

SECRET
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Part of Intelligence Report Published in N.Y. Tabloid

Security Question

By Stephen Isaacs
Washington Post Staff Writer

Large segments of the secret report of the House intelligence committee were printed yesterday in a 24-page supplement to The Village Voice, a weekly tabloid newspaper published in New York.

Publication of the 338-page report was blocked Jan. 29 by a vote of the House after Ford administration officials claimed that its disclosure would damage the national security.

Many members of the House, as well as critics of America's intelligence-gathering apparatus, have expressed doubt about some contents of the report and the quality of the investigation that produced it.

The report snipes again and again at Secretary of State Henry A. Kissinger, contending he placed one obstacle after another in the way of the committee's getting material and, when he appeared before it, lied.

The report at one point says that "Dr. Kissinger's comments . . . are at variance with the facts."

It describes Kissinger as having a "passion for secrecy" and as trying "to control dissemination and analysis of data."

In sum, the excerpts of the House panel's report describe the American intelligence community as often inept, not out of control (as has often been charged), and as frequently considering itself beyond the laws of the land.

For instance, then-President Johnson in 1967 blocked the CIA from offering further covert assistance to educational or other private voluntary institutions, after disclosures that the CIA had been sneaking money to the National Students Association.

See CIA, A8, Col. 1

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'Voice' Melodrama

By William Claiborne
and Laurence Stern

Washington Post Staff Writers

After a week of clandestine melodrama complete with secret code names (Operation Swordfish and covert working headquarters, Village Voice publisher Clay Felker went to press with a 24-page supplement under the titillating headline:

"THE CIA REPORT THE PRESIDENT DOESN'T WANT YOU TO READ."

By the time the circumstances of the Voice exclusive seeped to the surface there appeared to be some question whether it was more important as a substantive scoop or a journalistic morality play.

Felker, reflecting the secretive mood in the offices of New York magazine, which was the operations center for the Voice leak, said laughing "as far as I know, it landed on the back doorstep in a basket." Both publications are directed by Felker.

But other sources familiar with the hush-hush developments of the story say that CBS correspondent Daniel Schorr, who covered the intelligence committee for his network, was instrumental in transmitting the report to Felker.

It was also learned that a Washington-based organization of journalists, The Reporters Committee for Freedom of The Press, had agreed to accept "passively" any cash proceeds from publication of the report by arrangement with Schorr.

Schorr, who recently displayed the title page of the still-secret House committee report on television as he described some of its contents, said yesterday that he was obliged "to deny on the record that I have a copy of the report."

See REPORT, A9, Col. 1

CIA, From A1

The Village Voice excerpts quote CIA deputy director Carl Duckett as testifying that the CIA still maintains covert contracts with "a small number of universities."

The report talks of most of the CIA's covert activities as haphazard and in effect lacking any master plan, saying that "the overall picture . . . does not support the contention that covert action has been used in furtherance of any particular principle, form of government, or identifiable national interest."

"Instead," the report continues, "the record indicates a general lack of a long-term direction in U.S. foreign policy. Covert actions, as the means for implementing a policy, reflected this Band-aid approach, substituting short-term remedies for problems which required long-term cures."

Yet at another point the report claims that "all evidence in hand suggests that the CIA, far from being out of control, has been highly responsive to the instructions of the President and the assistant to the President for national security affairs."

What is absent, the report suggests, is any kind of controls on the CIA and its fellow intelligence-gathering agencies.

The report makes much of the fact that the intelligence community has never been frank about how much it spends, which the committee claims is "at least three to four times the amount reported to Congress."

That means it all costs about

\$10 billion a year, says the report, with almost no controls, no checks, no balances.

As a result, says the committee, the CIA has been able to do some unusual things with the taxpayers' money, including developing "a huge arsenal of weapons and access to ammunition . . . giving it a capability that exceeds most armies of the world," having put at least \$75 million into Italian politics, and serving in effect as a discount shopper for some foreign officials.

The CIA's budget, it says, "appears as only a single line item" in the budget, giving the agency "an unusual advantage" in its ability to transfer money from area to area unimpeded.

The committee points out that the General Accounting Office, because of the CIA's penchant for secrecy, cannot even balance the CIA's books, "let alone analyze its efficiency," and that last year the CIA, National Security Agency and Defense Intelligence Agency all refused information the GAO was seeking.

At the Office of Management and Budget, only six employees work full-time on foreign intelligence, three of those are former CIA employees, and the CIA's budget head recently transferred there from the OMB, the report said.

