

Senate report cites flaws in spy network

WASHINGTON (AP) — The United States is spending billions of dollars on spy operations, including some that are self-defeating, have misled the public and have threatened the independence of churches, universities and the press, the Senate Intelligence Committee said Monday.

However, the committee backed off from revealing the exact amount of intelligence spending after hearing a last-minute appeal from CIA Director George Bush that disclosure of the figure would damage national security. The panel voted 6 to 5 to let the full Senate decide whether to disclose the figure.

In a 651-page report climaxing a 15-month investigation, the committee said it found "duplication, waste, inertia and ineffectiveness in the intelligence community," but at the same time emphasized that "it found much that was good and proper."

The report, also revealed that the CIA has conducted some 900 major covert

action projects around the world since 1961.

—Has been responsible for the publication of more than 1,000 books, many of which were reviewed and marketed in the United States.

—Has planted stories in foreign publications that have been unwittingly picked up and circulated by American news organizations.

—Until recently used about 50 journalists and other employees of U.S. news organizations along with a handful of American clergymen and missionaries as secret agents abroad.

—Is currently using several hundred American university administrators, professors and graduate students for intelligence and propaganda purposes, and

—Operates a network of business enterprises with assets totalling \$57 million to provide cover and logistical support for agents abroad.

The report also says that 36 recommendations need to be made to increase

the efficiency and accountability of U.S. intelligence activities. Some of the recommendations, such as creation of new executive branch committees to oversee intelligence operations and formally approve all sensitive activities, already have been put into effect as part of President Ford's intelligence reorganization plan.

The committee also recommended passing laws barring CIA use of American journalists and clergymen and urged that no scholars be used for intelligence purposes without the knowledge of senior university officials.

The panel stopped short of recommending a ban on all covert operations, saying instead that the United States needed to maintain such a capability for use in the event of a grave threat to national security.

Ninety-seven additional recommendations are to be issued by the panel when it releases a separate report

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Senate report

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on domestic intelligence operations later this week.

Bush told reporters there were "things in this report with which we don't agree" but declined to comment on the specific findings.

Two Republicans, vice chairman John Tower and Sen. Barry Goldwater, refused to sign the report. Tower said that many of the recommendations "if enacted into law could endanger America's security," while Goldwater said the report would "cause severe embarrassment, if not grave harm, to the nation's foreign policy."

Although the report did not reveal the spy budget, it strongly indicated that spending for fiscal year 1976 was about \$4.2 billion for the CIA, Defense Intelligence Agency, National Security Agency and various reconnaissance programs. Other findings contained in the

report entitled "Foreign and Military Intelligence" included:

—"On some subjects, such as the current capability of the strategic and conventional forces of potential adversaries, U.S. intelligence is considered excellent. In other areas, such as the failure to predict the 1974 Turkish invasion of Cyprus and the 1973 Arab-Israeli war, U.S. intelligence "is viewed by policy makers as far from satisfactory."

—The Defense Department's satellite reconnaissance program and the National Security Agency's electronic eavesdropping operations "are managed efficiently and are generally responsive to the needs of the military services as well as to the policy makers on the national level."

—The Defense Intelligence Agency "has become increasingly bogged down

in management problems caused by conflicting demands for both military and political intelligence."

—"Congress has failed to provide the necessary statutory guidelines to insure that intelligence agencies carry out their missions in accord with constitutional activities."

—Congress has failed to monitor CIA covert operations while presidents have failed to establish effective means of controlling intelligence activities.

—Hundreds of Soviet spies are at work in this country gathering intelligence and attempting to recruit "not only executive branch personnel, but also congressional staff members."

The committee said that some of its findings and recommendations would be kept "secret" in order to protect sensitive intelligence data. Other information that the panel felt should have been made public remains classified at the re-

quest of the Ford administration, the committee said.

For instance, a 15-page chapter on counterintelligence dealt only in general terms with the techniques used by the CIA and FBI in what the report called "nothing less than a secret war against antagonistic intelligence services." In one of the few specific examples of the way in which this war is waged, the report disclosed that "at the recent funeral of CIA agent Richard Welch, two Eastern European diplomats were discovered among the press corps snapping photographs of CIA intelligence officers attending the burial ceremony."

The committee said it had been granted unprecedented access to intelligence secrets during its investigation. However, in a number of instances, "the committee's access to documents and records was hampered ... either because the materials did not exist or because the executive branch was unwilling to make them available."

In the case of the CIA's use of journalists, scholars and clergymen, the agency refused to divulge the names of the individuals and institutions involved. "Therefore," the report said, "the committee has far from the full picture of the nature and extent of these relationships and the domestic impact of foreign clandestine operations."