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Statement

W.E. Colby

Director of Central Intelligence

Before

Defense Subcommittee

of the

House Appropriations Committee

February 20, 1975

Mr. Chairman:

Our national intelligence agency, the CIA, is the object of great attention and concern. A series of serious allegations have been made by the press and other critics about our operations and activities.

At the same time, a number of responsible Americans are concerned that a degree of hysteria can develop that will result in serious damage to our country's essential intelligence work by throwing the baby out with the bath water.

There is equally serious concern within the CIA itself as to whether its personnel can continue to make their important contribution to our country or will be the target of ex post facto sensationalism and recrimination for actions taken at earlier times under a different atmosphere than today's.

I welcome this opportunity to describe the importance of our intelligence, how it works and what it does, and the small extent to which its activities may in past years have come close to or even overstepped proper bounds. We certainly make no claim that nothing improper occurred, but we do think it important that such incidents be given only their proper proportion.

It would perhaps be useful, Mr. Chairman, to start by reviewing some of the allegations made recently about the CIA.

The leading charge was that, in direct violation of its charter, CIA conducted a "massive illegal domestic intelligence operation" against the anti-Vietnam war and other dissident elements in recent years. In my testimony to the Senate Appropriations and Armed Services Committees, on 15 and 16 January, I flatly denied this allegation. I pointed out that CIA instead had conducted a counterintelligence operation directed at possible foreign links to American dissidents, under the authority of the National Security Act and the National Security Council Intelligence Directives which govern its activities and in response to Presidential concern over this possibility. Thus this operation was neither massive, illegal, nor domestic, as alleged.

The same allegations stated that "dozens of other illegal activities," including break-ins, wire tapping, and surreptitious inspection of mail, were undertaken by members of the CIA in the United States beginning in the 1950's. Again I

reported to the Senate Appropriations and Armed Services Committees a few such activities that in fact occurred. I pointed out that most such actions were taken under the general charge of the National Security Act on the Director of Central Intelligence to protect intelligence sources and methods against unauthorized disclosure. Whether or not they were appropriate, there are very few institutions in or out of Government which in a 27-year history do not on occasion make a misstep, but in CIA's case such instances were few and far between and quite exceptional to the main thrust of its efforts.

Another allegation given prominence was apparently based on the statements of an anonymous source who claimed that, while employed by the CIA in New York in the late 60s and early 70s, "he and other CIA agents had also participated in telephone wiretaps and break-ins" in the New York area. As I told the journalist involved before the story was printed, it does not bear any relation to CIA's actual activities in that area. Nor can we identify any former employee who answers to the journalist's description of

his source. I fear that the journalist has been the victim of what we in the intelligence trade call a fabricator.

Another published allegation was that CIA, through Agency-owned corporate structures organized to provide apparent sponsorship for its overseas operations, manages a "\$200-million-a-year top-secret corporate empire" which could circumvent the will of Congress. This allegation is also false. CIA does maintain certain corporate support structures that are essential to conducting its operations and concealing CIA's role overseas. These activities are managed, however, in the most meticulous manner by CIA to ensure the safekeeping of the Government's investment, and to audit these activities to ensure that they stay within proper bounds.

One individual continues to give national prominence to an allegation that CIA was somehow more involved in Watergate and its cover-up than has been demonstrated publicly. His lack of credibility

should cause the charge to fall of its own weight, but in addition I believe the extensive investigations made into this subject, and in particular the tapes most recently released, indicate that CIA's limited assistance in 1971 certainly had nothing to do with the Watergate in 1972, and that CIA was the institution that said "No" to the cover-up rather than be involved in it.

