

# Text of Report by Colby in Response to

THURSDAY, JANUARY 16, 1975

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## Charges of Domestic Spying by C. I. A.

WASHINGTON, Jan. 15—Following is the text of a report by William E. Colby, director of Central Intelligence, responding to charges of illegal domestic surveillance by the agency, which he submitted to the Senate Appropriations Committee today:

I welcome this opportunity to appear before the Committee today to answer and to place in perspective a series of allegations regarding C.I.A. activities in the United States that have appeared recently in certain publications. I flatly deny the charge in *The New York Times* of Dec. 22, 1974, that "the Central Intelligence Agency, directly violating its charter, conducted a massive illegal domestic intelligence operation during the Nixon Administration against the antiwar movement and other dissident groups in the United States..."

These charges impugn the integrity of a large number of people who have served this country faithfully and effectively for many years. They also damage the credibility of the C.I.A. at home and its effectiveness abroad.

Mr. Chairman, any institution—in or out of Government—that has been functioning for over a quarter of a century (as the C.I.A. has) would be hard put to avoid some wrong steps. But any steps over the line in C.I.A.'s 27-year history were few and far between and if wrong stemmed from a misconception of the extent of C.I.A.'s authority to carry out its important and primary mission—the collection and production of intelligence pertaining to foreign areas and developments. Certainly, at this time, it is my firm belief that all activities of the agency are within the limits of its authority.

I, therefore, welcome the opportunity this inquiry offers to restore public confidence in the C.I.A. and to make its work more effective in the future within the constraints of our Constitution and laws. The employees of the agency and I are wholly committed to being responsive to this committee in full confidence that a thorough understanding of the intelligence process of the United States and the role of the C.I.A. will:

- (1) Demonstrate the value and importance of the intelligence work of the agency.
- (2) Reassure you as to the general propriety and legality of the agency's activities over the years.
- (3) Help you to formulate legislation to improve the procedures and arrange-

ments that govern the agency's activities.

In this process, Mr. Chairman, we hope also to answer the charges made in *The New York Times* and other publications on this subject. I am not sure that we will answer them all, because I note that *The New York Times* has indicated its disinclination to reveal the names of those making the charges it reported. Thus we may not be able to track down the specific situations cited to tell whether the charges were well-founded or not. You might be interested, Mr. Chairman, in a copy I am giving your staff of our reply to a request from *The New York Times* reporter that I give him all our available information on this subject under the present Freedom of Information Act. You will note that *The New York Times* and we are equally concerned with the protection of our sources. To this committee I will of course be fully responsive, and I would hope thereby not only to reassure the committee but to secure greater public and press understanding of C.I.A.'s need for protection of its sources, too.

Mr. Chairman, while it is familiar to you, I would like to take a few moments to draw a framework for your inquiry by giving a brief description of the C.I.A.—its authority under the law, its mission, and the intelligence process itself.

I shall then describe the activities of the agency which do take place within the United States to demonstrate their contribution to the foreign intelligence mission of C.I.A.

I shall follow this with a discussion of the allegations in *The New York Times* of 22 December 1974 and in subsequent articles.

I shall conclude with some suggestions that might be useful to the committee.

### THE C.I.A., AUTHORITY AND BACKGROUND

C.I.A.'s existence and authority rest upon the National Security Act of 1947. The act provides that the agency will "correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government..."

The act calls for the agency to perform certain services of "common concern as the National Security Council determines can be more efficiently accomplished centrally" and "to perform such other functions and duties related to intelligence affecting the na-

tional security as the National Security Council may from time to time direct."

The act provides that "the agency shall have no police, subpoena, law enforcement powers or internal security functions." Those are the responsibility of the F.B.I. and other law-enforcement authorities. In its use of the term "intelligence" in connection with C.I.A. activities, thus, the act implicitly restricts C.I.A. to the field of foreign intelligence.

Another proviso is that "the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure..." Incidentally, the director is the only Government official specifically charged by statute to protect intelligence sources and methods.

The C.I.A. Act of 1949 provides that, in order to implement the above proviso and in the interests of the security of the foreign intelligence activities of the United States, the agency is exempted from the provisions of any "law which requires the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the agency..."

In the intervening years since 1947, as the international role and responsibilities of the United States have grown, so has the importance of intelligence

to its decision-making processes. The duties of the Director of Central Intelligence have also grown, and particularly his role as coordinator of all the intelligence efforts of the U.S. Government.

Intelligence today is no simple, single-dimensional activity. It is primarily an intellectual process involving:

(1) The collection and processing of raw information.

(2) Analysis of the information and development of reasoned judgments about its significance.

(3) The dissemination and presentation of these findings to those needing them.

The process involves a number of different departments and agencies which, together, we call the intelligence community.

Our "overt" collection includes, for example, monitoring public foreign radio broadcasts, press, and other publications, excerpts of which are produced by C.I.A. as a service of common concern for the other members of the community.

Other overt collection is done by State Department Foreign Service offi-

cers, Treasury Department representatives, and defense attachés abroad.

