

Excerpts From the Statement by Colby

Special to The New York Times

WASHINGTON, Feb. 20— Following are excerpts from a statement by William E. Colby, Director of Central Intelligence, at a hearing today by the Defense Subcommittee of the House Appropriations Committee:

Mr. Chairman, in May, 1973, Director Schlesinger issued a notice to all C.I.A. employees instructing and inviting them to report to him or to the Inspector General any matter in C.I.A.'s history which they deemed questionable under C.I.A.'s charter. This instruction has been made a matter of regulation within C.I.A. and is brought to the attention of each employe once a year.

Times Article Cited

As a result of the May, 1973, memorandum, various incidents were collected and brought to the attention of the chairman of the House and the acting chairman of the Senate Armed Services Committees. They were then used as the basis of a very specific series of internal instructions issued in August, 1973, directing the termination, modification, or other appropriate action with respect to such incidents in order to ensure that C.I.A. remains within its proper charter. These instructions have been carried out and are periodically reviewed to ensure continued compliance.

It appears that some ver-

sion of these matters came to the attention of the New York Times reporter who wrote the article of Dec. 22, 1974. A day or two before the article appeared, he contacted me stating he had obtained information of great importance indicating that C.I.A. had engaged in a massive domestic intelligence activity, including wiretaps, break-ins and a variety of other actions.

In response to his request, I met with him and explained to him that he had mixed and magnified two separate subjects, I.E., the foreign counterintelligence effort properly conducted by C.I.A. and those few activities that the agency's own investigation had revealed and terminated in 1973.

He obviously did not accept my explanation and, instead, alleged that C.I.A. had conducted a "massive illegal domestic intelligence operation." I am confident that investigations of the President's commission and the select committees will verify the accuracy of my version of these events.

I also believe that any serious review of my report to the Senate Appropriations Committee will show that I essentially denied his version rather than confirmed it as some have alleged. The sensational atmosphere surrounding intelligence, however, encouraged oversimplifi-

cation and disproportionate stress on a few missteps rather than on the high quality of C.I.A.'s basic work.

Mr. Chairman, these last two months have placed American intelligence in danger. The almost hysterical excitement that surrounds any news story mentioning C.I.A., or referring even to a perfectly legitimate activity of C.I.A., has raised the question whether secret intelligence operations can be conducted by the United States.

A number of the intelligence services abroad with which C.I.A. works have expressed concern over its situation and over the fate of the sensitive information they provide to us. A number of our individual agents abroad are deeply worried that their names might be revealed with resultant danger to their lives as well as their livelihoods.

A number of Americans who have collaborated with C.I.A. as a patriotic contribution to their country are deeply concerned that their reputations will be besmirched and their businesses ruined by sensational misrepresentation of this association. And our own employees are torn between the sensational allegations of C.I.A. misdeeds and their own knowledge that they served their nation during critical times in the best way they knew how.