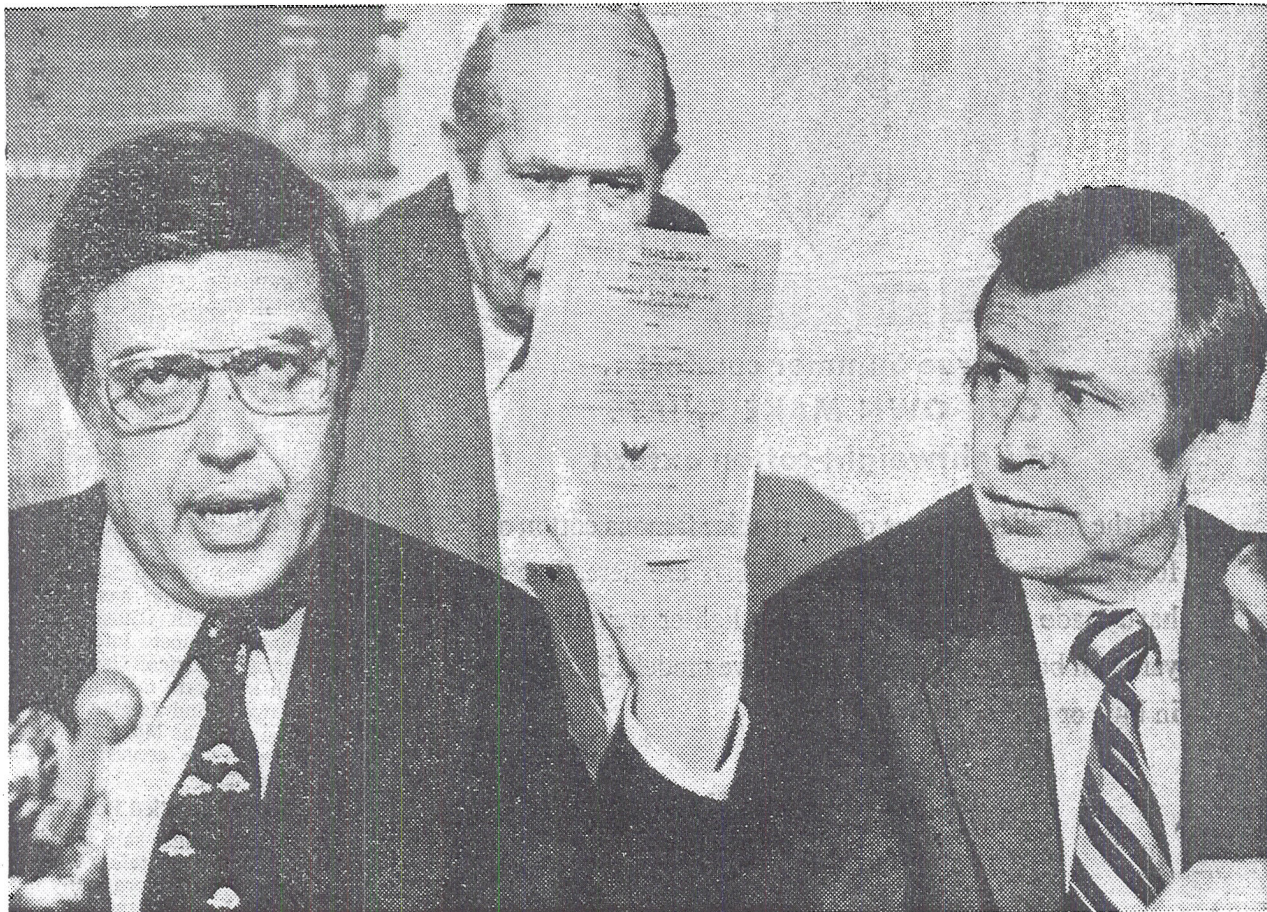


SENATE INTELLIGENCE PANEL CALLS FOR A LAW TO CURB COVERT ACTION AS IMPLEMENT OF FOREIGN POLICY



The New York Times/Teresa Zabala

Frank Church, chairman of the Senate intelligence committee, holding a copy of the group's report at a news conference yesterday with Senator Howard H. Baker, right. The press secretary, Spencer Davis, is at center.

