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Colby Says CIA Operations Jeopardized by Excitement

By George Lardner Jr.
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The head of the Central Intelligence Agency yesterday protested that American intelligence operations have been jeopardized by "the almost hysterical excitement" over CIA missteps.

Testifying before a House Appropriations subcommittee for nearly three hours, Colby complained that allegations of illegal or improper domestic spywork by the CIA have been blown out of all proportion and have placed its legitimate activities in danger.

At the same time, the CIA director submitted a series of what he called "minor

changes" in a report that he gave the Senate Appropriations Committee last month.

Continuing investigations, Colby said, showed that the agency's counterintelligence files over the past eight years "have included files on four members of Congress."

He said under questioning that "at least a couple" of these unidentified members of Congress turned up in counter-intelligence dossiers because of their anti-Vietnam war activities, but denied that any of them had been under "active surveillance."

In his report to the Senate last month, Colby had said that only one former member

of Congress had appeared in the CIA's counterintelligence program files.

Colby strongly defended his beleaguered agency and maintained that its missteps were "few and far between . . . in no way justify the outcry which has been raised against CIA."

Flanked by two aides at the public hearing, which will be followed by a closed session today, William E. Colby said the furor has touched off chagrin among cooperating intelligence agencies abroad, fears among a number of individual CIA agents that their

See COLBY, A10, Col. 1

COLBY, From A1

lives might be jeopardized by public disclosures, and concern among Americans who have collaborated with the CIA that their businesses might be ruined by "sensational" misrepresentation of their work with the agency.

Within the CIA, Colby said, "the morale, to be perfectly honest, right now is bad." Just a couple of weeks ago, he added, the agency asked eight firms to bid on a CIA contract, and seven of them declined, probably because they "did not want to be associated with the trouble the CIA is in today."

The CIA's domestic activities are under investigation by a special presidential commission headed by Vice President Rockefeller. The agency also faces broader inquiries, along operations, but insisted that with the rest of the nation's they are meticulously maintained by CIA select Senate and House investigating committees that have been created in the past month.

Addressing himself to some specific allegations, Colby denied a report in The New York Times quoting an anonymous ex-CIA agent as declaring that he and other agents had taken part in telephone wiretaps and break-ins in the New York City area.

The slim, gray-haired CIA director said the agency had been unable to identify any such ex-employee and as a result suspected that the Times reporter, Seymour Hersh, was the victim of what we in the intelligence trade call a fabricator.

Colby also denied what he described as charges that the CIA manages a \$200 million-a-year corporate empire "which could circumvent the will of Congress." He acknowledged that the agency maintains "certain corporate support structures" as a cover for its

agency worked with the Bureau of Narcotics and Dangerous Drugs in the early 1960s to bug apartments in various metropolitan areas as "sex traps for foreign diplomats."

"I won't say sex and intelligence never got together," Colby told Rep. Bill D. Burlison (D-Mo.), but "I'd really like to talk about the relationship with the BNDD privately if I could."

Under questioning by Rep. Joseph P. Addabbo (D-N.Y.) last month, Colby also refused to give the

