

# Intelligence Report Leaks Denounced by White House

JAN 27 1976

Nessen and Colby Say  
Agreements Have  
Been Violated

NYTimes

By NICHOLAS M. HORROCK  
Special to The New York Times

WASHINGTON, Jan. 26—The Ford Administration and the Director of Central Intelligence charged today that leaks of a House committee report on intelligence activities violated an agreement between the committee and the executive branch.

President Ford's press secretary, Ron Nessen, told newsmen: "The premature release of a preliminary draft of the committee report is in violation of the security agreement which the White House understood it had with the committee. It raises serious questions about how classified material can be handled by Congress when the national security is at stake."

In a news conference called before he retires as Director of Central Intelligence, William E. Colby said that, under the agreement by which the Central Intelligence Agency supplied information to the House Select Committee on Intelligence, President Ford should have been consulted before any release of secret information "and his decision would be final in the absence of further

Continued on Page 15, Column 1

Continued From Page 1, Col. 6  
judicial determination.

"The committee seems neither able to keep secrets nor its agreement," Mr. Colby said.

He was questioned extensively on accounts of the House report published in The New York Times today. The report has not yet been released by the committee.

"From the draft of the committee report that I have seen and the news stories about it, I believe it totally biased and a disservice to our nation," he said.

"By selective use of the evidence provided, by innuendo and suggestive language, the committee implies that intelligence has deceptive budgets, has no accountability and has not complied with a direct order of the President. I deny

these flatly."

Mr. Colby particularly took issue with a statement in the House report that the C.I.A.'s estimate of the cost of arms being secretly sent to Angola had been undervalued to disguise the extent of American aid from Congress.

He said that the C.I.A.'s method of accounting for the value of small arms in the Angolan shipments might have resulted in an undervaluation of \$1 million or \$2 million. The committee report suggested that the undervaluation could have been so extensive that the United States was in fact pumping \$64 million in equipment into the small country instead of the \$32 million reported to Congress last November.

He said that he agreed with the House committee chairman that "the best way to stop this leakage and the dangers to the United States it involves is by a rapid dissolution of this committee."

Ironically, Mr. Colby told a reporter for The Associated

Press in an interview today that he had told The Washington Star in November 1973 that the C.I.A. infiltrated the news media.

"That particular story came from a discussion with the [Star] editorial board and the question was asked whether we had any relationships with journalists. I felt I had to speak straight with the people on the editorial board, that I couldn't be in the position of telling them something false. So in the process I did tell them, yes," he said in the interview.

Representative Robert McClory of Illinois, the senior Republican on the House intelligence committee, also attacked the leaks of stories that appeared in The Times.

"I must confess that at this point I am not confident a House committee could be trusted with this information," he said.

He said he was particularly vexed because his minority opinion on the report was not carried by The Times.

"Then leak it to us now," a reporter suggested. Mr. McClory declined.

The acting chairman of the House committee, Representative Robert N. Giaino, a Connecticut Democrat, said the leaks disturbed him and every member of the committee.

"I don't know where the leaks come from," he said. "They could have come from the staff or from the executive branch."

A. Searle Field, the staff director, said: "As far as I can

see, it didn't come from the committee. There's literally dozens of copies [of the report] at the State Department, at the executive offices, the Pentagon. It is a very severe blow."

Mr. Colby later denied that anyone at the C.I.A. had leaked the information.

According to a copy of the committee's final report made available to The Times, the House committee found:

¶That the funds and operations of intelligence agencies were virtually unchecked.

¶Set the C.I.A. and other intelligence agencies had used deceptive budgeting methods that undervalued costs of intelligence when reported secretly to Congress. The price tag for the intelligence apparatus was set at \$10 billion.

¶That the C.I.A. violated a 1967 order by President Johnson that forbade it from infiltrating colleges and private educational foundations.

¶That Senator Henry M. Jackson, Democrat of Washington, secretly advised the C.I.A. on how to protect itself from an investigation by Senator Frank Church, Democrat of Idaho, and members of a Senate Foreign Relations subcommittee.

¶That Secretary of State and Mrs. Henry A. Kissinger received personal gifts from the beleaguered leader of Kurdish rebels who had been supplied with arms by the C.I.A. on the secret order of President Nixon.

Senator Jackson acknowledged that he did give C.I.A. officials advice in 1973, but he said it was procedural in nature and not designed to help them cover up wrongdoing.

Associates of Mr. Kissinger said he had reported the gifts to the White House and they were not in his possession.

Mr. Colby has told Congress, the press and the public many times that leaks may harm national security. He said, again, that foreign intelligence services that cooperated with the United States were advising the C.I.A. that they did not want to continue these relationships because of security breaches.

But he has never named an intelligence service that has actually ended its relationship with the agency over the leaks and has offered little evidence that this in fact has happened.

Mr. Colby is expected to vacate his office either late tomorrow or early Wednesday after Ambassador George E. Bush is confirmed as Director of Central Intelligence.

In a private ceremony today, President Ford awarded Mr. Colby the National Security Medal and praised his leadership during a time he called the agency's "most troubled period."

CIA (7)

Two stories under this headline; the other is subtitled "Panel Says C.I.A. Lets 85% of Its Contracts Without Bidding," by John M. Crewdson.