Great technological advances have revolutionized intelligence over these years. The advent of sophisticated technical collection systems has enabled us to know with certainty many things which a decade ago we were debating on the basis of bits of circumstantial evidence.

This technology has been introduced at high cost. Collection systems being employed today have required hundreds of millions of dollars and substantial numbers of people to analyze the information they deliver.

But overt and technical collection cannot collect the plans and intentions of a hostile general staff, sense the political dynamics of closed authoritarian societies, or enable us to anticipate new weapons systems during the research phase before they are completed and visible. For this, clandestine collection is needed, especially by human sources.

The immense flow of data from these collection systems must be correlated, evaluated, and analyzed to understand its true significance. Since the responsibilities of our policy makers cover such a wide range of international subjects these days, intelligence must employ the analytical services of professionals with specialized backgrounds in politics, economics, the sciences, military strategy, geography, and other disciplines. C.I.A. alone, for example, employs enough expertise in these fields to staff the faculty of a university.

Other agencies play essential roles in intelligence work, but C.I.A. has three major functions:

(1) To produce intelligence judgments, based on information from all sources, for the benefit of policy makers. The product is in the form of publications and bulletins on current developments, estimates of future international situations, and in-depth studies on various topics—for example, a study of the origins and growth—over time—of potentially hostile strategic weapons programs.

(2) To develop advanced technical equipment to improve the collection and processing of U.S. intelligence.

(3) To conduct clandestine operations to collect foreign intelligence, carry out counterintelligence responsibilities abroad, and undertake—when directed—covert foreign political or paramilitary operations.

## SECURITY AND COUNTERINTELLIGENCE

I have already mentioned my responsibility for protecting intelligence sources and methods. It is out of this responsibility, and because of the need to protect the nation's intelligence secrets, that C.I.A. has built over the years a capability, using security and counterintelligence techniques, to protect those secrets and guard against penetration of our intelligence activities.

A degree of secrecy, and an ability to protect some secrets, is essential to our work. This literally can be a matter of

life and death for agents operating abroad, whether they be our own employees whose identification with C.I.A. would make them obvious targets for terrorists, or citizens of totalitarian regimes who have agreed to report to us on their own governments.

Many of the American businessmen and professors who voluntarily share

their foreign experiences with us want the relationship to remain confidential, and we must protect their proprietary information which sometimes comes our way in the course of such exchanges.

Disclosure of the details of sophisticated and costly technical collection operations would tell another country for instance, just how to change its procedures in order to deny us reliable assessments of its military threat. Finally, no foreign government can be expected to continue intelligence cooperation and exchange with us unless it is confident that we can keep its secrets.

There is an obvious potential conflict here with the right of citizens in a democracy to know what their Government is doing in their name (and with their money). We are trying to reconcile this by making as much as possible of the substantive product of intelligence activities available to the general public as well as to Government officials.

We are also trying to describe publicly general intelligence activities conducted by the U.S. Government. But we cannot relax, and indeed must intensify efforts to preserve the secrecy of operational details. Our efforts on these lines concentrate on assuring us of the integrity of those we employ or work with, provide indoctrination in and monitor our procedures to keep our secrets, and investigate weaknesses or leaks in our security system. We have requested improvements in our legislative tools for this purpose, and I shall be asking your support for some of these efforts.

Counterintelligence is also a part of the intelligence process. Counterintelligence protects against espionage, sabotage, or subversion. An excellent example was the recently published British takeover of German intelligence in Britain during World War II. This resulted from effective security work in Britain aided by information obtained by agents abroad.

Counterintelligence activities in this country, for our internal security, are the responsibility of the F.B.I.

However, the National Security Council has directed C.I.A. to conduct "clandestine counterintelligence outside the United States." The purpose is to help protect against foreign damage to American personnel, installations, information, and intelligence activities.

The National Security Council also assigned to C.I.A. the task of maintaining central files and records of foreign counterintelligence information for the benefits of all interested agencies.

In practice, counterintelligence involves a close working relationship be-

tween the CIA and the FBI.

## ACTIVITIES WITHIN THE UNITED STATES

C.I.A. of course carries out certain activities within the United States. About three-fourths of its employees live and work in this country. Most are in the metropolitan Washington headquarters area, performing analysis, staff direction, or administrative support.

About 10 per cent of C.I.A.'s employees work in the United States outside the headquarters area. They carry on activities related to or supporting our foreign intelligence mission which must be done here, such as personnel recruitment and screening, contracting for technical intelligence devices, or collecting foreign intelligence available here.

Clearly much information on the world is available here from private American citizens and from foreigners, and it would be foolish indeed to spend large sums and take great risks abroad to obtain what could be acquired cheaply and safely here.

C.I.A.'s Domestic Collection Division has representatives in 36 American cities. Its representatives contact residents of the United States who are willing to share with their Government information they possess, on foreign areas and developments. These American sources provide their information voluntarily, in full awareness they are contributing information to the Government. The division assures them that their relationship with C.I.A. will be kept confidential and that proprietary interests (say, on the part of a businessman) will not be compromised. We of course maintain records of the individuals and organizations we contact.