15-MONTH INQUIRY

Report Urges Strict Control of Agencies by Government

By NICHOLAS M. HORROCK

Special to The New York Times

WASHINGTON, April 26—The Senate Select Committee on Intelligence Activities, concluding its 15-month-long investigation, today urged Congress to adopt a new, omnibus law covering foreign and military intelligence gathering that would create charters for the major agencies and sharply limit the use of covert action as a tool of foreign policy.

In a report that had few disclosures, the committee revealed that the United States

Excerpts from Senate report appear on pages 21-24.

had conducted about 900 major or sensitive covert operations in the last 15 years. As one check on such actions in the future, it recommended that Congress be informed in advance of proposed covert operations.

For Central Control

In one proposal for structural reform it urged that the Director of Central Intelligence be given authority over the entire intelligence community to set the overall budget, allocate resources, and determine national intelligence requirements for all agencies including the military.

The legislative future of its recommendations is far from clear. The committee made "recommendations" for legislation by Congress but will not introduce the bills itself. Instead when a permanent oversight committee is created it would take these recommendations as the basis for a legislative package.

The new law is needed, the committee said, because "Congress has failed to provide the necessary statutory guidelines to ensure that intelligence agencies carry out their missions in accord with constitutional processes." It would, in effect, recast the National Security Act of 1947, which

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created the modern intelligence system in this country.

The new law, the committee said, should set "clearly defined prohibitions or limitations" on intelligence-gathering techniques and operations, define the roles of each intelligence agency and "set forth the basic purposes of national intelligence activities."

"This revision should be given the highest priority by the intelligence oversight committee of Congress, acting in consultation with the Executive branch," the committee said.

Further Report Due

The proposal is the centerpiece of a 474-page report on foreign and military intelligence that culminates an investigation begun in January 1975. The committee is expected to make public a report on its domestic intelligence findings later this week.

Today's report carried 87 separate recommendations for statutory or administrative fact" in areas ranging from drug tests on humans to covert

At the request of the intelligence agencies, the committee withheld three chapters of its report, on "cover" "espionage" and "budgetary oversight" from the public and deleted sections on covert action and intelligence operations of the department of State.

A staff spokesman said this amounted to some 200 pages. Though the material is being withheld from public view, he said, it would be available to be read by the 100 members of the Senate.

The committee also voted six to five in a closed meeting today to ask the full Senate whether it could release the total budget figure for United States intelligence. It took this action after President Ford and George Bush, Director of Central Intelligence, urged that the figure be omitted from the final report on national security grounds.

A Blank Space

A blank space appeared in the printed report where the figure should have been, but other material in the document permitted the reader to compute that a gross figure for intelligence including the armed forces components was some \$10 billion annually and that the aggregate budgets of C.I.A., Defense Intelligence Agency, the National Security Agency and the national reconnaissance program ran about \$4.5 billion.

Senator John G. Tower, the Texas Republican who was vice chairman of the committee, and Senator Barry Goldwater, Republican of Arizona, did not sign the report. Mr. Tower said in a statement that he felt the recommendations "if enacted into law, could endanger America's security."

Senator Howard H. Baker Jr., Republican of Tennessee, said that though he had signed the report there were several recommendations he disagreed with.

Attorney General Edward H. Levi also appeared before today's meeting in an effort, according to a committee source, to get the committee to relax stringent electronic surveillance recommendations that it has made in the upcoming domestic report.

Areas Stressed

The portion of the report made public concentrated on the following areas:

¶The committee found that "Presidents and Administrations have made excessive, and at times, self-defeating use of covert action" and that its use is now so routine (900 separate operations between 1961-1975) it had "bureaucratic momentum of its own."

Though the committee gave "serious consideration" to recommending a "total ban" on covert activity it concluded that the United States must have such a capability for "extraordinary circumstances involving grave threats to United States national security." However, it recommended that "all political assassinations, efforts to subvert democratic governments and support for police or other internal security forces which engage in systematic violation of human rights" be banned by law.

¶The committee found that many covert actions, clandestine intelligence-gathering techniques and counter-intelligence operations had been launched without any formal approval mechanism at work and little or no record of who approved them. It has called for formalization of decision making in these areas that would leave a "paper trail" on the decisions and end the practice of "plausible deniability."

¶The committee found that the Central Intelligence Agency circumvented the 1967 Presidential ban against covertly supporting and infiltrating educational and philanthropic groups, by moving certain operations abroad or dealing with individuals.