"This," it added, ". . . does not bode well for a vigorous review of the merits of intelligence programs."

"All this adds up," says the intelligence committee, "to more than \$10 billion being spent by a handful of people, with little independent

supervision, with inadequate controls, even less auditing, and an overabundance of secrecy."

The report recounts the committee's inquiry into six events as illustrative of the intelligence community's performance.

The Vietcong Tet offensive in early 1968 is cited as an instance where enemy force levels were generated for "political purposes" and other intelligence collected was subjected to "biased misinterpretations."

In the Soviet Union's invasion of Czechoslovakia on Aug. 20, 1968, the report says, U.S. intelligence "failed to provide a warning that the Soviets 'decided to intervene with force.'" The report states that U.S. technical intelligence "learned of the Soviet invasion several hours before" Czech radio announced it, but that word did not reach Washington before President Johnson received his first word — from Soviet Ambassador Anatoliy F. Dobrynin.

Technical intelligence (apparently electronic intercepts) did not reach Washington "until days later," the report says.

In the 1973 Middle East war, the report says, U.S. intelligence again "failed."

The community, according to the report, "argued that the political climate in the Arab nations was not conducive to a major war" just a week before it broke out.

The report charges that the worldwide U.S. alert ordered by President Nixon on Oct. 24, 1973, was the result of "poor intelligence." Three DIA

officials were "removed from their positions" as a result, the report states.

In the case of the overthrow of Portugal's government in April, 1975, the report says, U.S. intelligence "gave no real warning of the timing, and probable ideological consequences of the coup despite clear and public indications that a political upheaval was at hand." Special criticism is directed at the military attaches in Lisbon.

The report says the United States was "caught off guard" by India's test of a nuclear device on May 18, 1974.

The report documents U.S. intelligence failures at the time of the overthrow of Archbishop Makarios, President of Cyprus, and terms them "the most damaging intelligence performance in recent years."

Despite early warnings that a coup might be in the making, the CIA, "for reasons still unclear," the report says, "embraced and heeded" for 12 days prior to the coup a report from an "untested source" that "despite new aggressiveness on Makarios' part, (Greek strongman) Ioannides had changed his mind (against removing Makarios); there would be no coup at all."

In discussing Cyprus, the report raises some unanswered questions including the contents of a message it could not get that Kissinger sent Ioannides "through the CIA the day after the coup."

One revelation in the Voice excerpts describes restrictions on distribution within the American government of information about possible Soviet violations of the first SALT treaty.

It is in this section that the report accuses Kissinger of lying.

The committee said Kissinger had ordered the CIA "to avoid any written judgments that the Soviets are in violation of SALT agreements." Instead, the agency was to communicate such information privately to the National Security Council, "which, coincidentally," the

report says, "was headed by Dr. Kissinger."

The report mentions, but implicitly discounts, Kissinger's rationale for limiting the distribution of SALT-related intelligence — that distribution risked leaks of sensitive material, and that the specialists had to carefully consider complicated technical material before distributing it to people who might draw hasty and unwarranted conclusions from it.

Instead, it says: "At times, the Secretary of State (before Kissinger held that post), the Director of the Arms Control and Disarmament Agency and key U.S. officials in SALT compliance meetings with the Soviets have not been aware of the existence of sensitive data suggesting Soviet cheating

The report's accusation that Kissinger lied stems from a comparison of his public statements and other facts the committee staff says it uncovered. For example, one technique for controlling SALT intelligence, the report said, was to put it "on hold," thus restricting its normal distribution in the intelligence community.

The report quotes Kissinger as saying no item was ever held "on hold" for more than two months, but says the committee found items held for three months to more than a year.

The report also challenged Kissinger's assertion that all decisions of the verification panel were "unanimous," by quoting a memorandum of one panel member written after a meeting was held, expressing the view that one subject "was not sufficiently assessed" at the panel meeting. The report cited no evidence of a less-than-unanimous panel decision, however.

The report cites cases in which important officials involved in SALT matters were kept ignorant of information they should have known. In one case, the report says, Ambassador U. Alexis Johnson, head of the U.S. delegation to the SALT talks,

queried Washington for details of a secret interpretation of one matter that was mentioned to him by a Soviet negotiator, but about which he knew nothing.

The report does not say Kissinger or anyone else actually hid or distorted hard information of Soviet violations of a SALT agreement.

