

INTELLIGENCE

Rattling Skeletons in the CIA Closet

It's been tough going for the Central Intelligence Agency of late. The agency was tarnished by Watergate and embarrassed by revelations that it had spent \$8 million to undermine Chilean President Salvador Allende's Marxist government. Last week threatened to bring even worse opprobrium. On Capitol Hill, the heads of four different committees and subcommittees announced parallel investigations of the CIA to begin when Congress reconvenes. From his vacation retreat in Vail, Colo., Gerald Ford ordered up a report by CIA Director William E. Colby that was flown

to him by courier plane. The cause of the furor was a story in the New York *Times* charging that for about 20 years the CIA had illegally spied on many American citizens within the U.S.

One immediate consequence was the departure of a little-known but important official, James Angleton, who had served as CIA chief of counter-intelligence. Angleton, it was believed, supervised the domestic espionage operations. But he denied having anything to do with domestic surveillance and insisted that his resignation was solely because of an indiscretion in the course of an interview with the *Times* that could have jeopardized a U.S. agent in Moscow.

The main outline of the domestic spying was drawn by *Times* Reporter Seymour M. Hersh (see THE PRESS). He wrote that the agency had conducted in the U.S. clandestine surveillance operations—including wiretaps, break-ins (known as "bag jobs") and surreptitious interception of mail—and eventually amassed intelligence files on some 10,000 Americans. Hersh disclosed no names, though he mentioned that at least one Congressman had been involved.

Among the targets of CIA surveillance, *TIME* has learned, were Supreme Court Justice William O. Douglas, former Democratic Representative Cornelius E. Gallagher of New Jersey, Democratic Representative Claude Pepper of Florida and the late Democratic Senator Edward V. Long of Missouri. A high CIA official, responding to a *TIME* inquiry, denied that the agency had kept any kind of watch on these public men. But other sources insisted that the surveillance had been conducted.

Such activity would clearly violate the National Security Act of 1947, which states that the CIA "shall have no police, subpoena, law-enforcement powers, or internal-security functions." The law limits the agency's espionage functions to foreign operations. When the CIA follows a target to the U.S. or uncovers a connection between a foreign operative and a domestic group, the case is supposed to be turned over to the Federal Bureau of Investigation.

For the moment at least, the agency was hunkering down. Former Director Richard Helms,

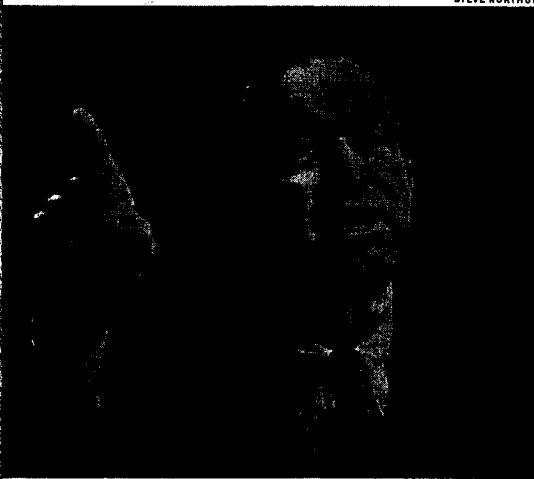
under whose stewardship the most recent abuses ostensibly occurred, is now ambassador to Iran. Before he left Tehran last week for a vacation trip through Europe to the U.S., he "categorically denied" in a cable to the State Department that the illicit operations had taken place. Defense Secretary James Schlesinger, who was Helms' immediate successor, remained silent.

Other members of the intelligence community, however, maintained that the report was exaggerated. One intelligence officer said that the report "suggests, most unfairly, that these violations were systematic and massive rather than aberrations." Some experts theorized that the Hersh figure represents not surveillance in the sinister sense but the number of Americans whose names have been fed into CIA computers under a name-check system. Being included was not necessarily invidious. According to Victor Marchetti, a disillusioned former agency official and co-author of *The CIA and the Cult of Intelligence*, "Into that system go the names of anyone who visited an 'enemy' or politically sensitive country whom the agency might have wanted to debrief. There are also lists from travel companies and airlines and others shared with the agency by Army intelligence or the FBI." Using Actress Jane Fonda as a hypothetical but plausible example—she opposed the U.S. involvement in Viet Nam and visited Hanoi—Marchetti speculates that the CIA computer would probably store the names of all her known business, professional and personal associates.

