately defended," said another official. He said Congress has been asked for additional security aid to Zaire but criticism of the government's handling of political corruption has made the task more difficult.

Zaire is not in Chad because the United States asked it to help, but because Mobutu and other leaders in the region realize the "continent-wide pattern" of Libyan aggression, the senior official said.

"Chad happens to be one place where Libyan behavior is apparent," he said. If Libya is successful in supporting rebellion in Chad, then the Sudan, Egypt and Niger are also in danger.

"We define our (U.S.) interest as a regional interest," said the official, adding that Chadian forces had recaptured towns taken by the rebels in the east and had recaptured the key northern town of Faya Largeau at the weekend.

This was a substantial setback to the rebels, but he said Libyan columns have been seen recently forming in both Libya and in Chad, and the bombing of Faya Largeau — in which there were reportedly many civilian and military casualties — indicates renewed Libyan aggression.

The official said Libyan air attacks are the reason the United States has joined with France in sending surface-to-air missiles as part of a \$10 million military-aid package. He said the American instructors for those weapons are merely involved in their offloading, giving instruction and then returning after a day or two. They would not be involved in combat.

4 August 1983

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US pursuing Castro plan, Shultz tells lawmakers

From Wire Services

WASHINGTON - Secretary of State George P. Shultz, in a breakfast meeting with congressional leaders yesterday, indicated the United States is pursuing a proposal by President Fidel Castro of Cuba to settle the conflict in Central America.

The Senate and House leaders told reporters after the two-hour session at the State Department that recent peace overtures from Castro and from Nicaragua should not be rejected out of hand.

Shultz gave every indication he is pursuing the Cuban and Nicaraguan offers "to see if there is real sincerity and realism," said Sen. Robert Byrd (D-W.Va.), the minority leader.

Sens. Edward M. Kennedy and Gary Hart (D-Colo.), meanwhile, introduced a bill yesterday to prevent President Ronald Reagan from sending troops into Central America without the approval of Congress. [Page 10.]

Castro offered last week to pull his advisers out of Central America if the United States does the same, and Nicaragua two weeks ago proposed an end to foreign advisers and arms supplies to the region.

Speaking of the Castro offer, Byrd said, "I don't say we should believe everything we hear, but I think we should pursue it and see whether or not there is some substance to it."

Sen. Howard H. Baker Jr. (R-Tenn.), the

majority leader, told reporters, "Given the fact that Castro has been the principal exporter of trouble down there, these apparent conciliatory statements ought to be pursued and I think will be pursued."

House Speaker Thomas P. O'Neill Jr., who has urged the Administration to pursue negotiations, sounded less optimistic after the meeting. "I don't see any change in our policy at all," said O'Neill. An aide to the Speaker said, "There was nothing much learned in that briefing."

Baker said he saw "tentative progress" and cause for "preliminary and tentative optimism" in the Cuban leader's remark to US television network interviewers last week that he was willing to go along with any regional agreement barring arms shipments in Central America and requiring withdrawal of foreign advisers from such nations as Nicaragua and El Salvador.

In other developments yesterday:

- Reagan and Shultz met with Richard Stone, the special US envoy, who gave them what White House a spokesman called "a report and a look ahead" in Central America. Stone returned Tuesday from what he described as a "quite useful" 11-day tour of Latin America.

- William Casey, director of central intelligence, met with the Senate and House intelligence committees regarding covert military aid to Nicaraguan insurgents. Senate sources said members expressed concern about reports the Administration is proposing to expand the operation. A new report outlining the program is not expected to be submitted to Congress before September, the sources said, but Casey did not indicate any intention of scaling back or setting a limit on the assistance, which has virtually doubled over the past year.

- The State Department's new assistant secretary for inter-American affairs, Langhorne A. Motley, defended Central American military exercises and other US activities in the region before two House Foreign Affairs subcommittees.

Motley ascribed much of "the confusion of the last two weeks" and some of the congressional consternation to "premature, unauthorized, partial disclosure... 'leak' probably is the operative word," that publicized the military maneuvers before the Administration was ready.

CONFIDENTIAL

Reagan's Foreign-Policy Ineptitude Is Downright Scary

Perspective on Politics

by Norman C. Miller

WASHINGTON—At a time when President Reagan's gunboat diplomacy in Central America is arousing fears of another Vietnam-type war, it is a bit amazing to find the Republican Party chairman praising the president for effectively practicing "quiet diplomacy."