There are also a number of allegations of improper CIA relationships with domestic police forces. The facts are that CIA maintained friendly liaison relationships with a number of police forces for assistance in CIA's mission of investigating its applicants, contractors, and similar contacts. These relationships from time to time included various mutual courtesies which have been warped into allegations of improper CIA manipulation of these police forces for domestic purposes. These allegations are false. Since the 1973 legislation barring any CIA assistance to the Law Enforcement Assistance Administration, CIA has terminated any assistance to the LEAA and in compliance with the spirit as well as the letter of that particular law has terminated any assistance to local police forces as well.

One charge stems from a dangerous misunderstanding of the true nature of the modern intelligence process. CIA invited several U.S. industrial firms to bid on a contract to study new foreign developments in transportation technology. This has been alleged to constitute a program to spy on our closest allies. In truth, of course, it is nothing of the kind. The prospective contractor was only expected to conduct open research and analyze information made available to him. Intelligence work today includes analysis as one of its major elements. It is no longer synonymous with spying.

Mr. Chairman, these exaggerations and misrepresentations of CIA's activities can do irreparable harm to our national intelligence apparatus and if carried to the extreme could blindfold our country as it looks abroad. To this Committee I of course need not stress the importance of our intelligence work to our defense. May I only remind you that our intelligence must not only tell us what threats we face today but also what threats are on the drawing boards or in the research laboratories of potential enemies that might threaten us some years hence.

This Committee is well aware of the contribution intelligence makes to decisions about defense levels. I would also like to remind you of its contribution to the Strategic Arms Limitation and similar treaties. Such agreements help reduce the need for the heavy expense of arms.

I would like to stress another aspect of intelligence today -- its contribution to peace-keeping. Aside from its assistance to our ability to make treaties to reduce tensions between us and other nations, it has on occasion provided our Government information with which it has been able to convince other nations not to initiate hostilities against their neighbors. This peace-keeping role can grow in importance as our intelligence coverage improves. Correspondingly, it can decline if our intelligence machinery is made ineffectual through irresponsible exposure or ill-founded exaggeration.

Mr. Chairman, CIA does carry out some of its activities within the United States. About three-fourths of its employees live and work in this country. Most are in the Washington Metropolitan Area, performing analysis, staff direction,

administrative support and Headquarters activities. About ten percent of CIA's employees work in the United States outside the Headquarters area. They perform support functions that must be done in the United States, such as personnel recruitment and screening or contracting for technical intelligence devices. They also collect foreign intelligence here. Much information on the world is available from private American citizens and from foreigners within the United States, and it would be foolish indeed to spend large sums and take great risks abroad to obtain what can be acquired cheaply and safely here.

CIA's Domestic Collection Division has representatives in 36 American cities. These representatives contact residents of the United States who are willing to share with their Government information they possess on foreign areas and developments. They provide this information voluntarily, in full awareness that they are contributing information to the Government. They are assured that their relationship will be kept confidential and that proprietary interests, say on the part of a businessman, will not be compromised. This program focuses exclusively

on the collection of information about foreign areas and developments.

The Foreign Resources Division of CIA was known until 1972 as the Domestic Operations Division. Its principal mission is to develop relationships with foreigners in the United States who might be of assistance in the collection of intelligence abroad. In this process it also collects foreign intelligence from foreigners in the United States. It has offices in 8 United States cities, and its work is closely coordinated with the FBI, which has the responsibility for identifying and countering foreign intelligence officers working within the United States against our internal security.

The Agency's Office of Security has 8 field offices in the United States, engaged in conducting security investigations of individuals with whom CIA anticipates some relationship -- employment, contractual, informational, or operational. In order not to reveal during the investigation process the fact of CIA's connection with the individual, which might destroy the basis of the relationship, such investigators normally do not identify themselves as working for CIA.

Another responsibility of the Office of Security is the investigation of unauthorized disclosures of classified intelligence. This function stems from my responsibility under the National Security Act to protect intelligence sources and methods against unauthorized disclosure. Thus the Office of Security would prepare a damage assessment and endeavor to determine the source of a leak so that we could take corrective action.

