

Colby Says N.S.A. Tapped Phone Calls of Americans

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WASHINGTON, Aug. 6—William E. Colby, director of Central Intelligence, told a House committee today that the National Security Agency eavesdropped on telephone calls made by Americans in this country.

This marks the first time that an official of the intelligence community has confirmed in public testimony N.S.A. intrusions on American telephone calls.

Representative Les Aspin, Democrat of Wisconsin, a member of the committee, said that the practice "seems to be a very, very clear violation of the First and Fourth Amendments to the Constitution." He said that in his opinion the practice violated Federal statutes against warrantless wire tapping as well.

Mr. Colby's public confirmation of the electronic eavesdropping appeared to come out almost accidentally under questioning by Mr. Aspin at a hearing today. Mr. Colby sought on several occasions to discuss the matter only in closed session.

Activity Held Incidental

Mr. Colby said that the N.S.A.'s eavesdropping on Americans had come about as a result of the agency's monitoring of foreign telephone calls. "Does it involve United States citizens at one end?" Mr. Aspin asked.

"On some occasions, that cannot be separated from the traffic that is being monitored," Mr. Colby answered. "It's technically impossible to separate it." He described the activity as "incidental."

Mr. Aspin later told reporters that, based on testimony that the committee had received in executive session, he found that the activity was "by no means incidental."

"It's a random scanning," he said. "A dragnet, a fishing expedition." He said that the activity was "too random for warrants" to be obtained to comply with the law.

Mr. Aspin disclosed that Dr. Albert C. Hall, Assistant Secretary for Defense Intelligence, had testified in executive session that it was the N.S.A. that had supplied C.I.A.'s secret domestic operation, CHAOS, with 1,100 pages of material.

Project Termed Illegal

CHAOS was termed illegal by the Rockefeller commission, which investigated United States intelligence services, in its report, June 6. It was the centerpiece of C.I.A.'s surveillance of dissident American groups in this country. According to the Rockefeller commission, the work Chaos did was specifically forbidden by the 1947 National Security Act, which created the C.I.A.

The commission's report said that Chaos "furnished a watch list of names to the other agency and received a total of approximately 1,100 pages of materials over all."

"The program to furnish the operation with these materials was not terminated until Chaos went out of existence," the report went on. "All such materials were returned to the originating agency by the C.I.A. in November, 1974, because a review of the materials had apparently raised a question as to the legality of their being held by C.I.A."

Though Mr. Aspin would not go into the secret testimony on technical aspects of how the N.S.A. eavesdrops and what it listened to, several press reports and intelligence sources have sketched the details.

The Chicago Tribune reported

in June that the N.S.A. had tuned in on massive Soviet eavesdropping on long-distance domestic calls in this country. The account quoted intelligence sources as saying that the Russians were able to monitor domestic American calls because they were transmitted by microwave.

The Tribune quoted sources who said that the N.S.A. was picking up on this operation. There is no authoritative information in the public domain on the technical aspects of N.S.A.'s role. One general line of speculation is that the N.S.A. monitored the Russians while they were transmitting their recordings of American calls back to the Soviet Union.

In another instance, partly disclosed in the Rockefeller's commission's report, it is hinted that the intelligence communities made wholesale eavesdroppings on overseas telephone calls placed from the United States.

Presumably, both the Russians and the N.S.A. would have had to use computers to sort out the enormous telephone traffic.

In today's testimony, Mr. Colby said that the N.S.A. operated under authority to monitor foreign intelligence communications. Federal law makes it a crime for unauthorized persons to intercept or attempt to intercept "any wire or oral communication." Police agencies must obtain a warrant for such intercepts in criminal cases, and national security eavesdropping must be approved by the Attorney General.

In other parts of his testimony, Mr. Colby disclosed that two of the agencies' "proprietary" businesses set up to cloak secret operations, had made substantial profits that had either been plowed back into C.I.A. operations or returned to the Treasury Department. He identified one as Air America, a "proprietary" that the C.I.A. created to handle the agency's air traffic needs in the Far East.

The other, he said, was an investment concern that handled insurance, pension annuities and other matters for spies whose links with the Government had to be kept secret.

Mr. Colby also disclosed that the C.I.A. had counterfeited foreign money, but said that it had never counterfeited United States currency.