Chairman Frank Fahrenkopf writes in a current GOP publication that the president is doing nicely in world affairs because he recognizes that "the diplomatic art means little more than getting things done as quietly, persuasively and pleasantly as possible." According to Mr. Fahrenkopf, Mr. Reagan assiduously avoids the dangers of "noisy diplomacy, which at best is no diplomacy at all but rather sometimes successful bullying (that) rarely builds respect, friendship and agreement."

Thus, it seems that not even the party's public-relations promoters can keep up with the unpredictable, confusing and scary turns in the president's foreign policies. It's a small but telling sign of the incompetence characterizing Mr. Reagan's conduct of foreign relations.

Most immediately, in dealing with Central America, the president has succeeded only in scaring the American people by dispatching flotillas of warships to patrol the coasts of Nicaragua and ordering thousands of troops into Honduras for extended maneuvers. Responding to a public uproar, Mr. Reagan says plaintively that these massive military deployments are no big deal. It is a ridiculous statement, serving only to feed fears that the president himself doesn't understand what he is doing.

Central America is a perfect example of President Reagan's inconsistent and incoherent approach to foreign policy making. Back at the beginning of the Reagan administration, then Secretary of State Alexander Haig pumped up the Central American crisis as a major test of U.S. ability to halt Soviet-inspired troublemaking.

According to Mr. Haig, the Soviets and the Cubans were masterminding and supplying Nicaraguan-backed rebels in El Salvador who were bent on toppling the right-wing government. Mr. Haig made a great to-do about this for quite a while, and for a larger purpose than just concern about El Salvador going communist. The larger purpose was to show the Soviets that the Reagan administration was led by tough guys who wouldn't tolerate Soviet adventurism.

The reasoning at the time went: Where better to draw a line than in our own backyard? It should be relatively easy to get the Soviets and their Cuban and Nicaraguan clients to back off, it was thought. Successful elections in El Salvador in March 1982 were hailed as proof the Reagan policies were working.

Then the White House and the higher levels of the State Department more or less forgot about Central America. (Though, evidently, the Central Intelligence Agency stepped up covert aid to right-wing rebels bent on overthrowing the Marxist Nicaraguan government.) The tempestuous Mr. Haig was pushed out and cool, calm George Shultz came aboard a year ago to run foreign policy.

The problem was that Mr. Shultz had little foreign-policy experience; Central America was just one of many complicated issues he didn't know much about. And he had his hands full trying to put out fires.

The European allies were rebelling against the administration's ill-conceived and futile effort to force them into calling off a natural-gas pipeline agreement with the Soviets. The arms-control talks in Geneva were going badly, with the Soviets scoring propaganda points by painting Mr. Reagan as an insincere bargainer bent on a dangerous escalation of nuclear weaponry. The Israeli-Lebanese War erupted, and the administration was swept into a desperate effort to establish still-elusive peace in the Mideast.

Then, several months ago, the Central American problem was rediscovered. Almost immediately, the White House asked Congress for much more military aid for El Salvador, and in April President Reagan addressed Congress to underline the importance of saving El Salvador from a Red menace.

A skeptical Congress became more worried as policy control gravitated into the hands of William Clark, the national security adviser, and William Casey, the CIA director. They are among the high administration officials least respected on Capitol Hill, and with reason. Neither is well-versed in foreign policy; they hold their posts only because of their personal ties to Mr. Reagan.

Central American policy now is in the hands of officials with a bias toward military action. This has put the U.S. at odds with friends as well as foes in the region. The Contadora group of Latin American nations—Mexico, Panama, Colombia and Venezuela—is hamstrung in its efforts to get Central American peace negotiations started.

The reckless Reagan approach has even had the extraordinary effect of scaring the generals at the Pentagon. In a cascade of leaks, they have indicated their fear that the administration may blunder into a Vietnam-type war in Central America.

Last week's House vote to terminate covert aid to the U.S.-backed guerrillas fighting the Nicaraguan government was a clear statement of the lack of support for the Reagan policy. It is simplistic to attribute the House action to partisan politics in the Democratic-controlled House, although partisanship was one factor. A president who had clearly and convincingly explained his policy would have rallied enough public support to carry the House along.

As it is, the administration itself doesn't seem to know the ultimate aim of its Central American policy. Is it only to protect El Salvador and other nations from a Marxist military threat, as the president insists, or is it aimed at overthrowing the Nicaraguan government as other officials hint? Whatever the answer, the existence of the basic question at this late stage demonstrates the administration's lack of competence in managing vital foreign-policy problems.

