SFChronicle JAN 1 1 1975 CIA Chief's Answers on U.S. Spying

Washington

CIA Director William E. Colby has informed the Justice Department of instance of domestic surveillance by the CIA, but has contended that insufficient grounds exist for prosecuting any agency personnel.

Colby told department attorneys of CIA "skeletons" dating back to the early 1950s, the Los Angele Times learned. He insisted, however, that any misdeeds by the agency were "few and far between."

Attorneys from both the criminal division and civil rights division of the department are investigating news reports of massive illegal spying by the CIA inside the United States. Colby reportedly has denied the reports, although he has declined to comment on them publicly.

He is scheduled to meet Monday with an eight member commission named by President ford to investigate the reports. The refusal of Colby and other Ford administration officials to confirm or deny publicly the original report of spying has left the impression that there must be considerable substance to the report.

The report, published December 22 by the New York Times, prompted the investigations.

Colby is known to acknowledge that the newd report was correct in identifying some of the "skeletons" unearthed in the CIA's closets by his predecesson as director, James R. Schlesinger. the present secretary of defense.

But Colby contends that the, report exaggerated the extent of the transgressions by linking the cases of individual misdeeds and domestic spying to a file containing the names of more than 9000 American citizens.

The question is whether the existence of the file means the Americans were subjected to domestic spying by the CIA, which would violate the agency's charter since its authority for spying is limited to foreign operations. Colby told Justice Department attorneys that the file was not used as part of any domestic spying program by the CIA. The CIA's contention apparently is that the file has been used to aid the agency's foreign operations and as part of a program of exchanging information with other intelligence agencies.