Mr. Chairman, CIA conducts a broad program of research and development, largely through contracts with U.S. industrial firms and research institutes. In many such contracts, CIA sponsorship of the project must be hidden from many of the individuals working on the program itself. This was the case in the development of the U-2 aircraft, for example, so that the ultimate purpose of the aircraft, to fly over hostile territory for photographic purposes, would not be known beyond the necessary small circle rather than by the entire work force. Operations of this sort require complicated cover and funding arrangements. It is for this purpose that the CIA does maintain a variety of arrangements

within the private sector to provide cover and support in the field of funding, insurance, security, and auditing.

The Agency's Cover and Commercial Staff arranges this cooperation with U.S. business firms and operates the proprietary activities maintained by CIA, to provide essential cover for CIA's foreign intelligence work.

The Agency's Office of Personnel has a Recruitment Division to hire Americans with the required skills and expertise for Agency employment. It maintains 12 domestic field offices from which such Agency recruiters operate. In addition to these recruitment efforts, of course, we have confidential arrangements with some Americans who agree to assist us in the conduct of our foreign intelligence work.

The Agency's Office of Training also must do a large amount of its work within the United States. We maintain a number of training installations in which the various disciplines required for CIA's missions are taught. These cover everything from language and communications training to clandestine operations and intelligence analysis. Occasionally

some of this training is conducted by sending a student on a mock exercise into a large U.S. city environment to expose him to some of the problems of operating in a clandestine manner. In such cases, however, the subject of the action would be another Agency employee participating in the exercise.

In addition to these direct activities, the Agency has cooperated and collaborated with a number of governmental elements in the United States. This begins with the extensive collaboration and coordination with the other elements of the Intelligence Community, such as the Department of Defense and the Federal Bureau of Investigation. These joint activities are ones in which it is proper for one Government agency to assist another within the principles established by the Economy Act. As I noted at the outset, an example of this was the counterintelligence program conducted during recent years, in which CIA focused on the question of whether foreign manipulation or support was going to American dissident elements from abroad. The research and development of some of the complex technical equipment required for intelligence is in

many cases conducted jointly by the Department of Defense and CIA, as the resulting flow of information will be of value to both. Similarly, there is an exchange of trainees with various Government agencies, both to improve the breadth of knowledge of the CIA trainees and to orient trainees from other agencies on the role of intelligence in American foreign policy.

As I noted earlier, in the course of these various activities, there have been occasions when CIA may have exceeded its proper bounds. I have outlined a number of these in my report to the Senate Appropriations Committee, a copy of which I submit herewith for your record, along with some changes in detail which have come out of our continuing investigation. I think it important to make three points with respect to any such events:

1. They were undertaken in the belief that they fell within the Agency's charter to collect foreign intelligence or to protect intelligence sources and methods.

2. The Agency has held and adhered to the principle that its responsibilities lie in the field of foreign intelligence and not domestic intelligence, and any of the above activities were believed to have been related to foreign intelligence.

3. Any missteps by CIA were few and far between, have been corrected, and in no way justify the outcry which has been raised against CIA.

Mr. Chairman, in May 1973 Director Schlesinger issued a notice to all CIA employees instructing and inviting them to report to him or to the Inspector General any matter in CIA's history which they deemed questionable under CIA's charter. This instruction has been made a matter of regulation within CIA and is brought to the attention of each employee once a year. 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 CIA remains within its proper charter. These instructions have been carried out and are periodically reviewed to ensure continued compliance.

It appears that some version of these matters came to the attention of the New York Times reporter

who wrote the article of December 22, 1974. A day or two before the article appeared, he contacted me stating he had obtained information of great importance indicating that CIA 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 CIA 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 CIA had conducted a "massive illegal domestic intelligence operation." I am confident that the 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, encourages oversimplification and disproportionate stress on a few missteps rather than on the high quality of CIA'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 CIA, or referring even to a perfectly legitimate activity of CIA, has raised the question whether secret intelligence operations can be conducted by the United States. A number of the intelligence services abroad with which CIA 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 CIA 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 CIA misdeeds and their own knowledge that they served their nation during critical times in the best way they knew how.