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WASHINGTON POST
4 August 1983

U.S., Mobutu Condemn Libyan Role in Chad

By Ian Black

Washington Post Staff Writer

The White House and the State Department joined with visiting President Mobutu Sese Seko of Zaire yesterday in condemning Libyan intervention in Chad, while efforts continued to persuade France to play a bigger military role in the defense of the central African country.

Pentagon officials said that about 30 U.S. Red-eye antiaircraft missiles have arrived in Chad and that four American military advisers would use French intermediaries to train Chad's army in their use.

There were also reports that the aircraft carrier USS Coral Sea has delayed its departure from the Mediterranean to stay with a U.S. carrier battle group operating off Libya.

Officials yesterday dismissed Libyan threats to sink the carrier USS Eisenhower, part of the same battle group, after an incident Monday between U.S. and Libyan planes over the Gulf of Sidra.

State Department spokesman John Hughes said the United States had "no response except to say that we recognize a 12-mile territorial limit and we retain our right to operate in international waters." Libya claims a 60-mile limit, which includes part of the Gulf of Sidra.

Two Airborne Warning and Control System surveillance planes landed in Egypt yesterday, apparently to observe Libyan air activity in the region. The AWACS planes, whose radar enables them to "see" more than 200 miles, are to take part in U.S.-Egyptian exercises starting next week, but Pentagon sources told the Associated Press the planes had arrived early because of concern about the situation in Chad.

At the White House, spokesman Larry Speakes reiterated U.S. policy on the fighting in Chad, saying "we condemn it in the strongest fashion." A senior State Department official warned that if Libyan "aggression" succeeded in Chad, other countries in the region would be threatened.

"If that kind of activity passes without response it will feed upon itself and pose a threat to the

stability and security of a rather large number of states," said this official, who spoke on condition that he not be identified. "One could just look at the map and see Sudan, Tunisia, Egypt, Niger—and the list goes on."

Reports from Chad yesterday said that Libyan planes continued to bomb government forces in the strategic northern oasis of Faya Largeau, using fragmentation and phosphorous bombs.

U.S. officials said that the Libyans were not only providing air support for the forces of insurgent leader Goukouni Oueddei, but also were involved on the ground in combat and logistical roles.

Intelligence reports showed increased Libyan activity on each side of the Libya-Chad border, a factor that officials said would have to be taken into account in determining further U.S. responses.

The State Department said it could not confirm a Libyan claim that Chadian President Hissene Habre had been killed in the bombing. "We think that report is incorrect," Hughes said. Chad earlier denied the report.

Mobutu, who has sent 1,800 troops and six aircraft to support the Habre government, told reporters yesterday that he believes the situation in Chad "is getting worse, particularly with the intensification of the bombing raids on the civilian population of Faya Largeau"

Mobutu lunched at the State Department with Vice President Bush, Secretary of State George P. Shultz, CIA Director William J. Casey and other senior U.S. officials. He is to see President Reagan today.

U.S. officials praised Mobutu for his "courageous action" in sending troops to Chad and said that Zaire was not being asked to increase its contribution to Chad's defense. They said that some of Zaire's expenses had been met out of \$7 million in emergency U.S. aid to Habre.

Officials indicated that the Reagan administration is continuing to urge France to give aerial cover to Chadian government forces, but there has been little response.

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HUMAN EVENTS
3 August 1983

'Contras' Pose a Major Threat to Sandinistas

By ALLAN C. BROWNFELD

Tegucigalpa, Honduras:—There is no doubt that Central America is on a war footing. Here in Honduras, which is officially at peace, armed troops are everywhere to be seen. It is from Honduras that anti-Sandinista Nicaraguans who are now fighting the Marxist government receive aid and supplies, and in which some are based. In addition, a U.S. military base manned by 110 Green Berets to train at least 2,500 soldiers of El Salvador is being established here. There is, as a result, increasing talk of war breaking out between Nicaragua and Honduras.

Clashes along the Honduran-Nicaraguan border have been bloody. So far this year, at least 500 troops and civilians have been killed in rugged mountains separating the two nations. The counterrevolutionaries, called "Contras," move with little difficulty in a strip some 20 miles deep along the border. One of the biggest offensives, a rebel thrust toward the mountain town of Jalapa early in May, involved up to 1,500 guerrillas. Managua considers the attack serious enough to commit its regular troops to the area instead of relying on local militia and reserves as in the past.