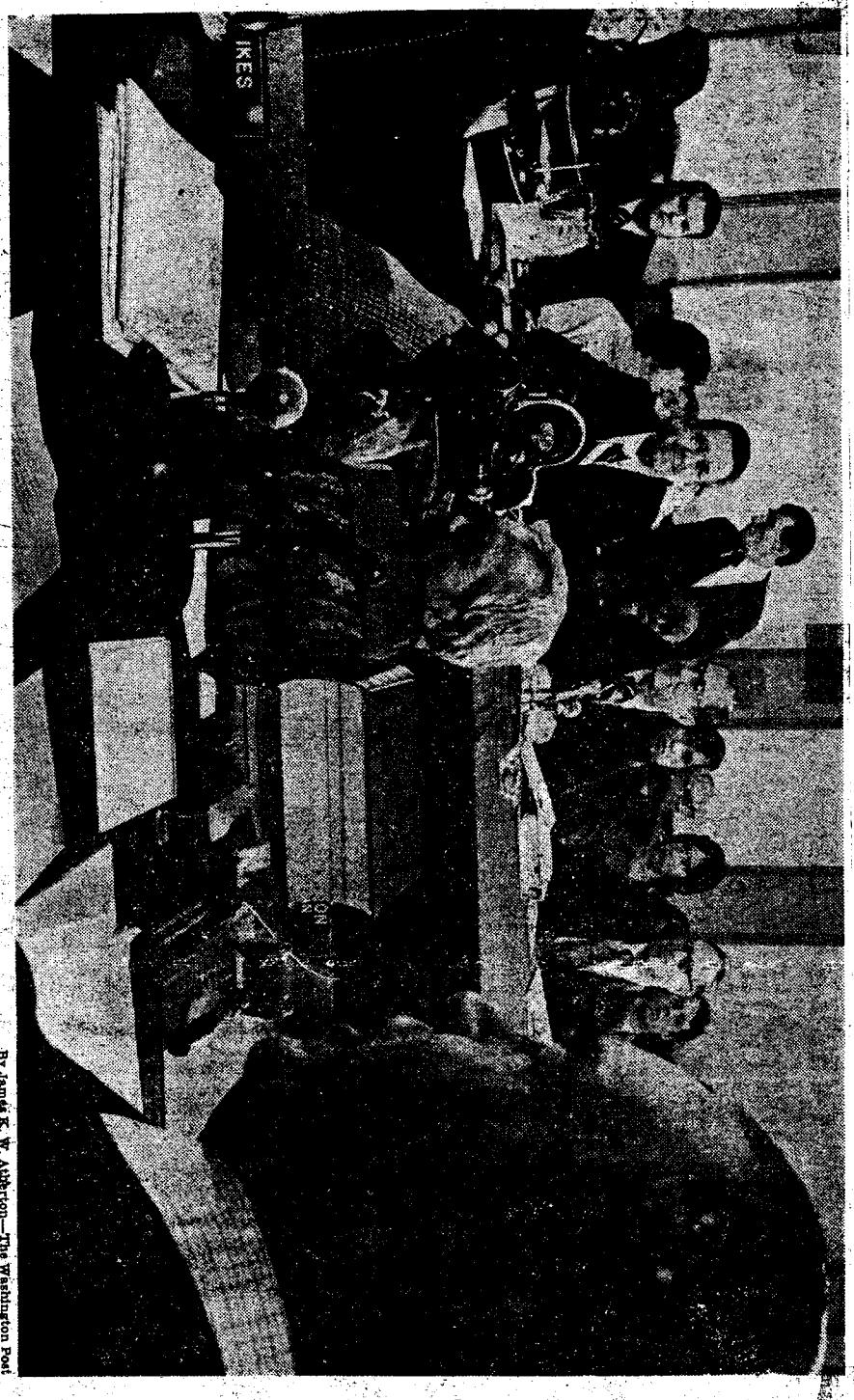
page report on the CIA's domestic activities that was submitted to President Ford a few weeks ago.

Colby said the report contained "essentially" the same facts he was giving the subcommittee in summary fashion. But as for the report to Mr. Ford, he said, "I am not authorized to release that." Colby refused to elaborate on the reasons.

In his report to the Senate Appropriations Committee last month, Colby admitted for the first time that CIA officers had occasionally spied

on American journalists and political dissenters, opened the mail of private citizens, planted informers inside domestic groups and assembled the agency's own secret files on more than 10,000 Americans.

In the updated report submitted yesterday, he also said the agency conducted telephone wiretaps on 27 persons, including foreigners, in the United States between 1951 and 1965, when the practice was stopped—instead of 21 individuals as previously reported.



By James K. W. Auteroff, The Washington Post

Chairman George H. Mahon (D-Tex.), right, presides over a House Appropriations subcommittee hearing on CIA domestic activities. CIA Director William E. Colby, flanked by aides George K. Carry, left, and John Clark, At the witness table, behind microphone,