I believe it a time for a review of what this nation needs and wants in the field of intelligence and the determination therefrom of how, and consequently whether, American intelligence will

operate. In this process, I believe four things are necessary.

First, it is essential that a sober and responsible review of our intelligence apparatus take place. By reason of the sensitivity of some of these matters, it is essential that it be conducted without a sequence of sensational allegations and exposures. I am sure that the responsible members of the President's Commission and of the Select Committees will take this approach.

Second, the inquiries must be conducted in a manner that protects the secrecy of these sensitive matters after as well as during the investigations. For this reason, I am recommending to the investigating bodies, and the President's Commission has already accepted, arrangements for the physical security of the material to be developed, secrecy agreements for the staffs similar to those utilized by the Intelligence Community and recently ratified by the Fourth Circuit Court of Appeals, and arrangements for compartmentation of the different levels of sensitivity of the information to be provided. There must not only be no exposure of our most sensitive material, such as the names of our agents and collaborators and the specifics of our sensitive technical machinery, there must not even be a risk that this occur.

Third, I look forward to clarification from these inquiries of the proper authority and limitations of American intelligence. For example, in my confirmation hearing I suggested the addition of the word "foreign" before the word "intelligence" whenever it appears in the National Security Act referring to CIA, to make crystal clear its function. I also expect that the arrangements for authorization and oversight of the operations of CIA and the Intelligence Community will be reviewed and clarified wherever necessary. But in the establishment of these new rules, it will be essential to include arrangements for their modification, as the rules of 1975 may be no better fitted for the problems our nation will face in 1990 than those of 1947 may be considered by some for 1975.

Fourth, I believe it essential to improve our tools to protect those secrets necessary to the success of American intelligence and even the conduct of foreign policy. I am charged by the National Security Act with the protection of intelligence sources and methods from unauthorized disclosure. If there is to be no gray area in this charge, I believe it essential that the tools to carry it out be plainly identified and adequate. Today they include our screening and orientation

process, our physical arrangements to protect our material, and the secrecy agreement we require of our employees. But intelligence sources and methods do not have the kind of protection provided by the criminal penalties that apply to the unauthorized revelation of income tax returns, census returns, and cotton statistics. One of our ex-employees has recently published a book abroad, where he is out of range of our injunction process, in which he claims to reveal the name of every individual, American and foreign, that he could remember working with, acknowledging the "important encouragement" of the Communist Party of Cuba in writing the book. I believe it absurd for anyone to be immune from criminal prosecution for such an act.

Mr. Chairman, I thank you for this opportunity to speak publicly about the serious situation of American intelligence today. This is a matter that concerns not only us in the Intelligence Community, and our critics, but our entire nation. American intelligence today, thanks to the dedicated work of thousands of professionals, and in particular my predecessors in this post, has improved in quality to a degree undreamed of a few decades ago. Thanks to it, our Government's policymakers can draw on

factual information and reasoned analysis in cases where until recently they had to rely only on hunches, circumstantial evidence, and cautious hopes. It is not only helping our Government to be better informed about the complex world in which we live, it is also serving the Congress and the people to help them play their full role in American decisionmaking. During 1974, for example, CIA alone appeared before 17 Congressional committees or subcommittees on 48 occasions and had substantive discussions on foreign developments with journalists on some 600 occasions.

As public understanding of the real nature of modern intelligence grows, I am confident that there will be an equal growth in public support of its necessities, including the fact that its details cannot be exposed to the bright glare of publicity or irresponsible exaggeration. With this, I believe 1975 can mark the year in which America reaffirmed the need for intelligence to protect itself and to maintain world peace, and replaced the sensational, romantic, but outdated intelligence image of the mystery writers with a mature understanding of the modern intelligence process. Intelligence is still an exciting profession, but in the intellectual and technological sense, not just the physical.