These offices also assist other C.I.A. activities by identifying individuals who might be of assistance to agency intelligence operations abroad and by resettling foreign defectors who take up residence in the United States.

C.I.A.'s Foreign Resources Division was known until 1972 as the Domestic Operations Division. Its principal mission is to develop relationships with foreigners in the United States who might be of assistance to our collection of intelligence abroad. In this process, it also collects foreign intelligence from foreigners in the United States. It has offices in eight U.S. cities, but it works under some name other than C.I.A., to enable it to contact foreigners who might initially reject a C.I.A. connection.

The work of this division is closely coordinated with the F.B.I., which has the responsibility for identifying and countering any foreigners working within the U.S. against our internal security.

Our cover and commercial staff conducts the agency's cover program, and handles our ostensibly private com-

mercial and funding activities to support our operations. It negotiates with other U.S. Government departments and agencies on official cover arrangements and with cooperating U.S. business firms on private cover arrangements. An example of the work of this staff is an arrangement with a corporation, either an independent firm or a wholly owned proprietary, to provide the ostensible source of income and rationale for a C.I.A. officer to reside and work in a foreign country.

The agency's office of security has eight field offices in the United States primarily engaged in conducting security investigations of Americans with whom the C.I.A. anticipates some relationship—employment, contractual, informational, or operational. The investigators do not normally identify themselves as C.I.A., but do act as U.S. Government representatives whenever possible.

The Office of Security investigates all applicants for employment with the agency, actual or potential contacts of the agency, and consultants and independent contractors, to determine their reliability prior to their exposure to sensitive matters in dealings with the agency. We also conduct investigations of individuals employed by contractors to the agency, such as the employees of Lockheed who worked on the U-2 program. Numerous files are, of course, built up in this activity, but are kept segregated from the agency's operational and counterintelligence files.

Another responsibility of the Office of Security is the investigation within the Government of unauthorized disclosures of classified intelligence. This function stems from the director's statutory responsibility to protect intelligence sources and methods. Thus, the C.I.A. Office of Security would prepare a damage assessment and endeavor to determine the source of a leak so that we could take corrective action. The National Security Act of 1947 gives the director authority to terminate the employment of an individual with the agency when he deems it "necessary or advisable in the interests of the United States . . ."

Research and development are necessary activities if we are to have the technical intelligence capabilities I discussed earlier. Nearly all such work is done for the C.I.A. through contracts with U.S. industrial firms or research institutes. In many such contracts, C.I.A. sponsorship of the project is not concealed. But in some cases, the fact that the work is being done for the C.I.A.—or even for the Government—must be hidden from many of the individuals working on the program. This was the case in the development of the U-2 aircraft, for example.

In such cases, a separate organization within an existing company may be established by the company to conduct the necessary R&D under a cover story of commercial justification. Management of the entire program is organized in a fashion which isolates it from any as-

sociation with the C.I.A. or the Government.

In order that such operations can take place, special cover mechanisms must be established to handle such problems as funding and security investigations of personnel being assigned to the job. Because of the agency's ability to operate such arrangements, it has also undertaken such activities in the field of intelligence on the basis of funding made available from the Department of Defense.

Indeed, though the C.I.A.'s own R&D program is a vigorous one, it is very small compared with the several large programs conducted in conjunction with the Department of Defense. All such

activity is subject to regular and systematic review and audit. This activity represents another category of our domestic activities, bringing the agency into contact directly or indirectly with large numbers of U.S. citizens and requiring it to keep a large number of records involving U.S. citizens and organizations.

Another area of research activity enlists the capabilities of the American scientific, technical and other research communities to assist the research of some new foreign technical field, or to help analyze complex data coming into C.I.A.'s possession. These sorts of research projects or studies can be misunderstood, as recently occurred with respect to one on foreign transportation technology. Current criticism has confused C.I.A.'s solicitation of bids for such a study with a program to spy.

This confusion stems from a lack of appreciation of the modern intelligence process, in which "spying" plays only a small role. In fact, this project, and others similar to it, are purely analytical in character and involve no espionage or active intelligence collection by the contractor. Some such contracts do include analysis of information provided by C.I.A. from its secret technical or clandestine sources.

The agency's Office of Personnel maintains 12 recruitment offices in the United States (whose telephone numbers can be obtained from the public telephone directory). These agency recruiters identify themselves as C.I.A. personnel representatives and carry C.I.A. credentials.

In addition, other agency representatives enter into confidential arrangements with some U.S. residents who agree to assist in the conduct of our foreign intelligence responsibilities. Since most of our professional applicants come from college campuses, primarily at the graduate level, our recruiters maintain close contact with college placement officials and faculty advisers.

To round out our recruitment effort they also maintain contact with personnel representatives of private industry, professional and scientific associations, minority organizations, and the like.

