

## AMERICAN NOTES

## Washington Stirs

Something was happening last week in Washington. There was more open, glorious debate on more subjects than anyone could remember in recent years. The old mess of democracy had returned—and that looked all to the good.

The CIA was under scrutiny; so was Henry Kissinger. Ford launched himself into foreign policy with a speech on food and oil. The President directed that income tax returns were not to be scrutinized except on his order—in writing. He decreed no more politics in the civil service. There was an amnesty program of sorts. Ford even found time to greet the one millionth visitor to the White House in 1974: Patti Albers, 9, who came with her seven-year-old sister Kelly.

To the pinched eyes of Nixon loyalists around this city, it probably seemed hopeless: there was no apparent order, and very little secrecy. But it all represented, one would hope, the first whiff of the Federal Government again beginning to function as it should. Right or wrong, Ford was making firm decisions. The CIA flap, however embarrassing, indicated that the U.S. was coming to grips with the realities of the world and the national mood. Henry Kissinger was being reduced from God to just a

FORD WITH PATTI (LEFT) &amp; KELLY ALBERS



very good Cabinet officer. The fact that Rockefeller's \$182 million was being laid out for scrutiny suggested there would be no sacred cows for a spell.

New directions, new pressures, new voices: it all made for a healthy web of creative tension.

## Tale of Two Cities

More than a century ago, Boston was a sternly self-righteous center of abolitionist sentiment, while Montgomery, Ala., was the capital of the Confederacy. After World War II, Bostonians played a major role in carrying the crusade for civil rights to the South, and Montgomery remained one of the obdurate centers of resistance.

Thus there is a particularly bitter irony in the contrast between two recent events involving the two cities. Last month the Federal Government decided that Montgomery was so peaceful that the guards could be safely removed from the home of U.S. District Judge Frank M. Johnson. Armed men have been standing watch nightly since 1956, when two fiery crosses were burned on Johnson's lawn, apparently in protest against his liberal decisions on civil rights.

While all was calm in Montgomery, Boston was still reeling from angry demonstrations against the busing of black children to schools in white neighborhoods. In the city that had done so much to advance the cause of civil rights, a group of Ku Klux Klan members arrived last week to stir up more trouble, as did a contingent of neo-Nazi white supremacists from Virginia.

## Fantasy in Atlanta

Chicken for 28¢ per lb. Five pounds of flour for 48¢. Six bottles of soda for 38¢. A decade ago? A generation ago? No, this month in Atlanta, where the Richway food stores rolled back prices in the hope of attracting some attention.

They got it all right. Housewives jammed by the thousands into the chain's five supermarkets. Check-out lines stretched far back down the aisles. Produce men wheeling out huge dollies of potatoes were clawed at as if they were so many Robert Redfords. Customers jostled for position as giant baskets of chickens were dumped into counter bins. One strong-armed customer managed to walk out with 36.

It was delightful nostalgia, a reminder of times past when a family could afford to eat without thinking about the price. The customers were smiling in Atlanta, something few Americans have done in grocery stores for years. But with the sale over, reality—and inflation—returned. Chicken was going for 54¢ per lb., five pounds of flour for 98¢, and a six-pack of soda was up to \$1.09.

## INTELLIGENCE/COVER STORY

## The CIA: Time

*Question: "Under what international law do we have a right to attempt to destabilize the constitutionally elected government of another country?"*

*Answer: "I am not going to pass judgment on whether it is permitted or authorized under international law. It is a recognized fact that historically as well as presently, such actions are taken in the best interest of the countries involved."*

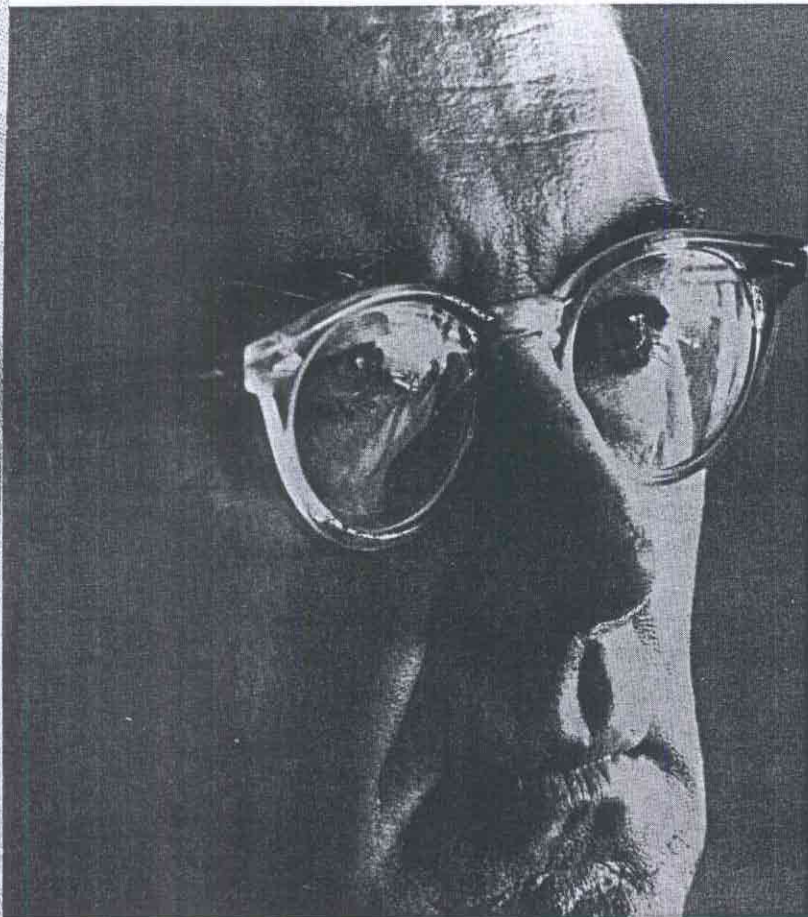
That blunt response by President Gerald Ford at his press conference last week was either remarkably careless or remarkably candid. It left the troubling impression, which the Administration afterward did nothing to dispel, that the U.S. feels free to subvert another government whenever it suits American policy. In an era of détente with the Soviet Union and improving relations with China, Ford's words seemed to represent an anachronistic, cold-war view of national security reminiscent of the 1950s. Complained Democratic Senator Frank Church of Idaho with considerable hyperbole: "[It is] tantamount to saying that we respect no law save the law of the jungle."