Rebels Could Fight Without U.S. Backing

U.S. officials in the region say that ~~the number of guerrillas fighting the~~ Nicaraguan government has increased by about one-third to 8,000 in the last two months and that the rebels have enough support inside the country now to continue fighting without U.S. backing.

Intelligence estimates predict that the forces will grow larger and that in six months they will control almost one-third of the population in rural areas and more than half of Nicaragua's 57,143 square miles of territory. The Contras, it is said, are already larger and better-armed than the 6,000 leftist guerrillas in El Salvador. The Nicaraguan military consists of a 25,000-man army, plus about 30,000 militia members.

While in Honduras, this writer had the opportunity to meet with Edgar Chamorro Coronel, one of the seven-man directorate of the Contras, formally called the Nicaraguan Democratic Force (FDN).

Chamorro's credentials are impressive. He took post-graduate studies in the U.S. at Marquette and Harvard universities and was a Dean of the Faculty of Humanities at the University of Central America in Nicaragua. He was also the leader of the Conservative party, which led the opposition to President Anastasio Somoza before the rise to power of the Sandinistas.

Chamorro declared: "It is not accurate at all to say that the FDN is composed of former followers of Somoza. I and most of the others active in this movement opposed Somoza just as we oppose the Sandinistas today. We oppose both of them because neither believes in freedom and democracy, which we support."

"Within our group there are many political and economic opinions to be found. The FDN was formed for the purpose of continuing the historic struggle of the Nicaraguan people for their liberty which, after the overthrow of the Somoza dictatorship, was betrayed by the FSLN in behalf of international communism."

Nicaragua Has Been 'Cubanized' and 'Sovietized'

Chamorro says that Nicaragua is, at the present time, "an occupied country." He notes that "The Cubanization and Sovietization of Nicaragua can only be compared to the effort made in 1856 by William Walker and his mercenaries to institute slavery in the country.

"There are approximately 10,000 Cubans in Nicaragua at the present time, all of whom have had military training in the Cuban militia. Some 2,000 of them are military and security personnel who represent the Pretorian

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WASHINGTON POST

3 August 1983

President's Strong Man Stretches South

By Lou Cannon

Washington Post Staff Writer

National security affairs adviser William P. Clark has emerged as the strong man of President Reagan's many-sided policy in Central America, according to the assessment of administration officials close to the process.

These officials cite Clark's role in all of the important military and diplomatic decisions that have led to increased U.S. involvement in Central America. They point out that Clark was an advocate and implementer of the increase in covert aid to rebels in Nicaragua proposed by CIA Director William J. Casey and that he favored the large-scale military and naval exercises in Central America put forward by Pentagon planners.

On the diplomatic front, Clark is given the credit, or blame, for choosing former secretary of state Henry A. Kissinger as chairman of the National Bipartisan Commission on Central America.

Special envoy Richard B. Stone, who nominally reports to the State Department, also was Clark's choice, reportedly over the objection of Thomas O. Enders, the former assistant secretary of state for inter-American affairs. The choice of Stone put the White House stamp on negotiations which Stone has conducted with leaders of the Sandinista Nicaraguan government and the leftist guerrilla movement in El Salvador.

"On Central America, Clark is Reagan's personal representative on an issue of high concern to the president," is the way one administration official described it. "He's energizing the system."

Clark's pre-eminence in all aspects of the process has shattered his passion for anonymity and yesterday prompted the administration to play down his importance. After Clark appeared on the cover of Time magazine this week, White House officials made a public show of emphasizing the involvement in Central American policy of Secretary of State George P. Shultz, who yesterday gave a well-publicized briefing of Republican congressional leaders.

One source said that the attention given to Shultz, who will appear on Capitol Hill today, "will show that State isn't being shunted aside." But the public relations effort was, as one official put it, "so labored and obvious," that it may have had the opposite effect.

Clark's role is not that of a lone wolf, his boosters and critics in the administration agree. They say he has been effective because he is close to the president, whom he served as chief of staff in 1967 during Reagan's first term as governor of California, and because he understands how to push presidential decisions through the bureaucracy.

On the subject of the Kissinger commission and the Stone appointment, Clark worked closely with U.N. Ambassador Jeane J. Kirkpatrick, whom he sent on a fact-finding mission to Central America

last February. She returned with recommendations for increased expenditures for economic and "humanitarian" aid, which have been incorporated into preliminary and unannounced budget proposals for next year and are expected to be a major focus of the Kissinger commission.