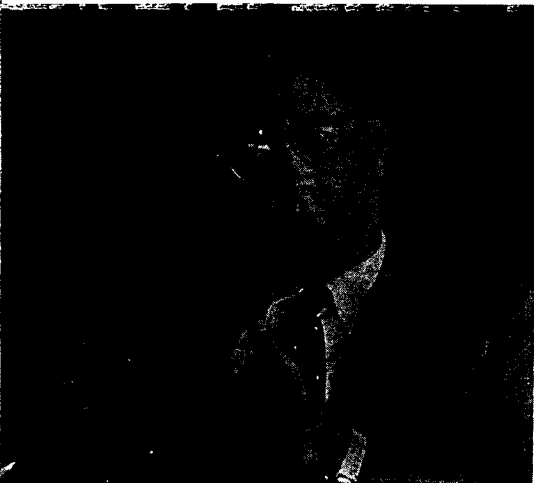
Gray Area. The agency's defenders emphasize the distinction between 10,000 names in a computer memory bank and 10,000 dossiers. They also insisted that whatever domestic spying took place was relatively isolated and resulted from links—real or imagined—between Americans and foreign subversive organizations. The defenders suggested that there is a "gray area" in which foreign and domestic operations cannot be neatly separated. According to insiders, these borderline transgressions tended to follow four patterns:

1) A foreign agent takes up residence in the U.S., perhaps under embassy cover, and contacts U.S. citizens. As a consequence, the agency decides to keep tab on those citizens.

2) An American political dissenter goes abroad and travels to Communist or other unfriendly countries. The agency decides to run computer checks on his associates in the U.S.



AMBASSADOR RICHARD HELMS

CIA DIRECTOR WILLIAM COLBY
Hunkering down.



IN THE LINE OF DUTY, OR OUT OF WORK? *SPY*

"Happy New Year, yourself—I'm CIA!"

3) A CIA agent who has been posted abroad returns to Washington and decides to follow up on a domestic angle of his work overseas.

4) An employee like Marchetti leaves the CIA and begins exposing its activities, prompting the agency to investigate the ex-employee and his associates in the U.S.

Handing these cases over to the FBI became increasingly difficult as relations between the two agencies deteriorated in the 1950s and '60s. On "hundreds of occasions," one source recalled, FBI Director J. Edgar Hoover arbitrarily turned down CIA requests for surveillances, wiretaps and bugs. "Screw the CIA—let them do their own work!" Hoo-

ver reportedly exclaimed at one point. As a result, the CIA increasingly bypassed the FBI, though it always carefully established a foreign connection to justify each domestic operation and give it a quasi-legitimate appearance. Another justification was the law's rather vague provision making the CIA director "responsible for protecting intelligence sources and methods from unauthorized disclosure."

None of these reasons seemed to explain the CIA's interest in Justice Douglas and the three members of Congress. Douglas came under scrutiny in the mid-'60s after he visited the Dominican Republic. As for Representative Gallagher (who recently served 17 months of a two-

year prison sentence for income-tax evasion that had no connection with national security), the CIA apparently sought information about his contacts with officials in the Dominican Republic. In the case of Senator Long, it was his negotiations with foreign companies, and in the case of Representative Pepper, his relations with Cuban refugees living in his district that apparently interested the CIA.

When told of the CIA's attention to him, Pepper said, "I do declare, I didn't know anything about it. I'm utterly at a loss." Douglas said last week that he was unaware of any CIA concern with him.

Whatever these excesses of the '50s and '60s, there is a strong suspicion that

The Spy Who Came into the Heat

Until recent weeks, James Angleton was a paradigm of his arcane trade. Cultivated in taste, shrewd in intellect, and above all discreet in his work for the CIA, Angleton, 57, was in the twilight of a distinguished career.