The question on "destabilizing" foreign governments followed Ford's confirmation that the Nixon Administration had authorized the Central Intelligence Agency to wage an \$8 million campaign in 1970-73 to aid opponents of Chilean President Salvador Allende's Marxist government (see box page 21). Until last week, members of both the Nixon and Ford Administrations had flatly denied that the U.S. had been involved in undermining Allende's regime. They continue to insist that the CIA was not responsible for the 1973 coup that left Allende dead and a repressive right-wing junta in his place.

Congressmen were outraged by the news that they had once again been misled by the Executive Branch. More important, disclosure of the Chile operation helped focus and intensify the debate in Congress and the nation over the CIA: Has the agency gone too far in recent years? Should it be barred from interfering in other countries' domestic affairs? Where it has erred, was the CIA out of control or was the White House at fault for misdirecting and misusing the agency? Should it be more tightly supervised, and if so, by whom? In addition, the controversy spotlighted the fundamental dilemma posed by an open, democratic society using covert activity—the "dirty tricks" or "black" side of intelligence organizations—as an instrument of foreign policy.



## to Come In from the Cold



CENTRAL INTELLIGENCE AGENCY DIRECTOR WILLIAM E. COLBY  
*"There's nothing wrong with accountability."*

At the center of the storm was William Egan Colby, 54, the CIA's director for the past year. Shrewd and capable, Colby has sought from the day he took office as director to channel more of the CIA's efforts into the gathering, evaluation and analysis of information and less into covert actions—the "operational" side of the intelligence business. Says he: "The CIA's cloak-and-dagger days have ended."

**Certain Actions.** But obviously, not quite. It was Colby who oversaw the last months of the CIA activity in Chile as the agency's deputy director for operations in 1973, though this operation apparently ended shortly after he became director. But it was also Colby who disclosed details of the covert action to a closed hearing of the House Armed Ser-

VICES Subcommittee on Intelligence last April 22. A summary of his testimony was leaked to the press two weeks ago. By the time Ford met with the press, Colby's revelations were more than a week old; the President had been briefed by Secretary of State Henry Kissinger and doubtless was ready to field reporters' questions. Said Ford: "Our Government, like other governments, does take certain actions in the intelligence field to help implement foreign policy and protect national security. I am informed reliably that Communist nations spend vastly more money than we do for the same kind of purposes."

Since so much had already leaked out, Ford perhaps had no choice but to make an admission. But his statement seemed to set no or few limits on clan-

destine intervention in another country. A somewhat sharper but still highly flexible limit was set afterward by Kissinger. He told TIME: "A democracy can engage in clandestine operations only with restraint, and only in circumstances in which it can say to itself in good conscience that this is the only way to achieve vital objectives."

Moreover, there was an unsettlingly disingenuous quality to Ford's words. Was the intent of the Chilean operation really to preserve freedom of the press and opposition political parties, as he insisted, or simply to undermine Allende? In this context, it is worth noting that after the coup, the U.S. did not object when the new military regime banned all political parties and shut down all opposition publications.

There were other disquieting notes in the statement. Ford described the operation as being "in the best interest of the people of Chile"—a throwback to an America-knows-what's-best-for-you line of years past that was particularly offensive to many countries. In addition, Ford did not make the small but crucial distinction between intelligence gathering and covert operations, which led some critics to suspect that he was not wholly familiar with the subject.

**Misled Congress.** There was a degree of ingenuousness, perhaps even hypocrisy, in much of the indignation, since the CIA is widely known to have carried out Chile-style operations elsewhere before. What galled Congress and many other U.S. and foreign leaders was the fact that members of the Nixon Administration had repeatedly misled Congress about the Chile operation. At his confirmation last year as Secretary of State, Kissinger assured the Senate Foreign Relations Committee that since 1970, the U.S. had done nothing in Chile except try to "strengthen the democratic political parties"—although critics argue that fostering strikes and demonstrations amounted to a lot more than that. During another hearing, then CIA Director Richard Helms was asked if the CIA had passed money to Allende's political opponents. Helms' response: "No, sir." Former Assistant Secretary of State for Latin American Affairs Charles A. Meyer, former Ambassador to Chile Edward Korry and other Administration officials gave similar testimony, though they may not have known about the operation.

The revelations, and Ford's confirmation of them, stunned many in Congress. "Unbelievable," declared Democratic Senator Walter F. Mondale of Minnesota. "Unsavory and unprincipled," said Church. Democratic Senator Stuart Symington said that the disclosure "certainly does not coincide with the testimony that this committee [Foreign Relations] has received." The com-





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"The CIA did it. Pass it along."

mittee launched a review of the testimony and a probe into the Chilean affair.

Anxious to heal the rift with Congress, Ford and Kissinger briefed nine senior Congressmen at breakfast the next day on Chile and covert affairs in general. Later, at a previously scheduled hearing on détente, Kissinger reiterated before the Senate Foreign Relations

Committee that the intent of the CIA operation in Chile was merely to keep the Allende opposition alive and "not to destabilize or subvert" his government. Kissinger also conducted two separate briefings at the Senate. Still, Congress was neither convinced nor mollified. As the week progressed, growing numbers of Representatives and Senators called for an all-out review of the CIA.