On the question of expanded aid to the U.S.-backed, anti-Sandinista forces in Nicaragua, Clark reportedly sided with Casey, whose proposals to expand the "contra" force to its current level of 12,000 troops was opposed by some senior CIA officials.

Clark did not directly propose the stepped-up level of military maneuvers, officials said. But he asked the question at a National Security Planning Group, saying the president wanted to know what could be done to "keep the pressure up" in Central America.

The result was a speed-up in the timetable and an increase in the size of the military and naval forces that will stage protracted exercises in the region.

In this case, officials said, the proposals were pushed, with Clark's backing, by Under Secretary of Defense Fred C. Ikle and Deputy Assistant Secretary Nestor D. Sanchez.

Secretary of Defense Caspar W. Weinberger's role is a matter of some controversy in the administration. In 1981, Weinberger clashed with then-Secretary of State Alexander M. Haig Jr., who he saw as favoring the use of U.S. combat troops in the region.

Weinberger said in an interview with The Washington Post that his current support of administration policy is "fully consistent" with his earlier views since U.S. troops will not now be involved in any combat role. However, another high official in the administration referred approvingly to Weinberger as "a good soldier," a term usually reserved for officials who have opposed policy positions but are supporting them anyway.



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The Showdown Over CIA's "Dirty Tricks"

Even if the "secret war" in Nicaragua is endorsed by Congress, debate over covert action will not end.

The uproar in Congress over Central Intelligence Agency support for Nicaragua's anti-Sandinista rebels is the storm front of a bigger controversy about covert U.S. actions worldwide.

The broad issue at stake in the battle, which was headed for a showdown in Congress in late July, is this: Is it moral or even feasible for the United States, with its open society, to employ "dirty tricks" to promote its foreign policy?

At a rare closed session of the House of Representatives on July 19, administration critics used the moral argument in calling for a cutoff of funds to 10,000 or more rebels in Nicaragua.

That argument is summed up by Representative Lee Hamilton (D-Ind.) with the claim that the "secret war" in Nicaragua "undercuts the U.S. image in the world as a nation that acts legally, fairly, decently and overtly."

Aid held vital. White House officials insist that help for the anti-Sandinista guerrillas is vital to stop the flow of military supplies from Nicaragua's Marxist government to leftist guerrilla forces in El Salvador and elsewhere in Central America.

The controversy is shaping up as a major test not only for Reagan's Central American policy but also for his plan to rehabilitate covert action as a key element in U.S. overseas strategy. In this, he has reversed a policy initiated during the Ford and Carter administrations that virtually dismantled the CIA's department of "dirty tricks."

The action by Presidents Ford and Carter stemmed from disclosures in 1974 and 1975 that CIA clandestine operations had included spying on Americans—such as in illegally opening mail and penetrating antiwar organizations—and plotting to assassinate several hostile foreign leaders.

Rebuilding. Over the past 30 months, William Casey, Reagan's CIA director, has given high priority to rebuilding the agency's capability to conduct covert operations. The administration has left little doubt that it sees such actions as essential and legitimate weapons in America's arsenal.

Now, that policy is facing its stiffest challenge from the congressional revolt against supporting anti-Sandinista guerrillas in Nicaragua. Why has the operation triggered such a reaction?

One reason is widespread concern about the danger that the U.S. will be drawn into a shooting war in Central

Congress, too, now subjects covert activity to close monitoring—a duty it took on formally after the scandals that broke in the mid-1970s.

Other operations. Intelligence specialists point out that, while the Nicaraguan project is under attack, other covert operations have come to light without provoking a negative reaction. A notable example is CIA support for anti-Soviet rebels in Afghanistan.

"Nobody is raising a finger to that," observes former CIA Director Stansfield Turner, "because we'd be glad if Afghan freedom fighters take over their government."

Still, there is a faction of lawmakers that is challenging not only the Nicaraguan action but also, on principle, the morality of American covert operations. Critics such as Representative Jim Leach (R-Iowa) say these actions make hypocrisy of democratic law and lower the United States "down into the gutter of Communist-type behavior."

Aside from moral considerations, critics claim that covert actions have proved counterproductive, leaving a legacy of bitterness against the U.S. in many parts of the world. They attribute

CIA-backed Nicaraguan rebels are at the heart of the covert-action controversy.



WHO'S IN CHARGE?