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2 January 1975

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Deputy to the DCI for National Intelligence Officers
Deputy to the DCI for the Intelligence Community
General Counsel
Legislative Counsel
Inspector General

SUBJECT : DCI Briefing Concerning Domestic Activities

Attached for your information and retention is a copy of the transcript of the DCI presentation in the auditorium on 30 December 1974, concerning the allegations that the Agency has been involved in domestic activities. Although the report is stamped "Administrative - Internal Use Only", you may wish to exercise some reasonable precaution in the handling of this material until and unless the Director authorizes further dissemination.


Executive Officer
Deputy Director for Administration

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Attachment
Transcript

DCI SPEECH - 30 December 1974

DCI: Well I'm sorry, for a variety of reasons, to disrupt your morning. Mostly I'm sorry for the amount of hullabaloo that we're in for again I see. The Agency has had this kind of problem before, as many of you will remember, from the Bay of Pigs to the Ramparts case and, most recently, Chile and now another.

What I thought I would do today is give you a rough outline of where we stand, of where I think we're going to go and answer various specific questions that I know you have in your minds, and then be prepared to answer any others that I can.

Where we stand. We obviously were accused in the New York Times of conducting a massive domestic intelligence operation. That's not so. And I indicated that that's an inaccurate characterization of what this Agency has been doing. What the Agency has done pursuant to its law, which says that it shall not have any law enforcement, police, subpoena powers or internal security functions, has been to work on foreign intelligence and foreign counterintelligence. Now, in the course of that, there were a few things where we probably stepped a little over the edge. For example, in following a foreign intelligence or foreign counterintelligence case, we quite naturally

run across the names of Americans sometimes. If those deal with internal security we pass those to the FBI. Now there's nothing wrong with that. It fits within our Charter. All of us have taken an oath to support and defend the Constitution of the United States against all enemies, foreign and domestic. We are obliged under our law to conduct foreign intelligence and so include foreign counterintelligence activities, and we are entitled to help our country to defend itself against foreign and domestic enemies.

Now where we may have slipped over the edge, in a few cases, is in setting up an operation. We sometimes would put somebody into a radical movement here as a way of developing their credentials for work abroad. Again, no problems. That's just part of the foreign intelligence operation. But in the course of working into that group and developing those credentials sometimes they reported material while they were in that operation. Now that, if it were substantial we would pass it onto the FBI. We would probably make a record of it, and in that way we built up a file of names of Americans and some knowledge of American activities. But the activity was not aimed at the domestic groups. The activity was aimed at preparing somebody to go abroad to work in the things that

are quite proper in our Charter.

There is another area, however. If you look into both the article and the history of this Agency, you will all remember last year when Director Schlesinger sent out a memorandum which said that he knew that there were some questionable activities in the Agency's past history, and he wanted reports of those accumulated. We did accumulate anything that people thought were questionable, and in the course of that we built up a little collection. I went and briefed the Chairmen of the House and the Senate Armed Services Committees on those activities. And you'll also recall that in the succeeding months, we sent out a memorandum to the different Deputy Directorates and specifically referred to each of those cases that was brought up in that exercise. And, we made it very clear as to the proper limits of that activity and the things that we would not do that would be improper.

Now, I think that, in other words, that exercise, both of briefing the Chairmen and of sending out the Directives, has essentially put the Agency in a position where I can say with good conscience that I don't know of any improper activity going on now, and I don't think there is any improper activity going on now.

