Carter Pledges Not to Condone Spy Lawbreaking

8/10/78 By Jim Hoagland
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Responding to disclosures that four friendly nations have conducted extensive spying and harassment operations within the United States in recent years, President Carter pledged yesterday that his administration never would "condone any violation of U.S. laws by foreign intelligence organizations."

The pledge was delivered on Carter's behalf by press secretary Jody Powell. Powell added that the FBI has been ordered to investigate what the White House called leaks of a secret Senate staff draft report on foreign spying in the United States.

The State Department announced that it is conducting a separate, internal investigation of publication of the report, portions of which have appeared in columns by Jack Anderson and in news stories in The Washington Post.

The State Department and the FBI are targets of criticism in the Senate report, which says that federal agencies did little to investigate wrongdoing by the intelligence agencies of Iran, Taiwan, Chile and the Philippines. Other countries whose spying activities here were investigated in the report were Yugoslavia and the Soviet Union.

There were no immediate indications that the substantive allegations in the report would receive the same investigative priority from the administration or from Congress, which is in recess.

Powell and spokesmen for the State Department and the Senate Foreign

See SPY, A4, Col. 2

SPY, From A1

Relations Committee emphasized that the report was a draft that had not yet been approved by the committee. It was still awaiting final comment from the State Department, CIA, Justice Department, Pentagon and the National Security Agency, all of which have copies of it.

The report was prepared for a Foreign Relations subcommittee by counsel Michael Glennon, who, staff members said, was canoeing in northern Minnesota yesterday. Staff director William Bader was on a Strategic Air Command missile site and unavailable for comment.

Sens. Frank Church (D-Idaho), committee chairman, and George McGovern (D-S.D.), were also out of town and could not be reached, their offices said.

In a volley of reactions from other officials and former officials, none of the fact published in articles concerning the report were disputed. Comments tended instead to try to disclaim responsibility for some of the failings cited in the report or to reinterpret the report's findings.

Powell said he could not comment in detail on a report that "is not only classified but is incomplete." He added that McGovern had asked for an FBI investigation on July 26.

Spokesman Tom Reston strongly denied the report's conclusion that the State Department had discouraged criminal investigations of the friendly nations' intelligence activities. Saying that he would not speak for previous administrations, he said the Carter administration had taken "strong actions" to end any misconduct by foreign agencies here.

After the Justice Department reported to national security adviser Zbigniew Brzezinski and the State Department in July 1978 that SAVAK, Iran's intelligence agency, was conducting "significant police, security and nondiplomatic political activity in the United States," the State Department called in Iranian officials and "emphasized the strong belief that we have certain laws which we expect all foreigners here to obey," Reston said.

He confirmed that former ambassador to Iran William H. Sullivan went to the Justice Department a month after the report to Brzezinski to emphasize to Justice officials the "foreign policy implications" of investigating SAVAK agents, "and to inform himself as to the status of" a grand jury investigation of SAVAK in Chicago.

Reston and Justice Department spokesman Terrence Adamson said there was nothing improper or out of the ordinary in a U.S. ambassador's requesting a meeting about a grand jury investigation. Sullivan was accompanied by the State Department's Iran country director and a member of the department's legal staff, which routinely handles liaison with Justice.

The report also charged former secretary of state Henry A. Kissinger and his spokesman at that time, Robert Funseth, of making misleading statements in late 1976 by saying the department had no information on SAVAK spying on Iranian dissidents living in the United States.

Funseth, who is still at State, said that he had "never knowingly made a misleading statement in my two years as a spokesman." Asked if he had personally believed the statement he made on SAVAK, Funseth repeated that he had never knowingly made a misleading statement. "I was provided with guidance that was approved by several senior officials," he said.

"Guidance" is a written statement provided to government spokesmen by other officials to be read to reporters. U.S. officials said that Kissinger had approved the statement given by Funseth.

William G. Hyland, director of State's Bureau of Information and Research under Kissinger and now a

Kissinger assistant, said he could not go into the reasons why he had ordered an FBI telephone tap directed against SAVAK surveillance efforts turned off in January 1975.

An official involved in the incident said that Hyland's role in such matters then was essentially to sign papers after consulting with the involved geographical bureau of the State Department.

Hyland was reportedly told by the department's Bureau for Near Eastern Affairs that the telephone tap on SAVAK in San Francisco was not producing information worth the risk of angering the Iranians.

The report portrayed Iran and Taiwan as the most active of the friendly foreign powers in spying on their nationals in the United States. Yugoslavia also was accused of intimidating dissidents and was linked to assassination plots, while the other communist nation studied, the Soviet Union, reportedly devoted little effort to curbing anti-Soviet views here.