## Director Colby on the Record

In a rare on-the-record interview with TIME Correspondent Strobe Talbott, Director William Colby defended the CIA against its critics, ranged over the current functions of the agency, and discussed future prospects. Highlights:

### **Why does the CIA intervene in other nations' internal affairs?**

I'm not saying we're engaged in a campaign to bring democracy to the world. That's not what the U.S. Government expects from this agency. We're expected to carry out U.S. policy. Over the years, we've helped democratic forces rather broadly. In those cases where we have got involved with military regimes, we did so because there was a greater danger from some place else. I don't think we've toppled democratic regimes, and I don't think we did so in Chile. First, we didn't bring about the coup, and second, the Allende regime was not democratic. Granted the military regime is not democratic, I don't think a Communist regime is democratic.

Our program in Chile was to sustain the democratic forces against the Allende political forces, which were suppressing various democratic elements in a variety of ways—harassing radio stations, harassing some parts of the press and some political groups. We looked forward to the democratic forces coming to power in the elections of 1976.

### **To what extent had Communist forces intervened in Chile?**

Castro spent about a month down there in the late spring of 1973. There were a lot of extremist exiles in Chile from other countries in Latin America. There was a lot of assistance going into Chile from Cuba and other Communist sources. There are indications that there was some Soviet activity. They were putting some money in, as well as hardware of various sorts. This was a program to support an eventual takeover in what I would call a nondemocratic fashion—suppressing the opposition and extending Communist influence elsewhere in the hemisphere.

The affair served to confirm all the worst suspicions about the CIA and its exaggerated image as a vast conspiracy. Reaction abroad ranged from incredulity to dismay. The London *Times* called the revelations "a bitter draught" for those who regard the U.S. as "sometimes clumsy, often misunderstood, but fundamentally honorable in its conduct of international affairs." West Germany's *Frankfurter Allgemeine Zeitung* predicted that "the disconcerting naiveté with which President Ford enunciated his secret service philosophy" would have a "provocative" effect.

**Grave Decadence.** That was the case in the capitals of the so-called Third World. From New Delhi, U.S. Ambassador Daniel Patrick Moynihan angrily cabled the State Department that he had assured Prime Minister Indira Gandhi that the CIA had not been involved in the Chilean coup. Now, he said, she wondered whether India might not be next. Many Latin Americans shrugged; the episode seemed to confirm their suspicions that the CIA invariably is behind the continent's frequent upheavals—political and otherwise.

Some cynical foreign reaction was not so much concerned with the CIA activities themselves as with their becoming known. Said a former President of Argentina: "If you ask me as an Argentine, the CIA intervention in Chile was wholly illegal interference in the sovereignty of another state. If you ask me to see it from the point of view of an American, the fact that Senators and Congressmen can interfere with the na-

### **Will the CIA continue to mount covert operations?**

The CIA has three major functions: science and technological work, analysis, and the clandestine collection of intelligence. Now there's been a fourth responsibility, and that is positively influencing a situation through political or paramilitary means. That's the one that goes up and down depending on national policy. Right now it's way down.

The degree of our involvement in covert activities reflects the kind of world we live in. If it's a world where two superpowers are peering over the fence at each other, then it's a matter of concern when a hostile political group is about to take over a country. But if it's a world in which we've worked out a relationship of reasonable restraint, or détente, with the other superpowers, then it won't matter to us who runs one of these countries in a far-flung area. Of course, something very close to us might still be important for political or security reasons. There may still be certain situations where U.S. interests—and I don't mean corporate interests, but fundamental political interests—can be adversely affected. In some of those



tional security interests of the country for political motives indicates a grave decadence in the system."

The uproar recalled two earlier CIA fiascos: the Bay of Pigs disaster in 1961 and the revelation in 1967 that the agency for years had partly funded and manipulated the National Student Association and dozens of business, labor, religious and cultural groups. Both flaps overshadowed the positive services that the CIA had rendered before; there were demands for greater restraint by the CIA and closer control by the Executive Branch, but no real changes came.

The Chilean affair, however, potentially has more lasting impact, for the agency has already been badly bruised by the Watergate scandals. Says Michigan Representative Lucien Nedzi,

chairman of a House committee that oversees the agency: "I don't believe that the CIA will ever be what it was before."

Agency officials have admitted that despite laws against domestic CIA activity, they supplied one of the White House "plumbers," former CIA Employee E. Howard Hunt, with bogus identification papers, a wig, a speech-alteration device, and a camera in a tobacco pouch. In addition, the agency provided the White House with a psychological profile of Daniel Ellsberg.

**Political Police.** Much to the agency's discomfiture, criticism has come from disillusioned former CIA employees. For two years, the agency struggled in court to stop publication of *The CIA and the Cult of Intelligence*, whose principal author is ex-CIA Officer Victor

Marchetti. The book accused the agency of using outmoded cold war methods and urged that it be prohibited from intervening in other nations' affairs under any circumstances (TIME, April 22).

Another critical book, *Inside the Company: A C.I.A. Diary*, will be published in London this January. In it Author Philip Agee, who, after twelve years of undercover exploits for the CIA in Latin America, switched to the side of the leftist revolutionaries he had been hired to defeat, calls the CIA "the secret political police of American capitalism."