The agency must train its employees in those disciplines which are unique to

its mission, ranging from clandestine operations to intelligence analysis and technical skills. We also offer an extensive program in language training, communications, and the normal administrative and management courses associated with Government operations. To this end we operate several training sites and occasionally take advantage of a large U.S. city environment to expose a trainee to the difficulties of foot surveillance. In such instances, the subject would be another agency employee participating in the training exercise.

The activities I have just described carry out the major programs of the agency which call for the operation of field offices in the United States. They all are proper under the act which governs us.

Now, let me turn to the recent press allegations.

### Allegations and Some Details

The article of Dec. 22, 1974, charged that C.I.A. has engaged in a "massive illegal domestic intelligence operation." The article referred in particular to files concerning American dissident groups.

The facts are these:

In mid-1967, the U.S. Government was concerned about domestic dissidence. You will recall that President Johnson on July 27, 1967, appointed a National Advisory Commission on Civil Disorders. The obvious question was raised as to whether foreign stimulation or support was being provided to this dissident activity.

On Aug. 15, 1967, the director established within the C.I.A. Counterintelligence Office a unit to look into the possibility of foreign links to American dissident elements. The executive director of the national advisory commission wrote to the director on Aug. 29, 1967, asking what the agency might do to assist in that inquiry with "information, personnel, or resources."

The director responded on Sept. 1, offering to be helpful, but pointing out that the agency had no involvement in domestic security. Some limited material from abroad, the director wrote, might be of interest.

Later the same year, the C.I.A. activity became part of an interagency program, in support of the national commission, among others.

Periodically thereafter, various reports were drawn up on the foreign aspects of the antiwar, youth and similar movements, and their possible links to American counterparts. Specific information was also disseminated to responsible United States agencies.

In September, 1969, the director reviewed this agency program and stated his belief that it was proper "while strictly observing the statutory and *de facto* proscriptions on agency domestic involvement."

In 1970, in the so-called Huston plan, the directors of the F.B.I., D.I.A., N.S.A., and C.I.A. recommended to the President an integrated approach to the coverage of domestic unrest. While not explicit in the plan, C.I.A.'s role therein was to contribute foreign intel-

ligence and counterintelligence to the joint effort.

The Huston plan was not implemented, but an interagency evaluation committee, coordinated by Mr. John Dean, the Counsel to the President, was established. The committee was chaired by a representative of the Department of Justice and included representatives from F.B.I., D.O.D., State, Treasury, C.I.A. and N.S.A. Its purpose was to provide coordinated intelligence estimates and evaluations of civil disorders, with C.I.A. supplying information on the foreign aspects thereof.

Pursuant to this, C.I.A. continued its counterintelligence interest in possible foreign links with American dissidents. The program was conducted on a highly compartmented basis. As is necessary in counterintelligence work, the details were known to few in the agency.

We often queried our overseas stations for information on foreign connections with Americans in response to F.B.I. requests or as a result of our own analyses. Most of these requests were for information from friendly foreign services, although there were instances

where C.I.A. collection was directed. In most cases the product of these queries was passed to the F.B.I.

In the course of this program, the agency worked closely with the F.B.I. For example, the F.B.I. asked the agency about possible foreign links with domestic organizations or requested coverage of foreign travel of F.B.I. suspects. The agency passed to the F.B.I. information about Americans it learned from its intelligence or counterintelligence work abroad.

The F.B.I. turned over to the agency certain of its sources or informants who could travel abroad, for handling while there. In order to obtain access to foreign circles, the agency also recruited or inserted about a dozen individuals into American dissident circles in order to establish their credentials for operations abroad. In the course of the preparatory work or on completion of a foreign mission, some of these individuals submitted reports on the activities of the American dissidents with whom they were in contact. Information thereby derived was reported to the F.B.I., and in the process the information was

also placed in C.I.A. files.

In 1973 this program was reviewed and specific direction given limiting it to collection abroad, emphasizing that its targets were the foreign links to American dissidents rather than the dissidents themselves and that the results would be provided to the F.B.I.

In March, 1974, the director terminated the program and issued specific guidance that any collection of counterintelligence information on Americans would only take place abroad and would be initiated only in response to requests from the F.B.I. or in coordination with the F.B.I., and that any such information obtained as a byproduct of foreign intelligence activities would be reported to the F.B.I.

In the course of this program, files were established on about 10,000 citizens in the counterintelligence unit.

About two thirds of these were originated because of specific requests from the F.B.I. for information on the activities of Americans abroad, or by the filing of reports received from the F.B.I. for possible later use in connection with our work abroad.

The remaining third was opened on



Questioning Central Intelligence Agency officials yesterday were, from the left, Senators John C. Stennis of Mississippi, John L. McClellan of Arkansas, Milton R. Young of South Dakota and Roman L. Hruska, Nebraska.

The New York Times

the basis of C.I.A. foreign intelligence or counterintelligence information known to be of interest to the F.B.I.

For the past several months, we have been eliminating material from these files not justified by C.I.A.'s counterintelligence responsibilities and about 1,000 such files have so far been removed from the active index but could be reconstituted should this be required.