As to the past. As to the past, there were a few things running back as far as 1950, the early '50s, and you have to realize, and I think most Americans, sensible Americans, realize that we're talking about a different atmosphere and a different political climate and a different feeling of what this Agency was for and what it was about, and that at that time, in those succeeding years between then and this post-Vietnam, post-Watergate atmosphere, there have been a lot of changes in basic attitudes and climate. And some of the things that really looked reasonable at that time don't look reasonable now. We've found a few of those, we found a few things where if you take the statute which says that the Director is responsible for the protection of intelligence sources and methods, some of our security activities, some of our protection of our sources and methods and protection of the Agency, certainly went over the edge of what we should have been doing. There are a few cases of that, and I have reported those to the President and they were reported to the Chairmen of the two Committees a year or so ago. So these I have referred to in various situations as skeletons in the family closet which, hopefully, should remain there. Obviously they didn't.

What happened, I think, was that Mr. Hersh talked to various ex-employees, and he got an edge on the first program, the counterintelligence program, and then he got a few hints of some of the other activities that had been brought together last year. It's my estimate that he probably got those hints from people who contributed to that collection rather than from having seen the collection itself or gotten it from anyone who had access to the collection itself. And this is a normal journalistic practice. It's obviously part of the muckraking or exposure school of journalism. But once, with a little hint or two, any reasonably intelligent reporter can get enormous additional amounts of information by going to people who in perfectly good faith are horrified by the allegation and then proceed to try to clarify the real facts and the real justification for that reporter. And if you do that to enough people, you can collect the whole story without too much trouble.

And in this case what Mr. Hersh did, I am convinced-- and, frankly, I told him so -- he put two or three totally disconnected elements together to make his story. He put the fact of the counterintelligence program and the fact

that it was aimed at foreign links to American dissidents and he took some of the individual wrong things that CIA did in the past, added them together and created a massive domestic intelligence activity.

I'm reminded a little bit of Macy's parade where you take a thin film of fact, fill it with hot air, and create an illusion that captures the gaze of the entire population. I think in a way we are facing that problem and, as you know, we have in the past faced somewhat similar problems.

Now those are essentially the facts of the case. I'm not going to go into detail here. I did go into detail with the President. And, I want to leave with the President, as I think is proper, the decision as to what to do for the next step. I think he will be back here, as you've seen in the papers, this week and will probably have a session, and then he'll announce just exactly what he's going to do with this report and what he's going to do as further steps.

But I think that I want to reassure those of you who may have suspected that our counterintelligence activity was indeed a massive domestic intelligence activity, that

it wasn't, that it was within the proper Charter of the Agency, that there were some individual errors made in it and wrong things done in it, that separately the Agency in the last 25 years has done a few wrong things but they weren't connected with that domestic intelligence activity, and that they were very exceptional to the basic thrust of the Agency's activity. And they were, I think, the kind of thing that can be expected if you run a large institution for 25 years, be that institution a Government agency, a corporation, an academic institution or maybe even a publication affair. You will have some things that are done wrong in that size an operation over that many years.

Now, unfortunately, we are in this post-Vietnam and post-Watergate mentality and with the strong stress on morality and a little bit of revisionist history and all this, and so we are going to take a few brickbats and a few pies in the face over things that were done at previous times. This we are a little bit used to, as we have done it before and I wouldn't be surprised in the future if certain things change, certain atmospheres change, that some of the things that we do now will either be thought of as too much or too little in later years.

So that is part of the post audit way in which we run a lot of our democratic surveillance of our Government in this society and I think that we have to expect it.

Now, let me go to a couple of the other things. The first is the question of are we purging the CI Staff, are we going through a massive clean-up campaign, and so forth. The answer is no. As I think I've indicated, I'm reasonably confident that with some small edges of the problem that their functions were proper and that there is no question of any massive illegal activity in that.

Mr. Angleton -- I did meet Mr. Angleton before this article appeared -- I have not seen him since then -- and at that time I did inform him that I thought it was time for some successor leadership to take over those functions. I did not ask him to retire or resign, but I pointed out the very substantial financial benefits that you're all aware of for people who do retire. But I assured him that if he elected not to, that I would find another job for him, and I outlined what I thought it was, so that I left the option up to him to stay in the Agency and do something different, not do what he's been doing, but to go ahead and either to retire or not to retire as he chose.

