

CHAPTER FOURTEEN TROUBLE

James Schlesinger, author of the critical 1971 review of the intelligence community, succeeded Richard Helms as DCI. Although he was only director for five months (February-May, 1973), he was seen as Nixon's revenge on the agency and was unpopular. William Colby was one of the few people within the agency who expressed any admiration for Schlesinger:

"He had developed some strong ideas about what was wrong with [the agency] and some positive ideas as to how to go about righting those wrongs. So he arrived at Langley running, his shirt tails flying, determined, with that bulldog, abrasive temperament of his, to implement those ideas and set off a wave of change both in the practice of intelligence generally and in the organization and operation of the CIA specifically."

Schlesinger was the agency's first political director and his job was to restore the CIA as a secret Presidential arm. "The trouble with you fellows", said one of Schlesinger's aides to John Huizenga, head of the board of national estimates, "is that you're not on the team." He meant, of course, on the Nixon team. Nixon was not interested in the CIA as an established bureaucracy carrying out objective professional jobs: he wanted it to do his will.

Schlesinger was working for the Rand Corporation when his managerial expertise came to the attention of Nixon. At the Bureau of the Budget he had a reputation as a "budget cutter" and a "bureaucracy tamer", reducing the Defense Department's running costs by \$6 billion. In 1971 Nixon appointed him chairman of the atomic energy commission which he completely reorganized. Schlesinger applied the same managerial ruthlessness to the CIA. About 7 per cent of the CIA's total staff were either fired or forced to take early retirement. Most departures occurred in the directorate of plans. It was a painful process but many believed that it was long overdue.

Schlesinger, like Bissell before him, believed that the day of clandestine operations had been overtaken, and that technical intelligence should now be at the forefront of agency activities. Schlesinger was also determined to tie analytical procedures to technical intelligence. The board and the office of national estimates were reviewed with the intention of abolishing them (a move effected by Schlesinger's successor, William Colby), and in the meantime lost their right to decide what to analyze. Schlesinger told the analysts that their main function was to write papers to order for the White House. This meant that estimates could more easily be controlled by Kissinger and Nixon.

These changes hit the agency like a whirlwind and there was no respite when the White House announced on 11 May that Schlesinger would be the next Defense Secretary and that William Colby would succeed him as DCI. Schlesinger's and Colby's new appointments were part of a reconstruction designed to win more support for the administration in Congress as it became more enmeshed in the toils of Watergate. Schlesinger was a respected administrator who could be expected to control the military and especially military spending. By taking him out of Langley, Nixon was signalling that he would no longer seek to dynamize the secret world. By appointing Colby as DCI, Nixon was also signalling to the agency that he would cease harrasing it and,

since Colby was a longtime agency hand, that the agency would be well-placed to reassert itself within the Washington power structure. Colby, faced with an agency unsettled by the Schlesinger reforms, and with a public opinion restive over misdeeds in high places, knew that his tenure as DCI would be tricky.

WHISTLEBLOWERS

Distrust of government and politicians was one of the great changes in attitudes of the 1960's and it was intensified by the divisiveness of the Vietnam war and the unsavoury intrigues of Watergate. There was a widespread belief that the CIA's shadowy hand was involved in a range of illegal activities. This led to a greater scrutiny of the agency in the press and to the emergence of whistleblowers from within the agency itself.

In 1967, a series of articles in the magazine Ramparts revealed the CIA's connection with the National Student Association. These exposes were followed by articles in the New York Times and other newspapers revealing CIA connections with corporations, trusts, individuals, research centres and universities. Journalists David Wise and Thomas B Ross had been the first to give accurate details of some CIA operations in their book The Invisible Government (1964), while Alfred W McCoy's book The Politics of Heroin in Southeast Asia (1972) linked the CIA with the heroin trade in Indochina.

