

HOUSE PANEL ENDS INQUIRY ON SPYING

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Final Report Gives Insights
Into Spending and Control
of Intelligence Agencies
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WASHINGTON, Feb. 11—The House Select Committee on Intelligence prepared to go out of business at midnight tonight after what most of its members and staff have seen as nearly a year of frustration in its efforts to peer into the works of the dozen or so agencies that make up the Federal intelligence community.

The 13-member committee's final report, which may never become public, provided some insights into how the most important of those agencies spend their share of the nation's \$10 billion annual intelligence budget, how well they predict international crises, and how much risk of provoking a war is posed by the covert operations they mount.

The House committee's answers to those questions have not pleased the Ford Administration. The report, copies of which have been made available to The New York Times and other news organizations, concludes, for example, that inadequate internal and external controls exist over expenditures by the Central Intelligence Agency, the primary focus of the House panel's investigation.

Lack of Advance Warning

The panel also found that several times in recent years, most notably in the advent of the 1973 Mideast war, American intelligence agencies failed—often by their own admissions buried in classified documents—to provide policy-makers with sufficient advance warning to move to avert such incidents.

The 338-page report also concluded that a number of the covert intelligence-gathering missions fielded by the United States, especially a 15-year program of sending submarines deep into unfriendly waters, involved "unacceptable" hazards to national security.

The report contains a number of other disclosures, such as the increasing tendency of successive Presidents before Mr. Ford to take over from the National Security Council the function of approving such covert operations.

However, the findings concerning the intelligence budget, the effectiveness of the intelligence that it purchases and the risks inherent in gathering it are those of which the committee's staff members are proudest.

Limited Investigation

But the House committee's investigators did not delve deeply into a number of other areas, such as the Federal Bureau of Investigation, and did not touch on some of the relatively obscure Federal agencies that gather intelligence, such as the Drug Enforcement Administration and the United States Customs Service.

Representative Otis G. Pike, the Suffolk County Democrat who took over as the select committee's chairman last July 18, said last month that he was opposed to asking the House for more time to complete the panel's work and expressed doubt that he could obtain the required consent of its 435 members.

One of Mr. Pike's aides spoke today of how the committee's battles with the Ford Administration on some issues and the House leadership on others had "taken a real toll" on him.

But the aide said that under the circumstances, in which the Administration and, at times, the House itself seemed not to want an intelligence investigation, "I'm not sure anyone else could have done any better."

Partisan Disagreement

Part of the problem, the aide recalled, was that the committee remained stagnant from the day it was established last February until Mr. Pike assumed control in July—partly because of partisan disagreements among its members over the choice of a staff director, and partly because of a controversy over Representative Lucien N. Nedzi, the committee's first chairman.

Insurgent members of the select committee contended that Mr. Nedzi, a Michigan Democrat who also headed the House Armed Services Committee's Special Subcommittee on Intelligence, had been compromised by his failure to act after having been told a year earlier about C.I.A. plots against the lives of foreign leaders.

After Mr. Nedzi resigned from the select committee and was replaced by Mr. Pike, the committee hired an investigative staff and began its work in earnest, but with less than six months in which to complete its inquiry.

The 'Dribble Treatment'

The panel said in its report that the White House had taken advantage of that situation by subjecting it to what it called the "dribble treatment," in which a few of the classified documents it requested were provided each day, enabling the Administration to give the appearance of cooperating with the committee while delaying its work at the same time.