On the other three gentlemen mentioned in this morning's paper, they were not asked to resign or retire. They were told that they would not succeed as the Chief of the CI Staff, and I think that led them to make the same decision to retire under the benefits of the Retirement Legislation that they face. So I don't think they were pushed out. They were not given the succession -- that was going to go somewhere else -- but they were told that the leadership of the CI Staff was going to change and if they remained after the change, why that was a matter of their choice. But I stress -- and I do want to stress this for their benefit -- they were not being purged for any wrongdoing; this is not any clean-up campaign aimed at them. It's been my feeling for a number of months -- and I have discussed this with various people over the past number of months -- that some change in the organizational structure and the management of CI Staff was appropriate, and, unfortunately, it all came to a head here at the same time. But I won't say that it's totally disconnected with all this, because I don't think anybody would believe me if I did, whether it was true or not. But the fact is that this has coincided, certainly, with

this development but that it does not represent any indication of illegal activity, improper activity, or any effort to cleanup some terrible place in the Agency.

Now I'd like to mention the question of illegal activities. I indicated that some of the things that we found by dredging through the Agency's skeletons were technically illegal. Now there are two levels of this. There are some things that are proper, but they're not within the Charter of this Agency to do, and in that sense they're actions which we are not authorized to do but they are not things that are a crime. Those things I think we've cleaned up. There are really a very few things which technically, in a technical sense, might be carried as an actual violation of some criminal statute of the United States. Now I do not propose, I do not believe that there are any of these which are the subject of real prosecution and of conviction of the people involved, because there was too much of an atmosphere in which this was reasonable; there is too much of a command structure involved. You could not prove intent, I don't think, the criminal intent necessary for an actual conviction.

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However, that is my opinion. I have certain obligations under a very clear statute, and so do you, that if any Government employee knows of an actual crime and does not take proper steps to point it out to the Department of Justice, then he in turn commits a crime.

Now, as I say, I don't think these are actually that certain. But on the other hand, I do not believe that this Agency by itself has the right to suppress any such activity. Now there was over the 25 years of our history a legal opinion by which we did have - do have the right to refuse to go to prosecution if intelligence sources and methods would thereby be revealed. And there have been a number of cases over the years in which crimes have been committed, which we have said no we will not - we cannot reveal these intelligence sources and methods, and thus the prosecution has failed to take place. Now that's fine, and that's the position I would take in any one of those cases. But I do think that I do not have the right unilaterally to make that decision with respect to anything done by the Agency and by the Agency command structure, or we get into a situation in which the Agency controls itself and is subject to no outside control; and

I think that is not within the spirit of our law and our Constitution. And therefore I am -- I have talked with the Acting Attorney General. I've told him my opinions that there's nothing that serious here. But I'm going to talk with him and give him the specifics and I think he'll agree with me on the answers. But that makes it that it is not this Agency alone that's determining the propriety or impropriety of its activities.

I might add that the fact that these were gathered together and briefed to our Congressional Committees a year and a half ago suggests that maybe they didn't think they were subject to prosecution either.

Well those are, I think, the main points I'd like to make for you today. We are going to have a tough time. I don't know whether there's going to be a public panel put together, a blue ribbon panel of some sort. I do know that something like eight Congressional Committees have already indicated their intention to investigate us, and I think that the month of January, on my part, will largely be spent on the Hill. But I think that we may actually, in a kind of a funny way, come out a little bit ahead on this overall experience, because it will become quite clear, I think, that this is a grossly exaggerated set of allegations

against our Agency and it raises the question as to how and consequently whether we can conduct an intelligence service in this country. When it gets down to that kind of a question, I think the Congress, as it has in its votes to date, and the Executive and the people will agree that we need an intelligence service and that that existence requires certain groundrules for its supervision but also a protection of the secrecy which is necessary to it.