In 1973 there was a spate of hostile press articles. In January, the New York Times ran an unflattering profile of Cord Meyer, one of the agency's leading officers on the clandestine side. A month later the same paper revealed in a blaze of publicity that the CIA had trained police from twelve domestic agencies. Critics regarded this as a breach of the CIA's charter not to operate inside the United States and demanded a congressional investigation. In April a book by David Wise, The politics of Lying, revealed that between 1958 and 1961 the CIA had trained Tibetan guerillas at a base in Colorado, again with the implication that the agency had broken its charter. On 11 May, at the trial of Daniel Ellsberg for leaking The Pentagon Papers, the judge, furious at White House interference (Ehrlichman had telephoned the judge during the trial and offered him the post of director of the FBI) and Hunt's burglary of Ellsberg's psychiatrist's office, declared a mistrial and dismissed all charges against Ellsberg.

These books and articles and publicity about the Ellsberg trial were bad enough. Much worse from the agency's point of view was to come. Two books published in 1974 by former agency employees, Peter Agee and Victor Marchetti, attracted worldwide attention.

Victor Marchetti had resigned from the CIA in 1969 after fourteen years service, "disenchanted and disagreeing with many of the agency's policies and practices, and, for that matter, with those of the intelligence community and the U.S. government". Marchetti's disaffection was also prompted by his resentment at what he perceived as his exclusion from the CIA's inner circle because he lacked the necessary eastern establishment background. He had joined the agency straight from Pennsylvania State College, becoming first an analyst specialising in

Soviet military affairs, and then in 1966-69 a staff officer in the office of the DCI. Thus Marchetti knew some of the agency's top secrets. Marchetti wrote his book The CIA and the Cult of Intelligence in collaboration with John D Marks, a former officer at the State Department's intelligence and research bureau. Marks had resigned in 1970 in protest at U.S. policy in southeast Asia and particularly the invasion of Cambodia.

The agency was determined to fight Marchetti and Marks. When Marchetti had joined the CIA in 1955 he had signed the standard contract promising that he would not reveal anything he had learned in his job. Thus the book was in breach of contract. The agency was not claiming that Marchetti did not have the right to publish the book, only that he could not use the classified information to which he had access while working for the CIA. The CIA's general counsel, Lawrence Houston, suggested that Marchetti be prosecuted. Helms concurred and asked Nixon for his support which would be crucial once the case came to court. Nixon agreed and for two years the agency pursued Marchetti through the courts and eventually won. It was a considerable victory because there was a major constitutional issue involved: first amendment rights to freedom of speech. In the Marchetti case the agency effectively won the right of prepublication suppression.

Marchetti and Marks were required to drop 168 passages from their book. The first excision on the grounds of endangering national security was made on the eleventh page of the typescript. It was Henry Kissinger's comment to the 40 committee in 1970 that "I don't see why we need to stand by and watch a country go communist due to the irresponsibility of its own people." This was followed by other cuts ranging from whole paragraphs to one word.

Over the next six years many of the passages originally cut were reinstated as the information became public through Congressional hearings and investigations, as well as the Freedom of Information Act introduced in 1974. But this still did not diminish the sensitivity of the book as far as the CIA was concerned. One officer involved with the case said:

"There were breaches of security in the book which would have turned your hair gray. The naming of principal agents in six or seven cases, for example; the naming of one head of government who helped us; the relationships with another government. The least that would have happened apart from blowing agents and getting some of them killed, was certainly our ouster from a number of countries. Possibly the overturning of a couple of governments. It was dynamite."

There was little the agency could do about the other book published in 1974. Phillip Agee's Inside the Company: CIA Diary, written with the help of the Cuban government, was published in England outside the reach of the American courts. Agee, who had served in Latin America in 1969, became sympathetic to Marxist ideals. This was successfully exploited by Cuban agents who persuaded him to name everyone he knew in, and everyone he knew who was associated with the CIA. The book named several hundred CIA officers and identified cover organizations and relationships with governments and companies. Names of agents were also revealed in CounterSpy, an anti-CIA newsletter published by radical American journalists.