In 1967, the Department of Justice established an Interagency Domestic Intelligence Unit. In May, 1970, the Department of Justice provided us with a machine-tape listing of about 10,000 Americans developed by the I.D.I.U. The listing could not be integrated in C.I.A.'s files and was destroyed in March, 1974. It was not the same file program described above.

Mr. Chairman, concurrent with the counterintelligence program, beginning in 1967, C.I.A.'s Office of Security, acting on the basis of concern for the safety of agency installations in the Washington, D.C., area, inserted 10 agents into dissident organizations operating in the Washington, D.C., area. The purpose was to gather information relating to plans for demonstrations, pickets, protests, or break-ins that might endanger C.I.A. personnel, facilities, and information. The reports acquired were made available to the F.B.I., Secret Service, and local police departments. The program ended in December, 1968.

Mr. Chairman, let me digress here for a moment to comment on the word "files" which can mean different things to different people. In addition to the counterintelligence files we have discussed, an agency of the size of C.I.A. obviously must maintain large numbers of files.

The backbone of an intelligence operation, particularly a counterintelligence case, is detailed information—through which one can begin to discern patterns, associations, and connections.

In this sphere, therefore, any professional intelligence organization tries to systematically record all scraps of information. Thus whenever a name—anyone's name—a date, a place, a physical description, appears anywhere in any operational report, it is usually put into a cross-referenced master index.

Whenever there are one or more pieces of paper dealing primarily with a single individual—for whatever reason—there is probably, somewhere, a "file" on that individual; whether he be an applicant, an employe, a contractor, a consultant, a reporting source, a foreigner of intelligence interest, a foreign intelligence officer, or simply a person on whom someone else (such as the F.B.I.) has asked us to obtain information.

The fact that there is a "file" somewhere in one of our various records systems with a person's name on it does not mean that the "file" is the type of dossier that police would use in the course of monitoring that person's activities.

In this context, it is clear that C.I.A. does not have material on large numbers of Americans, as applicants, current and ex-employees, sources and other contacts, contractors, government and contractor personnel cleared for access

to sensitive categories of intelligence, references and other names arising during security investigations, individuals corresponding with us, etc.

Our operational files also include people who were originally of foreign intelligence interest but who later became U.S. citizens, such as Cuban or other emigres. I am sure you will find that most of these are unexceptionable and necessary to run an institution of the size and complexity of C.I.A., and that these records are maintained in ways which do not suggest that these names are suspect.

There have been lists developed at various times in the past, however, which do appear questionable under C.I.A.'s authority; for example, caused by an excessive effort to identify possible "threats" to the agency's security from dissident elements, or from a belief that such lists could identify later applicants or contacts who might be dangerous to the agency's security. They did not usually result from C.I.A. collection ef-

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orts (although as I noted above, they sometimes did), but were compilations of names passed to us from other Government agencies such as the F.B.I., some police forces, and several Congressional committees or developed from news clippings, casual informants, etc. A number of these listings have been eliminated in the past three years, and the agency's current directives clearly require that no such listings be maintained.

The New York Times article on Dec. 22, 1974, made certain other charges: That at least one member of Congress had been under C.I.A. surveillance and that other Congressmen were in our "dossier" on dissident Americans, and that break-ins, wire-taps, and surreptitious inspection of mail were features of C.I.A. activities. Let me provide background on these allegations.

On May 9, 1973, the director issued a notice to all C.I.A. employes requesting them to report any indication of any agency activity any of them might feel to be questionable or beyond the agency's authority.

The responses led to an internal review throughout the agency, including the counterintelligence program described above.

The initial responses and our review of them culminated in fresh policy determinations and guidance issued in August, 1973, to insure that our activities remain within proper limits.

Let me discuss our findings with respect to the press allegations.

(1) The New York Times article of Dec. 22, 1974, declared: "At least one avowedly antiwar member of Congress was among those placed under surveillance by the C.I.A., the sources said." Mr. Chairman, our findings are that there is no—and to my knowledge never has been—surveillance, technical or otherwise, directed against any member

of Congress.

The New York Times article also indicated that "other members of Congress were said to be included in the C.I.A.'s dossier on dissident Americans." Mr. Chairman, our findings are that, with the exception of one former Congressman, no members of the 90th Congress which commenced on Jan. 10, 1967, or of any succeeding Congress, up to and including the 94th Congress, are included in our counterintelligence program's files. We do have other files on current or former members of Congress. These fall into categories such as ex-employees, some who were granted security clearances in pre-Congressional jobs, some who were sources or cooperated with us, some who appear as references in applications or security clearance procedures on our personnel, and some whose names were included in reports received from other Government agencies or developed in the course of our foreign intelligence operations.

The New York Times article also referred to "break-ins," and said no "specific information about domestic C.I.A. break-ins" could be obtained. Our internal investigations to date have turned up a total of three instances which could have been the basis for these allegations. Each of the three involved premises related to agency employes or ex-employees.