On the contrary, CIA directors have maintained since the agency's founding 27 years ago last week that clandestine actions constitute only a small part of CIA activities. Indeed, over the years, the agency has provided a huge volume of



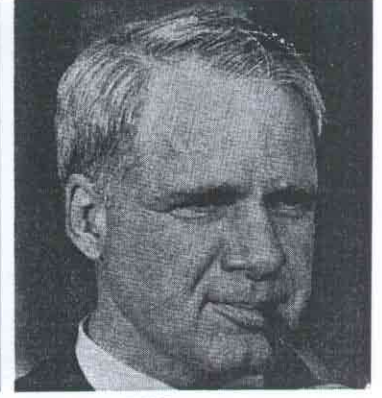
EX-CIA CHIEFS ALLEN DULLES ...



JOHN MCCONE ...



RICHARD HELMS ...



JAMES SCHLESINGER

cases it would be appropriate to take some modest action such as establishing a relationship with somebody who needs the help. But I stress: it's not now our Government's policy to engage in these situations around the world.

#### **How is a covert operation started?**

We follow the traffic with the embassy. We follow the political attitudes that we have toward that country. We generate a specific suggestion in the light of what we think would be national policy. We don't do anything without approval.

Sometimes we get the specific suggestion from the outside—from an ambassador, from the State Department or from the National Security Council staff. They'll say: "Why don't you guys do so and so?" We have the technicians here who decide what is possible and what is not. It's the same sort of thing you get with military activity. How you land troops on a hostile shore is not developed in the White House. The Joint Chiefs develop a proposal. Then if the White House approves it, you go ahead.

But I want to emphasize that we're talking about a very small number of co-

vert actions. Policy is generated at the NSC, not here.

#### **What would you regard as a successful covert action?**

Laos. It was considered important to the U.S. that a country remain friendly and not be taken over by hostile forces. Rather than use our military force or an enormous political effort, you try to influence some key people and key political groups. The Laos operation cost substantial amounts but was cheap compared with other ways of doing business. We were not involved in the 1967 coup in Greece or in the coup in Chile last year.

#### **Should the operational side of the CIA be separated from intelligence gathering?**

That proposal stems from the Bay of Pigs. The problem there was that we didn't let the analysts in on the act. Now senior levels of the analyst community are aware of covert activities and have a chance to comment. In the early years of the agency, we tried conducting intelligence and action operations through

two separate units, but they kept getting in each other's way.

#### **What alternatives to covert operations are possible for the CIA?**

We could not—and did not—conduct the SALT negotiations and reach a SALT agreement until after our intelligence techniques had improved to the degree that we could tell whether the Soviets were going to abide by the agreements. On a number of occasions, we have identified a situation that was getting very sour in some country or between two countries. By reporting the facts and our assessment, we generated diplomatic action so that the trouble we predicted did not happen. For instance, peace arrangements might have broken down, but because of our intelligence, negotiations saved the situation.

In the future this sort of intelligence will help our country in negotiations and diplomatic relationships. As a result, we will be less likely to get into screaming crises, and there will be less need for covert action. It will be the increasing responsibility of the CIA to give our leaders the knowledge necessary to move into a dire situation and defuse it.



THE NATION

reliable analysis and intelligence data that has served in part as the basis for U.S. defense and foreign policies. But Marchetti reports that the CIA devotes two-thirds of its annual budget (which totals around \$750 million) and some 60% to 70% of its estimated 5,000 overseas employees to clandestine operations.

That evidently was not the intent of Congress in creating the CIA and giving it almost complete autonomy to safeguard its secrecy. Originally the agency's principal task was to gather intelligence and keep the Government informed about other countries, particularly the Communist nations.

That mission was incorporated symbolically into the CIA's seal: an eagle signifying strength and alertness, and a compass rose representing the collection of intelligence data from all over the world. But as the cold war grew, so did the scope of the CIA's duties. The law provided that in addition to collecting information, the CIA was "to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct." Under that directive, the CIA actively began trying to penetrate and even roll back the

Bamboo and Iron Curtains, and to counter Communist influence in other countries. Its methods included support of pro-American political parties and individuals, covert propaganda, economic sabotage and paramilitary operations.

**Under Cover.** In theory, at least, the station chiefs who head CIA offices overseas operate under the cover of some innocuous-sounding embassy job such as attaché or special assistant. In practice, some chiefs are well known and some remain under deep cover, depending on the nature of the country. In London, for example, practically anyone who is interested can learn the identity of the CIA station chief; his arrival was even disclosed in the *Manchester Guardian*. In Saigon, the station chief's identity is well known but, by tacit agreement, never publicized by reporters. In politically turbulent countries, the identity of the station chief is a closely guarded secret. Warns one U.S. ambassador in South America: "If he is named, he will have to be recalled or his life won't be worth a nickel."

The extent of their duties also varies widely. In Hong Kong and Taiwan, the CIA operatives are all ears but no hands, their activities confined to monitoring radio broadcasts from the mainland, interviewing refugees and other information gathering.

By his own less than impartial account, Agee's main function for the CIA was to recruit agents in Latin America. In nearly every case, he says, the lure was money. He describes the CIA method of snaring an agent: "You start out by giving him money for his organization—lots of it—knowing that he will eventually take some for himself. When he gets dependent on it, you move in." Once hooked, the recruit is given a lie detector test to discover his weaknesses. Continues Agee: "Then it all hangs out. He can go on serving you as a spy for the rest of his life."

Americans usually learn of the agen-

cy's covert actions only when they fail so spectacularly that they cannot be kept secret. Examples: the U-2 incident in 1960, when the Soviets shot down the spy plane piloted by Francis Gary Powers; the CIA-directed invasion of Cuba in 1961; the Chilean operation. Over the years, there were successes for the CIA as well: the 1953 coup that deposed Premier Mohammed Mossadegh (who had nationalized a British-owned oil company and was believed to be in league with Iran's Communist Party) and kept pro-American Shah Mohammed Reza Pahlavi on the throne of Iran; the 1954 revolution that overthrew the Communist-dominated government of President Jacobo Arbenz in Guatemala. The CIA has been suspected of participating in the 1967 military coup in Greece, the capture and killing in 1967 of Cuban Revolutionary Che Guevara in Bolivia, and the 1970 overthrow of Prince Norodom Sihanouk of Cambodia.

