

tween Ozer and Teamster defender William Bufalino. At one point, Bufalino threatened to pull his clients out of the line-up; they were promptly arrested on a holding charge, and a minor fracas ensued before the proceedings got going. The three men finally were displayed in a line-up to witness No. 2, who was camouflaged among four decoys; his written response was passed on in secrecy to the grand jury, and the three men went home to New Jersey.

The Feds, whatever the outcome, were chary of celebrating their new lead—or of predicting an early solution of the mystery. They have been stung by false leads before, and were in no mood for further embarrassment; investigators refused at first to admit it was Hoffa's body they were after in New Jersey, and then held off active digging until they had something more than their informant's unsupported word in hand. "We're not too enthused about it," said one Federal source. "Like everything else, we'll check it out—but we don't expect any big breaks in the near future."

—DENNIS A. WILLIAMS with JAMES C. JONES in Detroit and STEPHAN LESHNER in Washington

THE CIA: Not Guilty

The beleaguered CIA got a reprieve last week: a "not guilty" verdict in the 1973 overthrow of Chile's Marxist President, Salvador Allende Gossens. In a 62-page staff report, the Senate select committee on intelligence observed that even though the agency had had no hand in the coup, it had spent \$13.4 million on covert operations in Chile, beginning with its partial bankrolling of Christian Democrat Eduardo Frei's campaign for the Presidency in 1964 and continuing for the next ten years. In the 1970 election that brought Allende to power, the CIA funded anti-Allende operations ranging from an opposition newspaper, *El Mercurio*, to the painting of anti-Communist graffiti on 8,000 walls. In addition, U.S. businesses spent \$700,000 of their own funds against Allende, the report disclosed, with International Telephone and Telegraph accounting for half that sum.

But all that money may have boomeranged. So conspicuous was the CIA's support for the Christian Democrats that the agency may have given the party the label of a gringo puppet. Concluded the report: "It would be the final irony in decades of covert action in Chile if that action destroyed the credibility of the Chilean Christian Democrats."

November 18, 1973

It All Began With FDR

Three years after the death of J. Edgar Hoover, the de-Hooverization of his FBI was well under way on Capitol Hill last week—and the late director's reputation was becoming badly tarnished in the process. A House subcommittee heard testimony from the former No. 3 man in the bureau, William C. Sullivan, that Hoover's personal files—destroyed on his death—"were just loaded" with derogatory material about important persons, though Hoover's secretary, who did the destroying, said she saw no such thing. A bizarrely hooded onetime informer told the Senate's select committee an intelligence that the bureau had

Church—whose committee has heretofore concentrated on Republican misdeeds—was conspicuously absent from most of the hearings on the illegal snooping of four Democratic Administrations.

The FBI's intelligence-gathering, the report stated, "developed to a point where no one inside or outside the bureau was willing or able to tell the difference between legitimate national security or law-enforcement information and purely political intelligence." Wiretaps were first employed by FDR against his closest aides and readily adopted by five subsequent Presidents, until they culminated in the excesses of Watergate.

Even before Pearl Harbor, the report said, FDR had the bureau run name checks and file reports on hundreds of individuals who had expressed opposition to U.S. entry into World War II.

President Truman, said the study, regularly received "tidbits of political intelligence" from Hoover, and President Eisenhower allowed the director to brief his Cabinet on the extracurricular activities of governors and congressmen in several segregationist organizations. The Kennedy Administration authorized FBI taps on three Agriculture Department employees, two lobbyists and a congressman's secretary, as well as on *Newsweek's* Pentagon correspondent, Lloyd Norman, who had angered the President with his scoops during the 1961 Berlin crisis.

Squad: But it was Lyndon Johnson who refined the use of the FBI as a personal intelligence force—apparently with the acquiescence of his Attorneys General, Nicholas Katzenbach and Ramsey Clark, who testified last week. In 1964, the report confirmed, LBJ ordered the FBI to check out the staff of Barry Goldwater, the Republican Presidential nominee, and to monitor a delegate challenge at his own nominating convention. According to the report, Johnson called up name checks on at least seven journalists and "dozens" of private citizens who were critical of LBJ and the Vietnam war. When the Senate Foreign Relations Committee broadcast its hearings on Vietnam, the FBI was directed to prepare a memo comparing some senators' antiwar statements "with the Communist Party line."

According to Cartha DeLoach, a top FBI aide during the Johnson years, the assassination of John Kennedy had left LBJ understandably jittery and vaguely



James H. W. Atherton—The Washington Post

Informers Rowe and Cook on Capitol Hill: Between the sheets

urged him to sow dissension within the Ku Klux Klan—between the bedsheets, if possible. The committee also released a staff report charging that the FBI had produced secret dossiers, conducted surveillance and installed wiretaps for political purposes on orders from the past six Presidents.

The report seemed to bear out Richard Nixon's contention that he was only following a precedent initiated by his Democratic predecessors when he bugged his White House enemies. And though he claimed that he was only fulfilling long-standing speaking engagements, Democratic Sen. Frank

suspicious that the CIA had been somehow involved, Johnson "became somewhat obsessed with fear that he might be assassinated," recalled DeLoach. "He insisted on FBI agents as bodyguards on street corners to supplement the Secret Service." After one of DeLoach's teenage daughters tied up his home phone for eighteen minutes one evening, Johnson decided to install a direct White House line to DeLoach. The DeLoach family was leaving for church the following Sunday when two White House technicians arrived with the hot line. DeLoach directed them to his den. "Oh, no," one of the workers told him. "The President said to put it in your bedroom."