In 1966, a new agency employe, inspecting a Washington apartment he was thinking of renting, saw classified agency documents in the apartment, which was the residence of another employe. The new employe advised the C.I.A. security office. Subsequently, a security officer and the new employe went to the apartment, were admitted as prospective renters, and removed the documents.

The second instance occurred in 1969. A junior agency employe with sensitive clearances caused security concern by appearing to be living well beyond his means. Surreptitious entry was made into his apartment in the Washington area. No grounds for special concern were found.

The third instance occurred in 1971 in the Washington area. An ex-employe became involved with a person believed to be a foreign intelligence agent. Security suspicions were that the two were engaged in trying to elicit information from agency employes. A surreptitious entry was made into the place of business jointly occupied by the two suspects. Results were negative. An attempt to enter the suspect agent's apartment was unsuccessful.

The New York Times article also referred to wiretaps and said no specific information could be obtained. Our findings show that C.I.A. employed telephone taps directed against 21 residents of the United States between 1951 and 1965, and none thereafter. In each case the purpose was to check on leaks of classified information. All but two of the individuals concerned were agency employes or former agency em-

ployes, including three defectors (not U.S. citizens) and one contractee who was the mother of an employe. The two private citizens whose phones were tapped in 1963 were thought to be receiving sensitive intelligence information, and the effort was aimed at determining their sources. Our records show that these last two taps were approved by the Attorney General.

In 1965, President Johnson issued an order that there be no wiretaps in national security cases without the approval of the Attorney General. Only one of the operations mentioned above took place thereafter, in 1965, against a C.I.A. employe suspected of foreign connections. This operation was approved by the Attorney General.

The New York Times article also alleges physical surveillance (following) of American citizens. The agency has conducted physical surveillance on our employes when there was reason to believe that they might be passing information to hostile intelligence services. This was done on rare occasions, and in recent years only three times—in 1968, 1971 and 1972. In 1971 and 1972, physical surveillance was also employed against five Americans who were not C.I.A. employes. We had clear indications that they were receiving classified information without authorization, and the surveillance was designed to identify the sources of the leaks.

Also, in 1971 and 1972, a long-stand-



physical surveillance in two American cities. The surveillance came to involve Americans who were thought to be part of the plot—and the mail of one suspect was opened and read.

The New York Times article also refers to "surreptitious inspection of mail." From February, 1953 until 1973, C.I.A. conducted several programs to survey and open selected mail between the United States and two Communist countries. One occurred in a U.S. city from 1953 to February, 1973, when it was terminated. One took place during limited periods in one other area in November, 1969, February and May, 1970, and October, 1971. One other occurred in August, 1957.

The purpose of the first and extended

activity was to identify individuals in active correspondence with Communist countries for presumed counterintelligence purposes, the results being shared with the F.B.I. The others were designed primarily to determine the nature and extent of censorship techniques. The August, 1957, case was to try to learn the foreign contacts of a number of Americans of counterintelligence interest. I repeat that there has been no mail survey in this country by C.I.A. since February, 1973.

## C.I.A. RELATIONSHIP WITH OTHER GOVERN- MENT AGENCIES

ing C.I.A. source—a foreigner visiting in the U.S.—told us of a plot to kill the Vice President and kidnap the C.I.A. director. We alerted the Secret Service and the F.B.I. and we carried out

In August, 1973, in connection with the review of all activities of the agency which might be considered questionable under the terms of its charter, C.I.A. made a review of its assistance to other Federal, state, and local government components.

Assistance to agencies with foreign operations and not involved in domestic law enforcement was generally continued, while assistance which could involve the agency even indirectly in law enforcement or similar activities was appropriately modified or terminated.

In discussing allegations of improper C.I.A. domestic activity, I wish to comment on "the Watergate affair." This topic has been the subject of extensive hearings by the Ervin committee and the four C.I.A. subcommittees of the congress as well as by other investigations by the grand jury, the Department of Justice, and the special prosecutor. So I will comment only briefly on it. The allegations included a charge that C.I.A. had prior knowledge of the Watergate break-in and was somehow otherwise knowingly involved. While I have stated the C.I.A. made mistakes in providing certain equipment to Howard Hunt and in preparing a psychological assessment on Daniel Ellsberg, both in response to directives from the White House, we have no evidence, and none was developed in any of the hearings or inquiries I have just mentioned, to support the other allegations concerning C.I.A.

Aside from these two instances, the main C.I.A. role in Watergate was to refuse to be used in the coverup and to avoid being misunderstood as involved. Most recent evidence clearly demonstrates C.I.A.'s noninvolvement rather than involvement in Watergate.

I think it is interesting in this connection that despite the fact that the profile and the provisioning were requested by the White House, questions as to the propriety of these actions were brought to the attention of senior officials of the agency by agency employes at the working level.

Mr. Chairman, since 1973, agency employes are instructed each year to bring either to my attention or to that of the Inspector General any activity which they think may be beyond C.I.A.'s prop-

er charter.