The CIA was deeply involved in the war in Southeast Asia. Starting in 1962, it organized and equipped an army in Laos to fight the Communist Pathet Lao. The army, which grew to 30,000 men, costs the U.S. at least \$300 million a year, but Colby credits it with having prevented a Communist takeover.

**Prison Camps.** The chief justification for CIA operations is that the other side is doing the same—and more. Communist powers have an advantage over Western democracies. Communist parties can be directed from Moscow or other Communist centers (although in recent years many have become more independent) but take the guise of local political movements. Moreover, Communist dictatorships without inquisitive legislatures or press can organize and finance secret operations in other countries in a way that no open society can. Unlike American leaders, Communist leaders never acknowledge such activities. The Soviet Union's KGB, headed by Yuri Andropov, regularly runs what the Russian bureaucrats call *aktivniye meropriyatiye* (literal translation: active measures). The KGB's budget is unknown, but it has about 300,000 employees, many of them assigned to domestic duties like operating the vast network of prison camps. Overseas, a majority of the Soviet embassy personnel are KGB officers.

As with the CIA, the KGB's failures are better known than its successes. The organization apparently no longer commits political assassinations abroad, but it does try to subvert or overthrow unfriendly governments—as in the Congo (now Zaïre) in 1963 and Ghana in 1966. In Mexico, authorities uncovered a KGB-sponsored guerrilla group in 1971. Just last week officials in Belgrade disclosed an unsuccessful Soviet attempt to set up a pro-Moscow underground party in Yugoslavia. Moreover, the KGB's Disinformation Department tries to sow suspicion abroad by circulating false rumors and forged documents. A case in

MOHAMMED MOSSADEGH    JACOBO ARBENZ



CUBAN EXILES AFTER SURRENDERING DURING THE BAY OF PIGS INVASION (1961)



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## Chile: A Case Study

The U.S. began its heavy investment in the political fate of Chile in the early 1960s. President John Kennedy had met Eduardo Frei, leader of the Christian Democratic Party in Chile, and decided that he was the hope of Latin America. Frei was a man of the left, but not too far left, a man who was not hostile to U.S. interests and just might be able to achieve needed reform without violent revolution. When Frei faced Salvador Allende, a self-professed Marxist with a Communist following, in the 1964 election, the U.S. made no secret of where its sympathies lay.

Frei became the recipient of American political advice, encouragement and hefty financial aid. Between 1962 and 1965, the U.S. gave Chile \$618 million in direct economic assistance—more per capita than any other Latin American country. In a diary due to be published in Britain this year, former CIA Operative Philip Agee describes how he was called upon for assistance from his post in Montevideo in 1964: "The Santiago station has a really big operation going to keep Salvador Allende from being elected President. He was almost elected at the last elections in 1958, and this time nobody's taking any chances. The trouble is that the office of finance in headquarters [Langley, Va.] couldn't get enough Chilean escudos from the New York banks; so they had to set up regional purchasing offices in Lima and Rio. But even these offices can't satisfy the requirement, so we have been asked to help." The results were gratifying. Frei won with 56% of the vote, and the future of Chile seemed to be assured.

But from the outset, Frei ran into trouble. He was attacked by the right for moving too fast and by the left for going too slowly. Allende's Socialist Party continued to grow, picking up defecting left-wing Christian Democrats and uniting with other opposition parties. It became a case for the CIA. A station chief had been sent to Santiago in 1964; later the agency's presence began to multiply in preparation for the 1970 election, when Frei would be constitutionally barred from seeking a second term and Allende would pose more of a threat than before.

TIME has learned that a CIA team was posted to Chile with orders from the National Security Council to keep the election "fair." The agents interpreted these instructions to mean: Stop Allende, and they asked for a whopping \$20 million to do the job. They were given \$5 million and ultimately spent less than \$1 million. "You buy votes in Boston, you buy votes in Santiago," commented a former CIA agent assigned to the mission. But not enough votes were bought; Allende had a substantial following. He was prevented from winning a majority, but with only 36% of the vote he narrowly won a three-way race that was finally decided in the Chilean Congress. CIA officials in Washington were furious.

The Nixon Administration saw the Allende regime as more of a threat than Cuba to the hemisphere. The White House feared that Chile would serve as a base for South America's revolutionary left as well as a convenient outpost for the Soviet Union. So many Marxist activists were pouring in from Cuba, Czechoslovakia and China that a special team of CIA clerks was dispatched to Chile to start indexing thousands of cards on their activities. Publicly, Henry Kissinger warned of the domino effect in Latin America. If Communism could find a secure berth in Chile, it would be encouraged to spread throughout the continent. Privately, the 40 Committee, the top-level intelligence panel headed by Kissinger, authorized \$8 million to be spent to make life even tougher for Allende than he was making it for himself.

The extent of the CIA's involvement was revealed earlier this month by congressional sources who had been privy to earlier testimony by CIA Director William Colby. Further details have been supplied by other agency officials. Precisely how much was spent by foreign Communists—principally Moscow—to get Allende into office and then to keep him

there is not known. Most Western intelligence experts figure that the CIA campaign was scarcely comparable in terms of expenditures or intensity. Nonetheless, the agency went further than even many of its critics imagined.