The report includes the transcripts of cables between the CIA's chief of station in Rome and headquarters in Langley, Va., revealing a raging battle between the agency and then-Ambassador Graham Martin over U.S. aid to Italian political figures in 1972.

The Italian newspaper La Stampa previously has published some of this material.

The exchanges reveal that Martin wanted to give generous sums of money to a number of individuals and organizations, while the CIA's

UMW Fund Reports Rise In Net Assets

Associated Press

The United Mine Workers Health and Retirement Fund on Tuesday reported a \$34 million increase in net assets in the fiscal year ended last June 30, compared to an \$11 million decline in 1974.

Income last year totaled \$407 million, of which \$400.5 million was contributed by employers under terms of UMW coal industry contracts. The remainder was in dividends and interests.

Income during fiscal 1974 totaled \$306 million.

In its annual report, the fund said \$378 million was spent last year, including \$189 million for miners' pensions. Another \$166 million was paid out in medical and hospital care benefits. Funeral expenses, survivors benefits and administrative costs accounted for the rest, the report said.

chief of station was dubious about the usefulness of such contributions. (It is in this context that the committee revealed the giving of at least \$75 million to various Italian politicians and parties since 1948.)

Martin particularly wanted to give \$800,000 to Gen. Vito Miceli, a right-wing intelligence officer who has since been formally accused of plotting a military coup in 1970. When the gift was proposed in 1972, Miceli was head of the Italian defense information service.

In one cable to CIA headquarters, the chief of station recounted this exchange with Martin:

"Do you really care if (Miceli's) propaganda efforts are successful or not?" the chief of station asked the ambassador.

"Yes, I do," he is quoted as replying, "but not a helluva lot. Important thing is to demonstrate solidarity for the long pull."

With special authority from Washington, Martin did give the general the \$800,000, with no strings attached.

At one point, the cables reveal, Martin got so angry with the chief of station that he threatened to order the embassy's Marine guards "not to let you in this building and put you on the airplane."

In the area of domestic intelligence, the committee cited two examples it found disturbing.

The report described details of a five-year FBI investigation of the Washington-based Institute for Policy Studies. Because the institute had a "connection" with the Students for a Democratic Society, the FBI in 1968 began to investigate the institute and continued its inquiry despite interim findings that, according to the report, results were "negative." Continuing an investigation after a negative finding, the report says, violates the FBI's own procedural manual.

The report noted that in August, 1972, the FBI went through the institute's gar-

bage and found eight typewriter ribbons.

From the ribbons, the bureau reconstructed the documents written with the ribbons. "Part of the yield was intimate sexual gossip," according to the report, which "was incorporated into a number of (FBI) reports." This was done, the committee report says, despite sworn testimony from FBI officials "that personal information such as sexual activities is discarded if it does not bear on a crime."

The report also reviewed the 34-year "intensive" FBI investigation of the Socialist Workers Party, which failed at any time to find evidence to support any prosecutions.

Nevertheless, according to the report, the FBI over the years "committed a massive manpower allocation to interviewing landlords, employers, fellow employees and family relations" of party members.

Many of the topics the Voice excerpts cover have been the subjects of public hearings by the committee and earlier disclosures.

Also contributing to this article were Washington Post Staff Writers Robert G. Kaiser and Walter Pincus.

Melodrama at Village

REPORT, From AI

The CBS correspondent also denied that he had discussed the report with Felker. "I have no knowledge of how The Village Voice acquired its copy. I had no connection with it and I do not mean by that to state that I have a copy."

He added that whatever conclusions viewers might gather from having seen the report's title page on the screen "is something that they are inferring."

Schorr told a fellow CBS reporter on a CBS radio broadcast that he had a copy.

Schorr also acknowledged that in a conversation he had recently with a Washington Post editor he said he possessed the House report.

He added, however, that he regarded it as a "business conversation" and off the record. Both Schorr and Post Assistant Managing Editor Harry M. Rosenfeld agreed that nothing was said about the conversations being off the record.

Schorr denied, on the record, having made any approach to the reporters committee under which he would assign it the proceeds from the report's distribution. The reporters committee agreed, after a telephone poll of its trustees, not to say anything publicly because of the "confidentiality" of its conversations with Schorr.

"God, I'm never going to get involved again with a bunch of reporters," said one trustee of

the organization which is dedicated to promoting freedom of the press. "Off the record, it's a—mess."

Schorr, it was learned, first talked with a CBS colleague and member of the reporters group, Fred Graham, about the financial arrangement within the past two weeks. The commentator began considering offering his exclusive copy of the report for paperback publication after it came into his possession two weekends ago.