In one edition of CounterSpy the name and address of the CIA station chief in Athens, Richard Welch, was published. It was reprinted in the English

language Athens News on 25 November 1975 and a month later Welch was murdered on his own doorstep. In the edition of CounterSpy that had identified Welch, Agee had written:

"The most effective and important systematic efforts to combat the CIA that can be taken right now are, I think, the identification, exposure, and neutralization of its people working abroad."

Agee always vehemently denied that his revelations had anything to do with Welch's murder, pointing out that Welch had been identified in an East German publication as a CIA officer in 1967, and that the Athens house he lived in was well-known as the CIA station chief's, but within the agency there was very real bitterness and anger against Agee, as well as the belief that he was, as the CIA in-house journal Studies in Intelligence put it, "the first real defector in the classic sense of the work." The publication of his book and other subsequent articles led to a worldwide reshuffle of personnel and inflicted considerable damage on the agency's Latin American programme. In 1981 the U.S. Supreme Court deprived Agee of his passport.

Marchetti and Agee were both products of a disaffected and disillusioned era. Books "exposing" the CIA, revealing political plots and covert actions -the news behind the news, America's secret policies -sold well. Neither author, however, knew the darkest secrets - the assassination plots known by those in the know as the "Skeletons" or "The Family Jewels".

SKELETONS

After the spate of hostile books in the spring of 1973 Schlesinger, just two days before he was due to leave the agency, issued a directive ordering all the senior operating officials in the agency to "report to me immediately on any activities now going on, or that have gone on in the past, which might be construed to be outside the legislative charter of this agency ... I invite all ex-employees to do the same". It was Schlesinger's successor, William Colby, who had to take responsibility for this task.

Colby had been a dedicated cold warrior. A brave and resourceful OSS officer, he had parachuted twice into Nazi-occupied Europe, once in France and once in Norway. He joined the CIA in 1950 and went to Frank Wisner's office of policy coordination, and apart from his temporary assignment to the Phoenix programme in Vietnam, he had worked continuously on the clandestine side of the agency. When Colby's appointment as DCI was announced the press homed in on his association with Phoenix, a programme by then associated in the public mind with systematic murder and torture.

Colby had believed in America's policy in Vietnam and he had given his best there. The Colby who had run Phoenix, however, was not the same man who became DCI in May 1973. A colleague who worked him in the 1960's remembered the difference:

"He was a lot meaner and nastier, and a lot dirtier. A prick. Colby changed quite a bit. The Colby today is a different Colby. The Colby I knew in the agency was a real sonofabitch. Very intense. Very hardworking."

Like many other people, Colby had been affected by the mood of disillusion and

dissent that developed as the Vietnam war progressed, and after the death of his daughter in April 1973 he was thought by colleagues to have become more religious (he was a Catholic) and reflective.

Colby's confirmation hearings in the Senate were protracted and difficult - a sign of things to come. In the period between Schlesinger's departure and Colby's swearing-in on 4 September 1973, it was decided that Colby should inform the chairmen of the Congressional committees to which the agency reported about the grey-area operations that had been revealed following Schlesinger's directive.

The Skeletons report (as it was called in the agency) was a closely typed 693 pages and covered everything that could be construed as CIA dirty tricks. It opened with a summary of CIA contacts with Egil Krogh, John Ehrlichman's assistant at the White House and head of the White House special investigation unit, the "plumbers" who were behind the Watergate break-in. Krogh was also secretary of the cabinet committee on international narcotics control. The CIA had contact with Krogh in all these capacities and although they were in no sense illegal they could certainly be embarrassing in the aftermath of Watergate. CIA employees working in other government agencies and departments were also listed for although again this was perfectly legal, it was potentially embarrassing because the suggestion could be made (and was) that the agency through its officers detailed to other departments, was spying on the White House and on the Washington bureaucracy.