For a Marxist government, the Allende regime had moved relatively slowly toward suppressing free institutions. But the CIA believed it was only a matter of time before all dissent would be muffled. Approximately half the CIA funds were funneled to the opposition press, notably the nation's leading daily *El Mercurio*; Allende had steered government advertising to the papers supporting him while encouraging newspaper prices to rise high enough to bankrupt the others. Additional CIA funds went to opposition politicians, private businesses and trade unions. "What we were really doing was supporting a civilian resistance movement against an arbitrary government," argues a CIA official. "Our target was the middle-class groups who were working against Allende."

Covert assistance went beyond help for the democratic opposition. The CIA infiltrated Chilean agents into the upper echelon of the Socialist Party. Provocateurs were paid to make deliberate mistakes in their jobs, thus adding to Allende's gross mismanagement of the economy. CIA agents organized street demonstrations against government policies.

As the economic crisis deepened, the agency supported striking shopkeepers and taxi drivers. Laundered CIA money, reportedly channeled to Santiago by way of Christian Democratic parties in Europe, helped finance the Chilean truckers' 45-day strike, one of the worst blows to the economy. Moreover, the strikers doubtless picked up additional CIA cash that was floating round the country. As an intelligence official notes, "If we give it to A, and then A gives it to B and C and D, in a sense it's true that D got it. But the question is: Did we give it to A knowing D would get it?"

While owning up to CIA efforts to weaken Allende, Colby insists: "We didn't support the coup, we didn't stimulate it, we didn't bring it about in any way. We were quite meticulous in making sure there was no encouragement from our side." Most U.S. policymakers would have preferred that Allende be ousted in democratic fashion at the election scheduled for 1976. That kind of exit, they feel, would have decisively proved the bankruptcy of his policies.

Clearly the CIA considers the junta to be the lesser of two evils. Still, it rates the Chilean enterprise a failure since it ended in military dictatorship. Several years of dangerous, costly and now nationally divisive intervention in another country's internal politics might better have been avoided. Though Soviet propaganda blames the CIA for the Chilean coup and the death of Allende, Soviet intelligence analysts do not give the CIA any credit. The Russians think the fault lay with Allende himself for not being enough of a strongman. He temporized with constitutional processes when he should have disregarded them. He did not follow the example of Fidel Castro, who executed more than 1,000 of his opponents when he came to power; 15 years later, he still rules Cuba. Nor did the CIA have any better luck against him.

THE NEW YORK TIMES



ALLENDE'S LAST HOURS





AGENCY HEADQUARTERS (INSET: CIA SEAL)  
An end to cloak-and-dagger days?

point: the KGB campaign now going on to convince Indians that American exchange scholars and Peace Corps volunteers are actually CIA agents.

Communist China's equivalent of the CIA and KGB is so secret that the Chinese are believed not to even have a name for it. Among Western Sinologists, it is known as the Chinese Intelligence Service and is believed to be part of the foreign ministry's information department. The service's primary job is to sift intelligence data from members of Chinese embassies and overseas news correspondents, who act as secret agents. The Chinese Communist Party, however, does funnel funds to revolutionary groups abroad, particularly in Asia and Africa. From time to time, Chinese covert operations also have failed spectacularly. In 1965, Indonesia reacted to China's attempt to sponsor a revolution in the archipelago by butchering tens of thousands of Communists.

**Phoenix Program.** Few men understand better these clashes of anonymous armies on darkling plains or are more practiced in the covert arts than the CIA's William Colby, who has spent most of his adult years in the world of spies. Son of a career Army colonel, he is a Princeton graduate who worked for the Office of Strategic Services during World War II. In 1943 he parachuted into France to join a Resistance outfit. Later, he headed a unit that was dropped into Norway to sabotage a railway line.

Mustered out as a major, Colby earned a law degree from Columbia. He practiced law in New York until the Korean War, when he joined the successor organization to the OSS, the CIA. After serving in Stockholm and Rome, he was named CIA station chief in Saigon in 1959. Three years later he became chief of the CIA's Far East division in Washington. He returned to Saigon in 1968 to take charge of the pacification effort, which included the notorious Phoenix program. By 1971, Phoenix had caused

the deaths of 20,587 Viet Cong members and sympathizers, according to Colby's own count. He explains, however, that when he took over, a year after the program began, he "laid stress on capturing rather than killing." In discussing the victims, he claims that "87% were killed by regular military in skirmishes."

To all outward appearances, Colby is unsuited for dirty tricks. "I'd call him an enlightened cold warrior," says a CIA officer. "But remember that this business is cold." In 1971, Colby went back to the CIA labyrinth in Langley, Va.

His private life-style matches his professional modesty. Father of four (a fifth child died last year), he lives inconspicuously in an unpretentious house in suburban Maryland. He does not smoke, drinks only an occasional gin-and-tonic or glass of wine, and is a devout Catholic. His favorite recreations are sailing and bicycling.

Since taking over as director, Colby has tried to reform the CIA's operations and rehabilitate its reputation. To woo support, he has made a point of being more open and candid than his predecessors. He has in effect undertaken a task that to many seems self-contradictory: to be open about operations that by definition must be secret. Who ever heard of an espionage chief being publicly accountable? So far this year, Colby and other CIA officials have testified before 18 congressional committees on 30 occasions. Colby estimates that he has talked with 132 reporters in the last year, though rarely for quotation.

He has also made more public speeches than any previous CIA director. Recently, for example, he agreed to speak at a conference on the CIA and covert actions, which was sponsored in Washington, D.C., by the Center for National Security Studies. When associates warned that he would be up against a stacked deck, Colby shrugged: "There's nothing wrong with accountability." The conference was dominated by crit-

## THE NATION

ics like Ellsberg, who harangued Colby for 20 minutes, and Fred Branfman of the Indochina Resource Center, who accused the director of telling "outrageous lies." Colby kept his temper.