"Dan proposed that the reporters committee received whatever profits were generated by the sale," acknowledged one trustee. "There would be no gain for him. Several trustees agreed — others didn't."

Some of the group didn't want to be associated in print or in any ways with release of that document.

"We had no objection, however, to passive role," the trustee added. "We've accepted proceeds from a variety of sources."

During the discussions with the reporters committee, Schorr consulted a lawyer in New York on his legal position in making the report public. He was advised that there was no immediate criminal liability against him although he might be subject to contempt of Congress proceedings should he refuse to tell a congressional committee the source of his copy.

Schorr conceded that he may have made a mistake in showing the title page of the report to his viewers. "I guess I was boasting," he said.

Schorr obtained access to the report, according to one authoritative account, after the House intelligence committee

Voice

voted to refer the report to the House for a publication decision. The New York Times obtained access on the same weekend. Schorr spent his limited time with the document xeroxing rather than reading, according to the account.

He thought he and the Times both had copies until Times columnist William Safire called for help on details in the report concerning CIA involvement with the Kurds. At that point, Schorr confided to an acquaintance, the realization began to dawn upon him that he alone was the possessor of a copy of the House document.

At one point in an on-and-off-the-record conversation, Schorr volunteered, when asked what he intended to do with the proceeds of publication of his copy of the report:

"On the record, I would not have been willing to benefit personally from the sale of the report but would have been willing to sign the proceeds over to a First Amendment-oriented group."

For Felker the first installment of Operation Swordfish, as the report was code-named, began last Thursday when he learned it was available to him and he dispatched a staff worker to Washington to get a copy. Asked yesterday if he was specifically denying or refusing to comment that Schorr made it available to him, Felker chuckled.

"I stand on what I said," he repeated. "It was left on the doorstep."

There was never any debate, Felker said, against

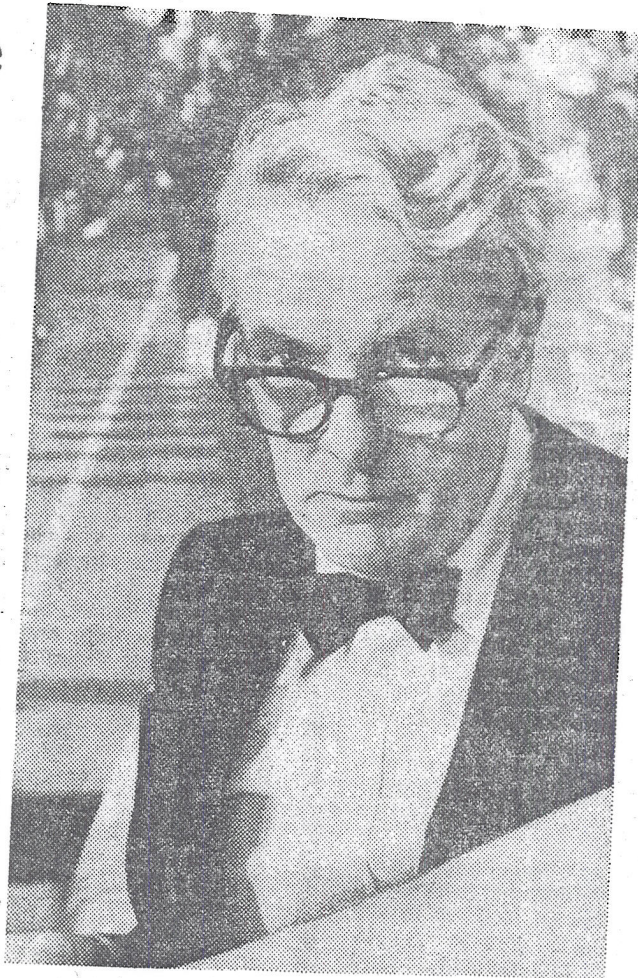
running the report. "There was a big split in Congress on what to do . . . We feel, in an election year, this is the time to contribute to that debate."

By coincidence, the 24-page section of excerpts was included in the Voice's first experimental national edition. It was also the third 160-page issue in the weekly newspaper's history.

When he learned of the

publication of the excerpts in the Voice, House intelligence committee chairman Otis Pike (D-N.Y.) said he suspected the material was leaked by the executive department to incriminate Congress.

"I think it's funny," a White House official said morosely of the entire episode. "Very funny."



United Press International

Intelligence panel chairman Pike closes books on investigation.