Other items on the list included "contacts with Watergate figures" and "activities directed at U.S. citizens", in particular the surveillance of various anti-war and dissident groups, as well as several newspaper columnists suspected of obtaining sensitive information. The list also gave details of a long-standing intercept programme of Soviet mail: there was information about the agency's involvement with the Bureau of Narcotics and Dangerous Drugs. Details were also given about the various domestic police support programmes and the polygraphing of employees of other government agencies. Last but by no means least, were the accounts of the assassination plots not just against Castro but against the Congolese leader Patrice Lumumba, Abdul Kassem of Iraq and the Dominican dictator Rafael Trujillo. Lumumba, Kassem and Trujillo were all killed by domestic enemies before CIA plans were implemented although the men who killed Trujillo used weapons supplied by the CIA.

On 18 December 1975, Seymour Hersh, a leading investigative reporter from the New York Times telephoned Colby and told him that he had information about the CIA's surveillance of anti-war and dissident groups in the U.S., surveillance which Hersh believed to be in breach of the agency's charter. Colby acknowledged that "on some few occasions" in the past the CIA had conducted such surveillance which might have been in breach of its charter. He stressed, however, that the agency had reviewed such activities in 1973 and that as a result clear directives had been issued which made it plain that henceforth the agency would operate firmly within the law. Hersh's story appeared on 22 December and was front-page news. It was a turning point for the CIA and for the American public, and it signalled the start of an intense public scrutiny of the agency.

COLBY'S FIGHT

After he had spoken to Hersh, Colby had warned President Gerald Ford who succeeded Nixon on 9 August 1974, that a difficult story was about to break. In the 1950's and 1960's Ford had been one of the twelve congressmen involved in the Congressional informal arrangements for oversight of the CIA and he had ensured that the understandings between Congress and the agency worked well. Although he strongly supported the principle of Congressional oversight, in practice he was content for the agency to tell him what it thought he should know. Ford had been happy to operate in that pre-Watergate system built on the understanding that the agency would not embarrass the President or other elected representatives with unpleasant knowledge. It was the old idea of plausible deniability and practically it had a lot to recommend it. But after Watergate, and with Ford as president, all this changed.

Ford was spending Christmas 1974 at Vail, Colorado and as vacation reading for him Colby compiled the Vail report, produced from the earlier Skeletons survey in an unclassified form so that it could be released by the White House. He had already shown both documents to Henry Kissinger who had vehemently opposed Colby's view that the secrets should be made public. However, Colby recalled, that when Kissinger reached the section on assassinations, he became noticeably more thoughtful and said "when Hersh's story first came out I thought you should have flatly denied it as totally wrong, but now I see why you couldn't." Colby had been ahead of everyone in realizing that the agency's dirty secrets would come out sooner or later given the atmosphere of the time. He also realized ahead of most others that the existence of the agency was in question, and that the best hope for its future was for him to be the agent of revelation rather than to fight a rearguard action against disclosure.

Matters took a serious turn for Colby when the acting attorney general, Larry Silberman, asked him whether he had given the Skeletons list to the Justice Department. When Colby replied that he had not, Silberman told him that in withholding evidence of illegal actions for eighteen months, he himself was possibly guilty of a crime. The Justice Department now began to take action on the allegations in Hersh's article.

Colby's decision to recommend that the President should reveal the Skeletons caused consternation inside and outside the agency. Nobody was more bitter than Richard Helms who had been in succession deputy to the director of plans, director of plans, deputy DCI and finally DCI when most of the Skeletons were being buried. Helms knew that the disclosures would reflect adversely on the agency and he strongly opposed Colby's decision. "Helms never forgave Colby for the disclosures", said one retired clandestine service chief: "Helms could never have done what Colby did. There are two camps among CIA people: pro-Colby and anti-Helms and vice-versa, and they'll never really come together".

Implicit in Colby's decision was a recognition that the agency's secrets were going to come out anyway. In strategic terms he was making a planned evacuation from an exposed position but he refused to let the agency be presented as a kind of rogue elephant, rampaging around the world without let or hindrance. If there were actions which were now condemned, he intended to demonstrate that

the agency had acted under orders. To that end he involved the political leadership in both the White House and the Congress by showing their approval and knowledge of operations, regarding this as the best hope for the agency's survival.

