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STUDY FINDS C.I.A. FAILED TO FULFILL SOME KEY TASKS

Report to Senate Unit Says
Analytic Work Suffered
as Covert Acts Grew

PRIORITIES QUESTIONED

Lag Is Seen in Activities
Involving Economics and
Narcotics Traffic

By DAVID BINDER

Special to The New York Times

WASHINGTON, June 6—An authoritative history of the Central Intelligence Agency released today holds that the agency has failed over the last three decades to fulfill several of its essential missions.

The study, prepared with the cooperation of the agency for

the Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities, further concludes that the agency, over the years, became a bureaucracy that ran amok because of conflicting

interests.

It says that the agency, despite its successes, especially in scientific and technical fields, was "distorted" very early by both its directors and their superiors, and moved away from its prime task of providing high quality intelligence analysis for the American political leadership.

Others Share Blame

For example, the history notes that the agency had no estimate of Communist intentions in Korea before the North Korean attack on South Korea in 1950. It also notes that economic intelligence and international narcotics traffic intelligence were given priority only in the last decade and that attention to underdeveloped countries did not begin until the 1960's.

The history, which has been thoroughly read and declassified line for line by agency officials, also says the agency failed to become a truly "central" intelligence service coordinating all espionage resources of the United States.

The study blames a succession of Presidents, Congress, the armed services and the agency itself for the shortcomings. But its principal conclusion is that the C.I.A., because of its peculiar nature, was destined to develop controversial qualities.

The 95-page history was written by Anne Karalekas, a

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young Harvard-trained historian.

It contains no shocking disclosures about individual aberrations or covert action disasters. But it does tell about rivalry in the American intelligence community, a lack of accountability to the executive and some peculiar priorities.

The Senate committee, which officially ended its work last month, has made public in recent weeks a series of reports on foreign and domestic intelligence abuses. One more report by the committee, on the assassination of President Kennedy, is to be made public about the end of June.

The report of a separate investigation by the House Select Committee on Intelligence also charged that the intelligence community had, on occasions failed to provide significant intelligence to policymakers. But the supplemental report released today provides a far more concise account.

Considered More Thorough

Today's report is also the first complete history of the C.I.A. ever published for the public, although the agency has printed a history for its own use.

In addition, the agency worked more closely with the Senate committee on its report than it did with the House committee. Thus today's study is considered more thorough.

While the previous reports of the Senate committee have focused on areas of abuse and listed proposed reforms for intelligence agencies, this study attempts to examine the forces that led to the agency's shortcomings.

Miss Karalekas spent two months studying the agency's own histories, numbering 75 volumes, and eight months interviewing 60 present and former agency officials.

Her five-page conclusion says the agency "responded to rather than anticipated the force of change" over the last 30 years and "accumulated functions rather than redefining them."

Rivalries Persist

She further concludes that the agency never succeeded in overcoming rivalry from other intelligence services operated by the four armed service branches. The one man to blame for this, she says, was Allen W. Dulles, who directed the agency from 1953 to 1961.

The history suggests that the chief C.I.A. job, Director of Central Intelligence, involves

too many tasks.

It says, giving evidence, that the agency was very early pointed in the direction of covert operations abroad at the expense of classical analytic intelligence work and that the agency "complicated" rather than minimized problems of duplication of intelligence. It says that, even after 30 years of operation, the agency remains an organization with sharp rivalries between its clandestine and analytical sections.

Finally, it says the agency's main product, its so-called national intelligence estimates, have largely gone unread by its intended consumers, including a succession of Presidents.

'Undirected' Development

Miss Karalekas writes that the evolution of the agency, which she describes as "undirected," was determined by four factors—the international environment as perceived by the Administration of President Truman, the milieu of intelligence institutions, the agency's structures and values and the personalities of the agency Directors.

In other terms, she said, this meant the growing cold war with the Soviet Union, the jealousy of the military intelligence

services and the temptation for C.I.A. officials to seek spectacular "successes."

Miss Karalekas notes that at the end of World War II there was a predisposition among American policymakers to centralize the Government's many intelligence functions.

The reason, she writes, was the experience of the Pearl Harbor attack in 1941 by Japan when bits of intelligence gathered by one agency never reached other intelligence analysts who could have used them to predict the assault.

Miss Karalekas names Gen. William Donovan, the wartime head of the Office of Strategic Services; James V. Forrestal, Secretary of the Navy, President Truman and Ferdinand Eberstadt, an investment banker, as the founding spirits of the C.I.A.