¶It found in another area widespread unethical or illegal drug tests being performed on Americans and substantial infiltration of the news media and the book publishing industry. The latter two actions, the committee said, resulted in Americans being often, though inadvertently, fed the propaganda output of the C.I.A. In the shar-

pest language of the report, the committee recommended laws to halt or control these practices.

¶The committee applauded President Ford's recent Executive order where it upgraded the powers of the Director of Central Intelligence and made him more nearly in command of the entire intelligence community. The Senate committee, however, would go further and give the director the power to actually formulate a national intelligence budget and allocate the resources of the agencies covered by the budget.

At the same time, however, the committee would remove the director from direct control over covert operations or the clandestine collection of intelligence mainly to reduce his "conflict of interest" problem as the principal adviser to the President on foreign intelligence matters.

¶The Senate committee was far less harsh than its House of Representatives counterpart on the quality of the intelligence estimates made by the community. It said it had found the estimates were "adequate" though "major improvement is both desirable and possible." It urged that the function of gathering and analyzing the intelligence be the highest priority of the intelligence agencies.

¶In several areas the committee's recommendations urged that traditional checks and balances of the Executive branch be restored to decision making on intelligence matters. It recommended that the Secretary of State be informed of all clandestine collection operations and covert actions in advance so that he would be in a position to explain them and so that he could raise objections if he felt they harmed foreign policy. The committee called for faster implementation of a law that required the United States Ambassador abroad be in command of all foreign policy activities in the country in which he is stationed.

¶The committee urged that the counterintelligence operations, aimed at combatting hostile foreign intelligence services, be better coordinated. It found widespread evidence over the years of poor cooperation between the C.I.A. and the Federal Bureau of Investigation, the two agencies who have the main responsibility in this field. The Senate panel recommended that a special committee of the National Security Council be formed, headed by the Attorney General, to direct counterintelligence activities.

Despite its length and detail, the report was largely devoid of new information. Though the committee, according to its own account, had conducted hundreds of interviews and collected 110,000 pages of documents, it made public little that had not already been reported in the press or dealt with in earlier reports.

There seemed to many on Capitol Hill, a willingness by the committee to delete material at the request of the intelligence agencies and a decided unwillingness to try to force material from secret vaults of the Executive branch.

Scholarly Tone

In tone and presentation, today's report was scholarly and descriptive, designed more as a resource document for those who will frame the new intelligence law than an indictment of abuse or misbehavior by the intelligence community.

The recommendations are mainly based upon the premise that Congress will approve permanent joint or separate oversight committees with the power to authorize expenditures by the intelligence community and investigate agency operations.

Earlier this year, the committee recommended that such an oversight panel be approved by the Senate. But in the ensuing weeks the oversight plan has encountered hard political going. Many committee members hope the final reports will improve the atmosphere for its adoption.

The report covered the committee's views on the entire foreign intelligence apparatus including the National Security Council, the C.I.A., the Defense Department and its military intelligence components, as well as the Defense Intelligence Agency and the National Security Agency.



Associated Press

George Bush, Director of the Central Intelligence, before he appeared before the Senate Select Committee, where he pleaded that the agency's budget not be made public. Committee will send the issue to the Senate.

Analysis of the Law

It said its analysis of the National Security Act of 1974 had found no explicit authority for espionage, covert action or paramilitary warfare.

"Nonetheless, these have come to be major activities conducted by the Central Intelligence Agency . . . in contrast the 1947 act's specific charge to the Director of Central Intelligence to coordinate national intelligence has not been effectively realized," the report said.

The report describes how, because of the immediate and continued belief that the Soviet Union and international Communism plotted this country's destruction, the agencies mounted increasingly numerous covert actions and espionage missions to meet the perceived Communist challenge.

The report details in the drug programs, for instance, how the C.I.A. began testing LSD "defensively" because it learned the Soviet Union was experimenting with it.

But, according to evidence in

the report, by mid-1953, Richard Helms, then assistant chief of the clandestine service, already contemplated its use aggressively in interrogations of foreign agents.

The report traces the genesis of covert action, from early efforts to help democratic parties in the Italian elections in 1948 to the major paramilitary operations such as the aborted invasion at the Bay of Pigs in Cuba and those in Laos.

Of covert actions in general, the committee found that they were often inefficient and some were "inconsistent with our [United States] basic traditions and values."

The committee had even harsher words for paramilitary covert operations, noting that they do not remain covert very long and "have often failed to achieve their intended objective." Moreover, the committee said, "covert U.S. paramilitary combat operations frequently amount to making war, but do not come under the War Powers Act, since they do not involve uniformed U.S. military . . ."