The investigations and suspicions brought to a head by Watergate revealed the paradoxes of the CIA's operations and in a typically American way, commented Colby, this was resolved messily and in public:

"We were under attack. I had to be responsive to the committees on the larger question in order to protect the real secrets. The real secrets are the sources, the people ... I took the position very strongly that we should protect the secrets, the people and some of the technology, and that we should try not to stonewall on anything else. That's the argument and it's a good argument".

PUBLIC SECRETS

As revelations of questionable activities began to mushroom in Congress and the press, the possibility that agency officers might be prosecuted caused an uproar within the CIA. David Atlee Phillips described the atmosphere of that fraught 1974 Christmas:

"Overnight the CIA became a sinister shadow organization in the minds of the American people. Visions of a CIA payroll swollen with zealous and ubiquitous cloak-and-dagger villains impervious to good judgment and outside control arose throughout the country. CIA was seen as what the detractors had been so long claiming: unprincipled spooks threatening American society. That was not the CIA I knew, but I realized that any image less sinister would never really be believed by Americans still stunned by Watergate ... The Hersh story, I found on returning to Langley after the Christmas holidays, had produced massive cracks in what had been up to that time a fairly monolithic intelligence establishment." Such was the anxiety that five days after Christmas Colby called a meeting of the agency's officers in the main auditorium at Langley. He briefed them on the Skeletons, the exaggerations of the Hersh article and Schlesinger's 1973 directive ending dubious operations. He tried to reassure them that he was protecting the agency which would survive, in his judgement, if it could get the true story across. He believed, he declared, that:

"No fair jury would convict CIA officers for these long-past activities, which had been undertaken in totally different circumstances and atmospheres than today's". Despite Colby's attempts at reassurance, most of those present disagreed with him, believing that if the principle of agency secrecy was broken, the agency would be effectively destroyed.

Was Colby right? Was it his job to save the agency? If the agency was a Presidential instrument, wasn't it up to the President to save it? As a Presidential appointee shouldn't Colby have checked with the President to make sure it was alright to confirm stories to journalists? Shouldn't he have checked with his own general counsel before admitting to Hersh that the agency had acted illegally? In reply Colby argued:

"I think that in our society, not just in our government, if you take a number of people and put them in a career position, they'll fight to maintain it. They'll differ as to how to maintain it, but they'll fight to maintain it. Everybody will fight to

maintain the integrity of the career they've adopted, and in that sense if the President wanted to get rid of it, yes, he could do it ... I think the people in the White House for a long time were delighted that I was doing it and keeping it out of the White House. I certainly didn't get any criticism from them along that line. What I got was some criticism that I was being too generous with some of the information. I had a sense that they wished it wouldn't happen - I wished it wouldn't happen myself. I was the head of the organization and took the rap for it."

The imperatives of the organization had taken over. At stake now was the integrity of careers and of the CIA as an institution, rather than the job it was meant to do. By 1973 the CIA was no longer close to the President or the President's men. Symptomatic of this was the fact that Colby saw the president alone only three times in the two years and five months he was director. The old certainties of the tripartite relationship between the agency, the President and Congress had vanished after Watergate.

THE ROCKEFELLER COMMISSION

When Ford returned from Colorado after Christmas 1974, he announced on 4 January that he was setting a blue-ribbon commission on CIA activities within the U.S. which would look into allegations of CIA wrong doing, determine whether the agency had exceeded its authority and make recommendations to prevent abuses in the future. "It is essential", Ford declared, "that we meet our security requirements and at the same time avoid impairing our democratic institutions and fundamental freedoms. Intelligence activities must be conducted consistently with both objectives".