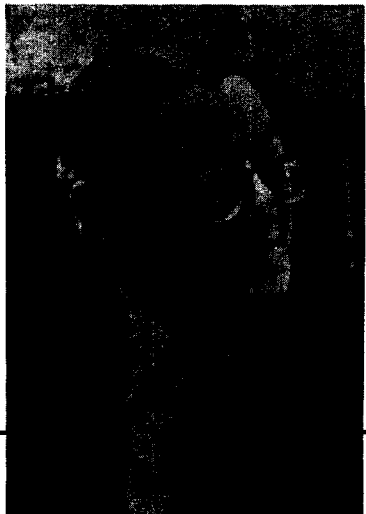
Then, suddenly, he became a casualty of the constant tension that a covert agency must live with in an open society. As the *New York Times* was about to blow his cover, Angleton blew his cool. In a telephone conversation with Seymour Hersh, he let slip that the CIA had a "source" in Moscow who was "still active and still productive."

Last week, his career ended, Angleton's gaunt, 6-ft. figure was more stooped than usual. His speech slurred by exhaustion, he insisted that his actions had been intended solely to protect the U.S. from its archenemy, the Soviet Union. Said he: "I have seen no change in the Soviets at any time, where the Soviets have ever deviated from their own desire to take over."

Meanwhile, bits of information about his background surfaced. His late father, James Hugh Angleton, was a businessman with foreign connections. During World War II, the elder Angle-

ton became a lieutenant colonel in the OSS. The son went to Yale (class of '41). Fellow Student William Bundy, an ex-CIA man and now editor of *Foreign Affairs*, recalls Angleton as "a person of great depth in whom one sensed a constant searching." Among other things, Angleton worked on the campus magazine, the *Lit*.

After Yale, Angleton spent two



years at Harvard Law School, then followed his father into the OSS. Immediately after the war, he worked for a U.S. intelligence operation in Italy that helped pro-American politicians win election over leftist opponents. He joined the CIA when it was formed in 1947 and served for a while overseas.

Kim Philby, the British spy who defected to Moscow, mentioned Angleton in his book *My Silent War*. Philby found Angleton hard-driving and liked his American colleague. They frequently dined together, and Philby described him as "one of the thinnest men I have ever met and one of the biggest eaters."

In 1954 Angleton assumed responsibility for counter-espionage—combating the activities of adversary spooks round the world. Victor Marchetti, the ex-CIA official who turned agency critic, said that colleagues regarded Angleton as "a gentleman, a connoisseur of fine wines, an intellectual who knew orchids, and a fanatic who was always able to keep his fanaticism in rein."

His indiscretion in dealing with Hersh astonished Angleton's friends. Mourned one: "It was wildly out of character. I can only think that Jim cracked under the strain of knowing that the *Times* story was coming and there was nothing he could do about it."

THE NATION

the CIA's domestic spying increased as the Nixon Administration became preoccupied with combatting left-wing protesters. In 1970 Nixon briefly endorsed the program drawn up by his aide, Tom Charles Huston, for break-ins, electronic eavesdropping and other forms of snooping to keep tab on Viet Nam War opponents and other radicals. The CIA's Angleton was a member of the *ad hoc* committee that discussed the plan. When Hoover refused to cooperate, it was supposed that the scheme had been abandoned altogether. But presidential aides—with or without Nixon's consent—are thought to have persuaded the CIA, or at least some members of the agency, to go ahead with it.

That cooperation with the White House may well explain why the CIA willingly gave CIA Alumnus E. Howard Hunt bogus identification papers, a wig and other equipment for the White House "plumbers." According to Seymour Glanzer, a member of the Justice Department's original Watergate team, the CIA blocked the prosecutors' efforts "to get at the truth" before the first Watergate trial in 1973. He added: "The CIA officials were well aware of the situation. They knew the full story. But the CIA was of no assistance. They gave us nothing. They frustrated and thwarted our efforts to get at the truth."