The committee recommended that the proposed law require the intelligence budget proposal to list each covert operation and require Congress to authorize any paramilitary operation lasting longer than 60 days.

Part of the problem with all clandestine activities, the committee report said, was that the executive branch of Government under Presidents from Harry S. Truman through Richard M. Nixon failed to exert sufficient control or demand sufficient accountability. The report said that the 40 Committee, a part of the N.S.C. assigned to authorize clandestine activities, "also served generally to insulate the President from official involvement and accountability in the approval process until 1974."

Approval of Operations

Moreover, the committee notes, N.S.C.-level approval was sought only on airy major clandestine operations and it found numerous instances where small, risky intelligence gathering and covert actions were taken without approval.

Even the new "upgraded" 40 Committee, renamed by President Ford the Operations Advisory Group, may not be adequate if not given sufficient staff and support, the report said.

In these areas, including counterintelligence matters, the committee recommended that each level "sign off" on his approval or disapproval for a given project and that individuals are made "accountable" in the chain of the command to encourage their knowing about what goes on.

One of the most important elements in the shroud of secrecy surrounding the intelligence agencies, the report said, was the 1949 law that permitted the expenditure of funds by C.I.A. without a public accounting.

From this germ sprung a massive, intricate, but closed-door, financial empire that is the intelligence community. The C.I.A., for instance, developed the spy-in-the-sky satellites, the U-2 intelligence aircraft, owned several major airlines; capitalized an insurance company at \$30 million; and financed two major and several minor wars (including uprisings in the Congo and Guatemala, Laos and the Bay of Pigs) with an undisclosed budget, the report pointed out.

"The committee finds that a full understanding of the budget of the intelligence community is required for effective oversight," the report said. "The secrecy surrounding the budget, however, makes it impossible for Congress as a whole to make use of this valuable oversight tool."

The committee said that in

effect "neither Congress as a whole nor the public can determine whether the amount spent on intelligence, or by the intelligence agencies individually is appropriate given the priorities."

The committee, "believes, there is a serious question as to whether the present system of complete secrecy violates the Constitution."

It rejected the arguments made by Mr. Bush today.

"The committee believes," the report said, "that the overall figure for national intelligence activities can be made public annually without endangering national security or revealing sensitive programs."

The committee expressed some of its deepest concern on the impact of techniques of intelligence upon American culture and democracy. It found that the C.I.A. was using "several hundred" American academics, located in over 100 American colleges, universities and related institutions for such things as making contacts with potential agents or writing books and articles for propaganda purposes. In a number of instances, the report said, the educational institutions were not aware of the relationship.

News Media Network

The committee found the C.I.A. had a network of "several hundred" foreign persons in the world news media to provide intelligence or put out propaganda.

Of these, some 50 are "individual American journalists or employees of U.S. media organizations," the report said. It also found significant infiltration of religious groups.

The committee recommended laws to barring the C.I.A. from publishing books or circulating other propaganda in this country and to firm up by law the recruiting of journalists along the lines of the new C.I.A. guidelines.

The committee would bar recruiting persons receiving United States educational grants and programs.

It also urged that C.I.A. regulations be changed to require that if an academic person develops a relationship with C.I.A. the president or chief executive officer of the educational institution be notified.

The committee wanted laws to buttress President Ford's orders that the C.I.A.'s inspector general system be strengthened and wanted a law to clarify the responsibility of C.I.A. employees to report crimes to their superiors so that these crimes would, in turn, be reported to the Department of Justice for prosecution. The committee rejected the notion that the C.I.A. or its employees were above the law.

The clear pattern of many of the recommendations was to bring Congress deeper and deeper into the oversight of agency expenditures and operations.

The committee found that Congress failed in 1947 to tell the intelligence agencies what it wanted them to do; failed to carry out proper budgetary oversight and on many of the unpleasant or highly sensitive secret operations took an "I don't want to now" stance in its contact with the intelligence agencies.

The report was by no means harsh on Congress, certainly not so harsh as external Congressional critics have become on these issues, but for a committee of Congress it was candid in its view of its own institution.

The recommendations are shaped not only to require the intelligence agencies to report to Congress periodically on numerous aspects of their operations, but also require Congress to make response of decision which will reduce the chance for lethargic oversight.