For the committee's background, I would also like to mention the agency's relationships with American students and other associations and foundations, revealed in 1967 by Ramparts Magazine. The agency had developed confidential relationships with some officials of these groups to assist their activities abroad in exposing and counteracting Communist-controlled efforts to subvert international student and labor groups.

State Department Under Secretary Katzenbach chaired an interagency group which investigated this matter. The group's recommendations resulted in a ban on C.I.A. covert assistance to American educational or voluntary organizations, and these restrictions are reflected in internal agency regulations and policy.

The activities I have described to you in this statement relate to The New York Times allegations and were among those, as I have said, that were reported to the director by our officials and employes in 1973 in response to his notice to all employes asking them to report any and all activities that they or others might deem questionable. These were reported to the chairmen of the Senate and House Armed Services Committees—the Congressional bodies responsible for oversight of C.I.A.—in May, 1973.

These briefings were accompanied by my assurances that the agency's activities would be conducted strictly within its proper charter, and specific instructions were issued within the agency along these lines. Recently, I was advised by the acting Attorney General that I was obliged to call certain of these to his attention for review, and I have done so, although it is my opinion that one would properly be the subject of adverse action against men

who performed their duties in good faith.

Mr. Chairman, in this presentation I have endeavored to provide the committee with a frank description of our intelligence activities. That description is intended to demonstrate the importance of the C.I.A. and the rest of the intelligence community in assisting the Government in developing and implementing its foreign policy and alerting it to potential crisis or war. I would now like to summarize the situation and present some thoughts for the committee's consideration.

First, as I said at the outset, I flatly deny the press allegations that C.I.A. engaged in a "massive illegal domestic intelligence operation."

Whether we strayed over the edge of our authority on a few occasions over the past 27 years is a question for those authorized to investigate these matters to judge.

Mr. Chairman, any institution—in or out of Government—that has been functioning for 27 years finds it hard put to avoid some missteps, but I submit that any such missteps in C.I.A.'s history were few and far between, and were exceptions to the thrust of the agency's important and primary mission—the collection and production of intel-

ligence pertaining to foreign areas and developments.

Certainly at this time it is my firm belief that no activity of the agency exceeds the limits of its authority under Against this background, I would, however, like to make some suggestions for the committee's consideration.

Several bills were introduced in the 93rd Congress to amend the National Security Act so as to clarify the extent of C.I.A.'s activities within the United States.

One of these amendments would add the word "foreign" before the word "intelligence" wherever it appears in the act, to make crystal clear that the agency's purpose and authority lie in the field of foreign intelligence.

Another amendment would amplify the current restrictions in law by specifying that within the United States the agency will not engage:

"In any police or police-type operation or activity, any law enforcement operation or activity, any internal security operation or activity, or any domestic intelligence operation or activity."

The agency fully accepts such amendments as a statement of prohibited activity and as a way to reassure any concerned that C.I.A. has no such function. Last July, I so testified before the Legislative Oversight Committee in the House and last September, I wrote to the chairman of the Legislative Oversight Committee in the Senate assuring him that the agency will abide by the letter and the spirit of the proposed amendments.

The prohibition in these bills is supplemented by the following additional proviso:

"Provided, however, that nothing in this act shall be construed to prohibit C.I.A. from protecting its installations or conducting personnel investigations of agency employes and applicants or other individuals granted access to sensitive agency information; nor from carrying on within the United States activities in support of its foreign intelligence responsibilities; nor from providing information resulting from foreign intelligence activities to those agencies responsible for the matters involved."

Again, we welcome this as a clear statement of what the agency properly does in the United States in support of its foreign intelligence mission. As I described to you earlier and explained in my confirmation hearings, these include:

- (1) Recruiting, screening, training and investigating employes, applicants, and others granted access to sensitive agency information.
- (2) Contracting for supplies.
- (3) Interviewing U.S. citizens who voluntarily share with the Government their information on foreign topics.
- (4) Collecting foreign intelligence from foreigners in the United States.
- (5) Establishing and maintaining support structures essential to C.I.A.'s foreign intelligence operations.
- (6) Processing, evaluating, and disseminating foreign intelligence, information to appropriate recipients within the United States.

I respectfully suggest that the com-

mittee might indicate its support of these or similar legislative amendments in its recommendations.

A separate matter of concern deals with the question of appropriate oversight of the agency. Within the executive department, the director is appointed by the President with the advice and consent of the Senate and serves "during the pleasure of the President of the United States and for the time being."

The President has appointed a foreign intelligence advisory board to assist him in supervising the foreign intelligence activities of the United States.

This board has a long and excellent record of reviewing the foreign intelligence activities of the United States—those in C.I.A. as well as the other departments and agencies.

The board has made a number of very important recommendations to the President and has stimulated and supported major advances in our intelligence systems.

The activities of the C.I.A. and the intelligence community are also reviewed by the Office of Management and Budget, to which the agency reports fully and through which the director's recommendations for the total foreign intelligence program are routed to the President.