Calls for Review. Many observers in Washington who are far from naive about the CIA nevertheless consider its past chiefs and most of its officials highly educated, sensitive and dedicated public servants who would scarcely let themselves get involved in the kind of massive scheme described. But that is not to say that abuses did not occur. A few days before the Hersh story appeared, Colby had an off-the-record session with the Council on Foreign Relations in New York. Some of those present were apparently aware of Hersh's digging and questioned Colby about the domestic activities of the CIA. One participant recalls: "The implication was that Colby [when he assumed the directorship in 1973] discovered more than he thought had been going on and that he put a stop to it."

The charges against the CIA do not involve totally new violations of civil liberties by the Government. To an extent, the new controversy is a jurisdictional question. But the basic issue is whether public officials are obeying the law.

Similar acts have been committed by the FBI, the Internal Revenue Service and Army intelligence. There is one important difference, however. Unlike the CIA, the other agencies are subject to review by the courts or other restraints. Precisely because the CIA was not made subject to vigorous, systematic review, its founders in Congress prohibited it from operations within the U.S. borders. However the present charges against the CIA are sorted out, almost inevitably there will be—and should be—new calls for closer supervision of the agency.

WHITE HOUSE

At Play in the "Dallas Alps"

Wearing a jaunty red-white-and-blue stocking cap, the big man schussed down the mountain trail and snowplowed expertly to a stop. His cheeks were ruddy, his eyelashes and thick eyebrows frosted white by the -12° cold, and his grin could not have been broader. The skiing, exclaimed Gerald Ford, was "super!"

Day after day last week, the President was out on the slopes high above the winter resort of Vail, Colo. For the most strenuously physical man to occupy the White House since Teddy Roosevelt, the exercise was pure tonic. The setting, however, was slightly incongruous. Vail is an elegant winter resort, the place where John Lindsay, Jackie Onassis, Barbra Streisand, Robert Redford and numerous Kennedys come to play.

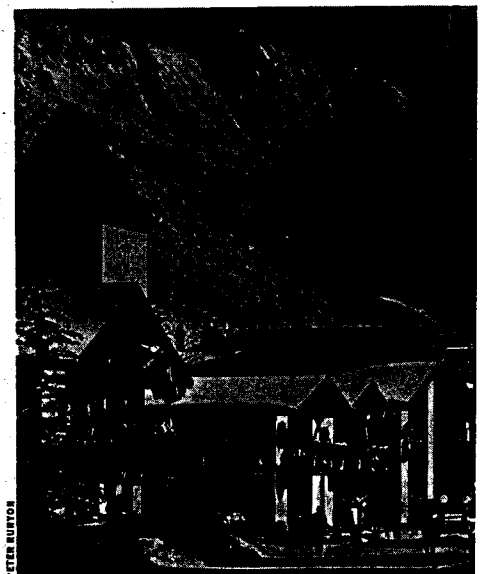
Carved out of a wilderness twelve years ago, Vail is a high-priced retreat where the *après-ski* attractions include continental restaurants, 28 heated pools and smart boutiques for snow bunnies. Vail is sometimes called the "Dallas Alps," a reference to the Texas oilmen who have taken a liking to the place and helped push land values to more than \$200,000 an acre. The resort is a world away from Grand Rapids and the square, salt-of-the-earth style that otherwise characterizes the President.

Yet the Fords seem completely at ease among the caviar-and-crêpe set. They have been making Vail their

vacation home since 1969, and four years ago bought a three-bedroom condominium above the village. Every winter, when Washington turns gray and damp, Ford looks forward impatiently to getting back to the powdery snow and thin, crisp air.

Returning as President this year, however, Ford had to move out of his own place for security reasons. He took a private seven-room Alpine chalet on a cul-de-sac. Going to a strange house, deprived of her own things, Betty Ford remarked a bit wistfully that it was the first time in five years that she had had

COLORADO MOUNTAINS TOWERING OVER VAIL



FORDS KISSING ON CHRISTMAS MORNING WHILE UNWRAPPING FAMILY PRESENTS