With Colby's encouragement, eleven agency analysts, wearing lapel tags labeled CIA, attended the recent Chicago convention of the American Political Science Association. Explains Gary Foster, the agency's coordinator for academic relations: "We wanted to demonstrate that we are a functioning, bona fide research organization." In addition, Colby has permitted the agency's analysts to publish articles in scholarly and popular journals under their own names and CIA titles. At the same time, however, Colby has lobbied in Congress for a bill that would make unauthorized disclosures of CIA activities by past and present employees a criminal offense. The bill is now bottled up in committee. If it is enacted, ex-CIA employees like Marchetti and Agee would risk jail for exposing the agency's secrets.

**An Appendage.** Above all, Colby has taken steps to reduce covert actions and direct more of the CIA's energies back to its original mission of intelligence gathering. Spies still have a role in the modern CIA, but the U.S. now depends less on men and more on satellites, high-altitude reconnaissance aircraft like the SR-71, and equipment that intercepts rival nations' secret communications. Such technical advances make the CIA highly successful in collecting military and other strategic information.

Even so, Kissinger complained throughout Nixon's first term that CIA assessments of the state of the world, which were prepared by the agency's Board of National Estimates, were unfocused and useless for policymaking. Last year Colby abolished the twelve-

NOVOSTI—SOVFOTO



KGB BOSS YURI ANDROPOV  
Rumors and forgeries.



member board and replaced it with experts assigned to a country or region. Now they periodically make concrete recommendations through Colby to the National Security Council. The result has been to make the CIA in its intelligence work less of a semiautonomous think tank and more of an appendage of the NSC and the White House.

Many skeptics view Colby's greening of the CIA, his assurances of reform and restraint (*see interview page 18*) as deceptive. They think these steps are designed merely to enable "the firm" (as it is sometimes known) to carry on business as usual. But Colby clearly realizes that he faces a serious questioning of the agency's purposes and function, which is closely related to America's view of its own role in the world.

In the postwar era, covert action seemed eminently justifiable on the grounds that the U.S. was in a mortal struggle with the Communist world. Now that the cold war has abated and Communism is no longer a monolith, many scholars, diplomats and congressional leaders favor ending the CIA's covert operations altogether, leaving it an intelligence-gathering agency.

**No Secret.** The reasons are both moral and practical. Says Richard N. Gardner, an international-law specialist at Columbia University: "Dirty tricks have always been immoral and illegal. Now they also have outlived their usefulness." Former Ambassador to the Soviet Union George Kennan disapproves of covert operations as "improper and undesirable." But he also disapproves for pragmatic reasons: "The fact that we can't keep them secret is reason enough to desist." U.C.L.A. Soviet Specialist Roman Kolkowicz argues: "The track record is deplorable. By and large, these operations have been a series of disasters." Adds Eugene Skolnikoff, director of M.I.T.'s Center for International Studies: "The resulting scandals provide grist for attacks on the U.S., retroactively validate charges—true or false—that the U.S. makes a habit of overthrowing governments, and even exacerbate domestic distrust of public officials."

Last week Democratic Senator James M. Abourezk of South Dakota sponsored legislation that would prohibit the CIA from "assassination, sabotage, political disruption or other meddling in a nation's internal affairs, without the approval of Congress or the knowledge of the American people." That proposal is unlikely to be enacted because most Congressmen believe that restricting the CIA would unwisely limit the President's freedom of action.

Further, says William Bundy, former CIA officer and now editor of *Foreign Affairs*: "The last thing in the world that is ever going to disappear is Soviet covert activities of a political nature. To say détente stops them is grossly naive." Thus Bundy argues that the U.S. should not be precluded from covert actions, but should not use such actions as ex-

tensively as in the 1950s. Bowdoin College Provost Olin Robinson, an authority on intelligence organizations in democratic societies, agrees: "Unless you've got a cast of world characters who are willing to play by a certain set of rules, you're going to have covert operations." In other words, the CIA should be left the capacity for covert action but forbidden to use it except in tightly restricted circumstances.

Colby himself believes that more stress on intelligence gathering will make it less likely that various situations will develop into crises; the occasions where covert action might be considered would thus be reduced. But he maintains that to prohibit the CIA from conducting any covert actions would "leave us with nothing between a diplomatic protest and sending in the Marines."

Ideas vary about what limits should be set. Harry Howe Ransom, professor of political science and an intelligence

covert operations and 2) tighter control.

Most experts doubt that "dirty tricks" can be separated from intelligence gathering. Explains Richard Bissell, onetime head of CIA covert operations: "The gathering of information inevitably edges over into more active functions, simply because the process of making covert contacts with high-ranking officials of other nations gives the U.S. influence in them." To eliminate that problem, the U.S. could run two separate agencies. Bissell claims that this idea was found to be impractical by both Britain and Germany in World War II because agents kept "running into each other."

The case for closer surveillance is much stronger. Says Kolkowicz: "Entrusting covert operations to a secretive agency lacking effective supervision amounts to leaving policy to faceless bureaucrats whose judgment is questionable." Although somewhat exaggerated,

BRACK—BLACK STAR



COLBY & HIS WIFE BARBARA IN THEIR SUBURBAN MARYLAND HOME  
An unusual degree of openness and candor.

specialist at Vanderbilt University, believes that "covert operations represent an act just short of war. If we use them, it should be where acts of war would otherwise be necessary." Ransom would permit covert actions only when U.S. security is clearly in jeopardy. William T.R. Fox, professor of international relations at Columbia University, would additionally permit them "to undo the spread of Hitler and other like governments." Dean Harvey Picker of Columbia's School of International Affairs would allow clandestine operations to prevent nuclear war. As Senator Church points out, however, the "national security considerations must be compelling" for covert action to be justified. For his part, Colby declines to say under what precise circumstances he would favor covert action.