General guidance of the C.I.A. and the intelligence community is provided by the National Security Council through the Assistant to the President for National Security Affairs and the National Security Council staff. The National Security Council is assisted by the National Security Council Intelligence Committee and by several other National Security Council committees.

Pursuant to a Presidential directive of 5 November 1971, reaffirmed by President Ford on 9 October 1974, the Director of Central Intelligence is also assigned a special role with respect to the intelligence community as well as the Central Intelligence Agency.

He is required to exercise positive leadership of the entire community and to recommend to the President annually the appropriate composition of the en-

tire intelligence budget of the United States. He is directed to accomplish these with the advice of and through the United States intelligence board and the Intelligence Resources Advisory Committee, which includes the intelligence elements of the State, Defense, and Treasury departments, and other agencies concerned with intelligence.

In my view, Mr. Chairman, the arrangements for administrative supervision of the Central Intelligence Agency and the intelligence community by the Executive branch appear sufficient at this time.

As you know, Mr. Chairman, Congressional oversight of C.I.A. has long been handled with full recognition by Congressional leaders of the necessary secrecy of the agency's activities. C.I.A. reports, on all matters, including the

most sensitive details, to the Special Subcommittee of the Armed Services and Appropriations committees of each house.

There are no secrets from these oversight committees, and between our meetings with the committees, we are in continuing contact with the staffs. As I have stated before, Mr. Chairman, I believe I have more than a duty to respond to these committees; I must undertake to volunteer to them all matters which are of possible interest to the Congress.

#### Need for Secrecy Stressed

The agency has reported publicly to other committees about matters which can be disclosed publicly, and it has reported extensively in executive session to other committees, providing classified and substantive intelligence appreciations of world situations. Over the years, a number of suggestions have been made within the Congress to revise the oversight responsibility, but to date none has been agreed, with the exception of the recently enacted amendment to the Foreign Assistance Act requiring that the Senate Foreign Relations Committee and the House Foreign Affairs Committee be briefed on our operations abroad, other than activities intended solely for obtaining necessary intelligence.

The agency's position has always

been that it will work with the Congress in any way the Congress chooses to organize itself to exercise its responsibilities for oversight and for appropriations. I do add, however, my earnest trust and request that these be conducted in a manner which will retain the secrecy of these sensitive matters.

This raises the final subject to which I invite the committee's attention—the need for legislation to strengthen our ability to protect those secrets necessary to successful intelligence operations.

It is plain that a number of damaging disclosures of our intelligence activities have occurred in recent years. One effect of this has been to raise questioning among some of our foreign official and individual collaborators as to our ability to retain the secrecy on which their continued collaboration with us must rest.

We certainly are not so insensitive as to argue that our secrets are so deep and pervasive that we in the C.I.A. are beyond scrutiny and accountability.

We of course must provide sufficient information about ourselves and our activities to permit constructive oversight and direction,

I firmly believe we can be forthcoming for this purpose, but there are certain secrets that must be preserved.

We must protect the identities of people who work with us abroad.

We must protect the advanced and sophisticated technology that brings us such high-quality information today.

To disclose our sources and methods is to invite foreign states (including potential enemies) to thwart our collection.

Our problem is that existing statutes do not adequately protect these secrets that are so essential to us.

They provide criminal penalties, in event of disclosure of intelligence sources or methods, only if the disclosure is made to a foreigner or is made with an intent to injure the United States. The irony is that effective criminal penalties do exist for the unauthorized disclosure of an income tax return, patent information, or crop statistics.

To improve this situation, we have proposed legislation, and I invite this committee to support the strengthening

of controls over intelligence secrets. As you know, Executive branch recommendations on the precise wording and elements of this proposed legislation are under development at this time. I believe these recommendations could be fully compatible with the Constitution, with the lawful rights of intelligence employes and ex-employes, and with the independence of our judicial authorities.

I believe this matter to be as important as oversight by the executive and legislative branches. For effective supervision of intelligence activities and the need for effective secrecy must go hand in hand.

I am prepared to respond to any questions the committee may have and to make available employes of the agency for questioning.

As for ex-employes, I respectfully request—should the committee seek them as witnesses—that they be contacted directly by the committee. The agency no longer has authority over them, and I have directed that they not be contacted by the agency at this time in order to avoid any possibility of misunderstanding of such contacts.

I respectfully request an opportunity to review with the committee the details of testimony before a decision is made to publish them and perhaps reveal sensitive intelligence sources and methods.

In conclusion, Mr. Chairman, I sincerely believe that this committee will find with me that the agency did not conduct a massive illegal domestic intelligence activity, that those cases over its history in which the agency may have overstepped its bounds are few and far between and exceptions to the thrust of its activities, and that the personnel of the agency, and in particular my predecessors in this post, served the nation well and effectively in developing the best intelligence product and service in the world.

Lastly, I hope that this committee may help us to resolve the question of how, and consequently whether, we are to conduct an intelligence service in our free society, and recognize its needs for some secrecy so that it can help protect our freedoms and contribute to the maintenance of peace in the world.