

Carter Blocks Release Of Panel's CIA Report

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President Carter yesterday blocked the release of a Senate Intelligence Committee report known to be critical of Central Intelligence Agency surveillance activities in the Pacific island group of Micronesia.

Carter reached Sen. Daniel K. Inouye (D-Hawaii), the committee chairman, by telephone yesterday at the San Francisco airport and voiced last-minute objections to one sentence in the report.

Inouye agreed to withhold release despite the Senate committee's secret 10-to-1 vote last week to release the report at noon yesterday.

White House press secretary Jody Powell said last night that the President "thought one sentence in the report should be kept confidential." Powell declined to characterize the sentence, but said it did not involve political embarrassment to the Carter administration.

At issue, according to sources, is the Senate committee's conclusion that the CIA had sources inside the Micronesian government and had penetrated the internal political process there in order to insure U.S. control of the strategically located islands.

Carter apparently felt that in a technical sense that statement would reveal CIA "sources and methods"—traditionally the most guarded aspect of intelligence activities.

Carter called Inouye five hours after the scheduled noon release, but the report had not been distributed, and a committee spokesman said Inouye had directed that it not be given out.

"It's a cover-up and stupid," said a Republican member of the committee last night, "and the new openness is a fizzle."

The administration was given five days to file an objection to releasing

the report as specified in the Senate resolution setting up the oversight committee.

Carter apparently told Inouye that he did not read the report until yesterday.

Government sources said that there has been a substantial debate in the administration on how to deal with the CIA spying and electronic surveillance in Micronesia, first reported in the press in December. The Senate committee has been investigating the matter since then.

Those involved in the debate included Carter, Vice President Mondale, Secretary of State Cyrus R. Vance and senior National Security Council and CIA staff, according to sources.

Also involved is the belief by some national security planners that Micronesia—a group of 2,200 islands—has significant potential military value.

Should the U.S. armed forces be compelled to withdraw from Japan, South Korea and the Philippines, the Micronesian islands would become the westernmost defense position for the United States in the Pacific.

Sources reported in December that the CIA conducted electronic surveillance to learn the Micronesian negotiating position in talks with the United States on the future status and perhaps eventual independence of the islands.

The United States is the colonial administrator of Micronesia under a U.N. trusteeship created after World War II that calls for future "self-government and independence" for the islands.

According to Phillip W. Manshard, the acting head of the U.S. negotiating team for Micronesian talks, the United States has proposed that informal discussions resume next month.