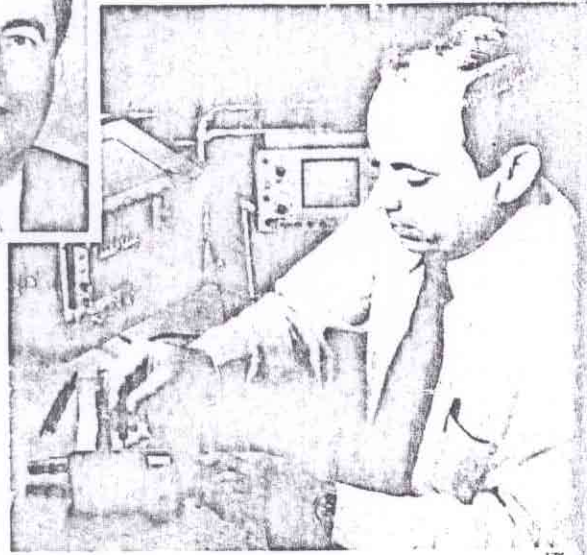
The Senate committee also heard from informers for the FBI. Mary Jo Cook, who signed on at the bureau because "it was more exciting working as an inform-

by the FBI. The FBI did stop 35 armed Klansmen from reaching Tuscaloosa to cheer on Gov. George Wallace's school-door stand in 1963, Rowe recalled; the next day, however, a local judge returned their weapons to the Klansmen with the admonition to "use them well."

FBI deputy associate director James Adams maintained that the FBI's hands had been tied and termed the Klan watch "the FBI's finest hour," but he begged for guidelines. "Otherwise, we'll be kicked around for a hundred years," he said, "damned if we do and damned if we don't." Clark called for the abolition of paid informers and electronic surveil-

lance and urged the opening of the agency's massive files. Katzenbach suggested that Hoover "served too long and that misdeeds might be averted in the future simply by the committee's airing of the past. The Justice Department was preparing a set of guidelines somewhere between those two extremes, to be sent to Congress within the next few weeks. Among the reforms reportedly being considered by Attorney General Edward Levi was a rule that, on narrowly defined occasions—to prevent violence, for example—the FBI might deliberately deceive the public. The Justice Department itself was divided over that notion, however—and a Congress bent on de-Hooverizing the FBI may well prove reluctant to approve the agency's lies.

—SANDRA SALMANS with STEPHAN LESHNER in Washington



Kaiser, Mohr (top) and the ruins of the burnt-out Blue Ridge Club: 'This is a matter of some real concern'

ant than working as a teller in a bank," wistfully recalled trying to persuade the FBI that the Vietnam Veterans Against the War was not Communist-directed. The most sensational witness was Gary Rowe, a onetime Ku Klux Klan infiltrator who protected his new identity as a California private eye under a baggy white hood. Rowe, who informed on the Klan in the early '60s and was in the car from which other Klansmen fatally shot civil-rights worker Viola Liuzzo in 1965, testified that he had been told to do anything to disrupt the Klan—even to spy on their sex lives and "sleep with as many wives as I could."

Charges: His graver allegation was that the FBI failed to use his tips to prevent violence. Rowe said he warned the bureau well in advance of Klan schemes to attack Freedom Riders in Birmingham, Ala., in 1961. Even so, he said, the attack—with baseball bats, clubs, chains and pistols—was ignored by the local police and observed from a safe distance

Case of the Cozy Cutout

In J. Edgar Hoover's day, FBI agents knew full well that they would get a quick ticket to Butte, Mont., if they botched their paper work—or got caught kiting their telephone vouchers by as much as a dime. But in recent weeks, the bureau's record for Boy Scout's honor has come in for some painful scrutiny, and the agency now faces a new embarrassment: an in-house investigation stemming from reports of questionable fraternization between G-men and businessmen, inflated contracts for snooping gear—and a sudden fire in a woodsy rod-and-gun club that was once favored by some of the FBI's most powerful top brass.

NEWSWEEK learned last week that FBI director Clarence M. Kelley has ordered a special inquiry to clear up the murky affair. The principals all appear respectable. They include Joseph Tait,

president of U.S. Recording Co., a Washington-based electronics firm that has been supplying the FBI with gun shoe gadgets since 1937; John P. Mohr, who retired in 1972 as the FBI's No. 1 man; and Martin Kaiser, an independent and spirited manufacturer of fountain pen microphones and other exotic electronic paraphernalia.

Kaiser told the House intelligence committee last October that U.S. Recording had served as a front to funnel secret surveillance gear made by other contractors to the FBI. He also alleged that the firm had charged an exorbitant markup—up to 30 per cent—on about \$100,000 worth of gear. What sparked the interest of the committee investigators was the fact that Tait and Mohr (who had been in charge of purchases for the bureau) had been friends for years, as well as poker partners with other FBI officials at the