But she notes that the Central Intelligence Group, the predecessor organization of the C.I.A. established in January 1946, lacked money and personnel and was contested by the military services and the State Department. At that, three of the four initial Directors of the Central Intelligence Group were military men.

In the beginning J. Edgar Hoover's Federal Bureau of Investigation refused to allow the central intelligence organization to touch Latin America. And until 1950 Gen. Douglas A. MacArthur barred clandestine operations in the Far East.

Clandestine intelligence collection began about 1950 under Gen. Walter Bedell Smith, who became Director three years after the C.I.A. was formally constituted.

Under General Smith, and under the pressures of the Korean war, the agency swiftly assumed the basic shape it now has, the history says.

That is, it was formed to handle overt and clandestine collection of intelligence, covert operations, analysis and coordination of overall American intelligence activities.

The Soviet Union was made the principal target of American intelligence in March 1946, three years before the Russians exploded their first atomic weapon. The agency then had 1,816 employees. Five years later, under General Smith, the number was 3,338.

Miss Karalekas also reports that four years after the agency was established 24 Government departments and agencies were still "producing economic intelligence." In 1962 there were three military research groups in the C.I.A. alone, a situation that was not rectified until 1966.

The history attributes this continuing duplication of effort to the ambition of the agency leaders to outstrip the military intelligence services and to gain greater access to the White House.

As a result, it concludes, there were "tension" within the agency and a proliferation of intelligence products unused by the officials they were intended for. One retired analyst is quoted as having said: "Our biggest problem was whether or not anybody would read our product." It was a complaint also frequently made by William E. Colby when he was director from 1973 to 1976.

The agency's covert actions began in 1948, a year after the establishment of the C.I.A. Miss Karalekas attributes their conception to George F. Kennan, then director of policy planning at the State Department.

She quotes Mr. Kennan as having said he was alarmed later over the massive covert operations undertaken on what he had regarded as a modest suggestion.

In any case, she continues, American policymakers were

appalled by the 1948 Communist coup in Czechoslovakia and Communist-inspired strikes in Western Europe and, within three years, the covert branch of the agency "simply skyrocketed." The history says that the Office of Planning Coordination—the formal name for the "dirty tricks" branch—expanded from 302 members in 1949 to 6,000 in 1952, and from a budget of \$4.7 million to \$82 million.

Similarly, she reports, the number of overseas covert stations grew from seven to 47 in this period "without establishing firm guidelines for approval" of foreign undercover operations by officials in the executive branch.

Soon, she says, competition developed on the covert operations branch, where the pay was higher and the promotions were quicker than in other branches. Covert officers were encouraged to develop a maximum number of "projects," often without any supervision from the home office, much less from higher authorities.

Separation and Distortion

Virtually from the inception of the C.I.A., the intelligence collection and covert action operations were separated, and Miss Karalekas says this resulted in a "totally distorted" espionage relationship that has persisted to this day.

In 1952, clandestine operations accounted for 74 percent of the agency's budget, the bulk of this going for covert action. According to the study, clandestine services took a major share of funds until the late 1960's, when budgetary pressures and the easing of cold war tensions gradually diminished the covert operations.

Miss Karalekas also attributes "excesses," such as research into poisons and plots to assassinate foreign leaders,

to the compartment organization of the clandestine service, which "left many decisions subject to the strains and lapses of personal judgments."

The author says that until 1974 the agency enjoyed "blurred accountability," with Presidents and Congressional overseers shirking their responsibility to keep close watch on the agency's actions, a classic example cited being the Bay of Pigs operation against Cuba in 1961.

Sound Weapons Estimates

On the plus side, the study notes that the agency managed to outstrip the military intelligence services first in predicting Soviet strategic bomber strength in the mid-1950's and then in forecasting Soviet long-range missile capacity in the early 1960's.

Miss Karalekas praises the agency's scientific and technological specialists for turning to private American industry for research and development of new espionage equipment.

She calls this capability "un-surpassed to this day" among the world's intelligence services and she says it gave the agency its first real ability to overshadow the military intelligence services.

3 Lesbians Charge Bias

AUSTIN, Tex., June 6 (UPI)—Three lesbian groundskeepers have charged that sex discrimination and open hostility forced them to quit their jobs at the University of Texas. The women said their supervisors had harassed them and had subjected them to "excessive supervision." They had worked at the university for two to three years each. The women said that they were planning to file individual complaints against the university through the Equal Employment Opportunity Commission in San Antonio.