Ford's statement was ambivalent to say the least. There was no hint that the agency had acted on behalf of the President: he wanted the country to think that the agency was somehow acting on its own. Ford sought to remake the Presidency by turning the office into a people's tribune against Washington, against the government. But at the same time he did not want a deep investigation into the executive branch, hence the fairly limited terms of reference of the commission which conducted its investigations in private and reported directly to the President. Ford's vice-president, Nelson Rockefeller, was appointed to head the commission, but it was soon clear congress did not intend to be ignored. On 21 January the Senate voted to create a select committee to study governmental operations with respect to intelligence activities chaired by Senator Frank Church (D-Idaho). A month later the House of Representatives followed suit with the establishment of a select committee on intelligence, chaired by Representative Otis Pike (D-New York). For the next two years the CIA was in the full glare of public scrutiny. Colby saw the Rockefeller commission as an ambivalent attempt by Ford to meet public demands for an investigation while at the same time protecting as many embarrassing secrets as it could. This was not what Colby wanted, particularly once the Congressional committees started their own investigations. In his view prolonged exposure would only destroy the agency: only immediate voluntary exposure would save it. Colby made his revelations in a way that made it quite clear that the whole executive apparatus was involved and that the agency had simply been acting under orders. Rockefeller was

displeased and made it clear to Colby that he would have preferred him to take the more traditional attitude of fending off the investigations in the name of national security. Colby ignored the hint:

"I discovered that I was being somewhat too open and candid for some people's tastes. After my second or third appearance, the commission's chairman, Vice President Rockefeller, drew me aside into his office at the Executive Office Building and said in his most charming manner, 'Bill, do you really have to present all this material to us? We realize that there are secrets that you fellows need to keep and so nobody here is going to take it amiss if you feel that there are some questions you can't answer quite as fully as you seem to feel you have to.' I got the message quite unmistakably, and I didn't like it. The Vice President of the United States was letting me know that he didn't approve of my approach to the CIA's troubles, that he would much prefer me to take the traditional stance of fending off investigation by drawing the cloak of secrecy around the agency in the name of national security. So I mumbled something appropriate and went on to give the commission what it needed to get a fair picture of CIA's history."

Colby was taking an enormous risk, not just with his career, but with the agency. His judgement was that the shield of national security would not protect the agency from investigation; that if such investigation was resisted the agency could be blown open by Congress with really damaging consequences, and that therefore the best hope was for the agency to reveal itself. He wanted "an American service", he said to a senior clandestine service officer who argued that he should not reveal the agency's skeletons; by this he meant that the CIA, if it was to survive, had to find a place within the American political system that carried Congressional and public support. If this meant that the agency could have few secrets or could not undertake certain types of activity, so be it. "Colby drove the White House, and in particular three senior people, Ford, Rockefeller, and Kissinger, straight up the wall," observed one CIA man watching from the sidelines.

As a result of forcing the commission to hear what he wanted it to hear, Colby effectively determined the shape of the Rockefeller report. It emphasized the dangers the U.S. faced from an estimated 500,000 or more communist-bloc intelligence officers, nearly 2,000 communist-bloc diplomats in the U.S., and the technical intelligence of the Soviet Union and its allies. With this combination of the threat without and the threat within, the report fundamentally exculpated the agency of wrongdoing. Some of the dubious activities which deserved criticism and should not be permitted to happen again were, as the report acknowledged, initiated or ordered by Presidents, while others were in the grey area between responsibilities delegated to the CIA by Congress and the NSC, and activities specifically prohibited to the agency. In any event, said Rockefeller, the agency itself had taken appropriate steps in 1973 and 1974 to check these activities.

According to Rockefeller, the possibly unlawful and improper activities undertaken by the CIA were: the Soviet mail opening programme; the domestic surveillance of some anti-war and dissident groups; the investigation of certain newspaper reporters; the involuntary confinement of a defector (Nosenko); providing equipment and disguises to Howard Hunt and making psychological profiles of Daniel Ellsberg; the administering of drugs to unsuspecting persons; involvement with the Bureau of Narcotics and Dangerous Drugs; payment of

stationery and other costs for replies to people who wrote to the President after the invasion of Cambodia. On the most controversial question of all, the assassination plots, the report adopted a noticeably ginger approach, noting that this information only came to the attention of the commission after its inquiries were underway and that as a result time did not permit a full investigation before the report was due:

"The President therefore requested that the materials in the possession of the Commission which bear on these allegations be turned over to him. This has been done."

It was a conclusion that begged for a sequel.