How Presidents Pick Their Key People Determines Whether the White House Gets Things Done or Is Torn Apart. Here's How President Reagan Staffed His Presidency, and How His People Measure Up.

By Fred Barnes

Ronald Reagan did not know Donald Regan. He'd not only never met the man, he'd never heard of him. And in the joyous days of November 1980, after he had won the presidency from Jimmy Carter in a landslide, it wasn't likely that he ever would. Who needed Regan? He was president of Merrill Lynch, the brokerage firm, and a contributor to Carter's campaign. Sure, Regan had some credentials—he was a millionaire from the Wall Street financial community, and thus was a possible Treasury Secretary—but the President-elect had already settled on someone for that job. William Simon, the imperious and ambitious Treasury Secretary under President Ford, wanted to be Defense Secretary in the new Reagan administration, but he had agreed unhappily to accept his old post at Treasury.

Only there was a catch. Simon was insisting on being the economic czar, the overlord of Treasury, the Office of Management and Budget, and the Council of Economic Advisers. As envisioned by Simon, he would be a kind of deputy president for economic affairs, a Cabinet Secretary more equal than the others. Not surprisingly, some of Reagan's advisers gaged on this. "We all felt OMB had to be separate," said Nevada Senator Paul Laxalt, Reagan's closest Washington friend. Even Justin Dart, the Cali-

fornia industrialist and stalwart of Reagan's kitchen cabinet of old California friends, tempered his enthusiasm for Simon. Yet, if Simon shaved back a little on his demands, he was set for Treasury Secretary. It was, Laxalt said, "done."

Just before Thanksgiving, a message came to Reagan, still in California, from Simon. "I've got a bombshell for you," Reagan told his advisers, gathered around a conference table at the Los Angeles law firm of Gibson, Dunn & Crutcher. "I've just had a message from Bill Simon in Saudi Arabia and he was trying to get to me to tell me to take his name out of consideration." Simon's feelings had been hurt when he was shunned as Pentagon chief and resisted in his bid to be economic czar. He thought he had been treated disrespectfully.

Most of Reagan's advisers, a blend of campaign aides and affluent California friends, were surprised by Simon's withdrawal and not sure what to do next. The exception was E. Pendleton James, a talent scout brought into the campaign by Edwin Meese III. "Governor," James chimed in, "let me tell you about Don Regan." Well before election day, James had contacted Regan about a government position in case Reagan won. "I have a gut feeling for talent," James said. "I thought Don would be a star." Regan was interested. And now, Reagan listened intently as James listed Regan's virtues. "Who else knows him?" Reagan asked. Campaign chairman William Casey, already targeted to become CIA director, said he did—and spoke well of him. The more Reagan heard, the more

Getting one of these top positions involves the second truism of staffing an administration, a truism described by a Reagan transition official: "To get a job, you gotta have a rabbi." That means a sponsor, someone who will toss out your name when the guys are sitting around the table. The best sponsor of all is the President himself. William French Smith became Attorney General, Richard Schweiker the Secretary of Health and Human Services, and William Casey the CIA director because they asked their friend Ronald Reagan for those positions and he said yes.

Commerce Secretary: There isn't much to this job. What there is of it, Malcolm Baldrige handles capably. Many famous politicians have been Commerce Secretary—Herbert Hoover under President Warren Harding, Henry Wallace under Roosevelt, Averell Harriman under Truman, Maurice Stans under Nixon, Elliot L. Richardson under Ford—but they are known for their exploits in other positions. At Commerce, they merely marked time.

Baldrige is doing the same. He would love to replace Stockman as budget director or Regan as Treasury Secretary. No one, and certainly not Baldrige, angles for Commerce. Richardson got there only because Kissinger wouldn't stand for his appointment as CIA director to succeed William Colby; a switch that Ford wanted to make in 1975. Ford had to bring George Bush back from China instead and give Richardson, who was ambassador to Great Britain, the domestic booby prize, the post of Commerce Secretary.

Secretary of Energy: Not much to compare here. Edwards rates the lowest among Reagan appointees, but neither Schlesinger nor Charles Duncan did strikingly better under Carter. Schlesinger, a good budget director, CIA chief, and Defense Secretary under Nixon and Ford, came up with the ill-fated energy plan that called for a huge tax hike. When Carter took the opposite tack, decontrolling oil prices, the energy crisis began to ease. Edwards fomented a needless fight with Stockman over budget cuts, which he was sure to lose. His replacement, Donald Hodel, is far more impressive.

EXCERPTED