Many critics who concede the need for covert action in some cases nevertheless propose two other reforms: 1) separating intelligence gathering from

his warning reflects widespread concern that the CIA may be too independent.

The CIA takes its orders from the 40 Committee, which has existed under various names since 1948. It screens every proposal for clandestine activity. Chaired by Kissinger, the committee is made up of Colby, Deputy Secretary of State Robert S. Ingersoll, Deputy Secretary of Defense William P. Clements Jr., and Joint Chiefs of Staff Chairman General George S. Brown. In his book, Marchetti describes the committee as a rubber stamp that is predisposed to give the CIA what it wants. But others say that the committee frequently rejects or orders revision of CIA proposals. Moreover, recommendations for major covert actions like the Chile operation require presidential approval.

Congress's supervision of the CIA is inadequate; in some respects, it is a myth. A Senate subcommittee headed by conservative Democrat John Stennis of Mississippi meets irregularly and has



## THE NATION

almost no staff. Member Symington complains that, from the U-2 incident to the Chile affair, the subcommittee has known less about CIA activities than the press. A House subcommittee chaired by liberal Democrat Nedzi meets more often, but he looks on his responsibility "as making a determination as to whether or not the CIA has acted legally, after or during the fact." Thus no one in Congress knows in advance about potentially controversial CIA operations. Complains Democratic Representative Michael J. Harrington of Massachusetts: "There is a studied inclination in Congress toward noninvolvement, superimposed on a pattern of deference toward the Executive Branch. If the Executive is in the dock, you have got to put the Congress in there too—and firmly."

More than 200 times in the past two decades, Congressmen have sponsored bills and resolutions calling for more effective supervision of the CIA. At least twice, Congress has voted on such legislation, and both times the bills were soundly defeated. Last week Republican Senators Howard H. Baker Jr. of Tennessee and Lowell P. Weicker Jr. of Connecticut made another attempt. Their bill would create a committee of House and Senate members to supervise and regulate the CIA and all other members of the U.S. intelligence committee.

**Possible Leaks.** Its chances of passage are rated better than even, because of the storm over the CIA and because the bill was referred to reform-minded Sam Ervin's Government Operations Committee. But the bill may yet be defeated. Even many members of Congress believe that they should not be entrusted with CIA secrets because of possible leaks. The alternative is to keep Congress uninformed, which seems equally unacceptable.

Whatever the degree to which Congress can be informed—and even critics of the CIA concede that it is tricky for legislators to be in on the decision-making of an espionage agency—there is a clear necessity for Congress to hold the Executive more accountable for what the CIA does.

To some extent, the dilemma over the CIA has to do with an American need to have it both ways: the U.S. wants to be (and to see itself as) a morally responsible country and yet function as a great power in an immoral world. As Bowdoin's Robinson puts it, "There is an inevitable tension between an organization like the CIA and a democratic society. From time to time there will be pulling back when the organization may have gone too far." The U.S. has reached such a point with the revelations about its actions in Chile, which, on balance, are hard to justify. While it cannot rule out covert operations in all circumstances, the nation must remember that it has better and stronger weapons to rely on: its economic and technological weight, its diplomacy, its cultural impact and—though tarnished—its freedom.

## AMNESTY

# Limited Program, Limited Response

As President Ford last week unveiled his program to permit Viet Nam War evaders and deserters to earn their way back into U.S. society, he termed it "an act of mercy to bind the nation's wounds and to heal the scars of divisiveness." But the wounds bled anew. Leaders of veterans' organizations immediately denounced the plan as "a gross injustice" to those who had served, died, and suffered. Members of war resisters' groups assailed it as a "punitive" assault upon men who had been guilty only of "premature morality." Yet Ford's plan, an extremely complex attempt to resolve a national dilemma, doubtless reflected the middle position of most Americans on the issue.

Certainly, there are inequities in Ford's program, which had been opposed as too gentle by the Justice and Defense Departments and some Congressmen. It falls well short of the blanket postwar amnesty that past Presidents extended, and few were rushing to accept it until they could figure out just how it would be administered. If in practice the leniency stressed by Ford prevails over the fairly harsh provisions of the plan, many exiles may return. If the plan is rigidly applied, relatively few may do so.

The key question is whether returnees from abroad and the U.S. underground will have to serve the full two

years in low-paying public-service jobs. Ford's proclamation requires that the jobs be in fields that "promote the national health, safety or interest"—in hospitals, forests, schools and public institutions, usually as menial laborers.

Uncertainty arises because the plan empowers officials to reduce a term on the vague basis of past "honorable service, penalties already paid under law, and such other mitigating factors as may be appropriate to seek equity." These judgments will be made by regional U.S. Attorneys or a military Joint Alternative Service Board at Indiana's Fort Benjamin Harrison under general guidelines from their Washington superiors. The scheme is designed to minimize inequities stemming from local prejudice.

**Incredible Oversight.** The plan for handling deserters contains two sharp differences from the treatment of draft evaders: 1) only deserters must take an oath reaffirming their allegiance to the U.S.; 2) through an incredible oversight (privately admitted by the Pentagon but publicly denied as a mistake by the Justice Department), deserters can escape serving the alternate public-service work. They will be given "undesirable discharges" and must pledge to take a compensatory job, but will lose only the benefit of changing their discharge to one termed a "clemency discharge" if they fail to do so. Neither type of discharge is a legal barrier to employment in civilian jobs; both deny veterans' benefits to the holder. Few deserters are likely to find two years of enforced labor worth the distinction.

Men who have already been convicted of draft evasion, including those in prison, will also be



V.F.W. OBJECTOR IN CHICAGO & DRAFT EVADER BITLE IN SAN FRANCISCO  
Gone down the middle to resolve a dilemma.