Now, I think this may bring to a head the various discontents about our activities which have been expressed in various places; it may bring to head the problem of getting some better legislation for our sources and to protect our sources and methods. And it may bring to a head the question as to exactly how we're going to be supervised by the Congress and our decisions reviewed by the bodies that are responsible for looking us over.

I've tried in the past year or so to explain our functions. I've tried to put the stress on the fact that intelligence is a changed process from what it was. It is not just the spy business any more. It is a technical profession, it is an intellectual profession in its analysis functions, and yes, we do have some clandestine activities as well. But

the entire intelligence process has been carried to a very high art by you and your predecessors and your associates in this building and by the other people who participate in the intelligence business in our country. I think that we have made available to quite a lot of people the product of our intelligence. I think it has very high ratings among our customers, and I think it has - the intelligence business is gradually becoming understood better by a larger percentage of our people. At the same time we really have not solved the problem of how we keep secrets, those secrets which have to be kept, in order to carry this function out. We haven't solved it yet, and each one of these secrets that comes out to our American attitude is quite exciting and it becomes a source of a great deal of public comment and press comment. But I have enough confidence in the good sense of the American people and of its leaders that I think that an institution which contributes as much to our national well-being as this one does and the people in it, will get the respect and the appreciation that they both deserve.

With that, I'd be very happy to answer questions.

Yeah?

Q: I saw in the paper that Mr. Harrington is suing you and Dr. Kissinger, and I wondered if you thought that there might be legal consequences to that suit which are different from the publicity that it would create?

DCI: Well, Congressman Harrington is suing -- I just read the complaint here 15 minutes ago -- to get a declaratory judgment that -- It's sort of a collection of everything that anybody's ever complained about the Agency for. He is suing to say we aren't allowed to do covert action activities, that we have to give our budget figures to the Congress, that we have to report to various Congressmen various things and so forth. I think, quite frankly, that he is raising as a legal question, a question which is basically a political question, because -- As for our legal justification, I think we have enough legal justification for what we've been doing. It does fall under that section of our law. The Congress has been aware through methods the Congress has set up. They appropriate our money every year. They know the various things that are going on. And I think the precedent over these years of how we've handled our affairs will cause that suit to fall, really, in the legal sense. I think that it's not apt to get very far in that sense. It will be a publicity thing, but I don't think it will go very far on the legal question.

Yeah?

Q: Mr. Helms is going to be in for some rough sledding in the next month, however, so I wondered was he aware of the testimony that you gave to the Chairmen of our Subcommittees --

DCI: He was in Iran; so, no, he wasn't.

Q: And will he be allowed access to your reports prior to his testimony in Congress

DCI: That's a good question. I was thinking about it on the way in this morning. Because obviously we do respect him. I personally respect him a great deal for his leadership of this Agency. I think he did it very well and I think he did it in good conscience at the time of those various activities. He certainly stood up very well on the Watergate thing and kept us out of an enormous amount of trouble there I think.

I'd have to ask the lawyers, frankly, to tell me the degree to which an ex-Director can be given access to material such as this. And you get into a tricky thing there as to responsibilities on each side for these things. And I repeat that I do not think that there's anything in the record that would subject him to any legal criminal action. But nonetheless I would rather not answer that one way or the other until I get some good advice.

I did send him a cable a couple of weeks ago when I knew

that Seymour Hersh was rooting around, and I just assured him that whatever happened it wasn't generated in this Agency by any intent to put any opprobrium on him at all.

Yes?

Q: Sir, could you comment specifically on the issue of the 10,000 files -- what was involved, what, how many were there?

DCI: There are -- In that neighborhood there are 10,000 names in the register in connection with this program, the counter-intelligence program. About two-thirds of the names were names which were - either came up as a by-product of our intelligence work or our counterintelligence work abroad or were specifically asked - we were specifically asked by the FBI to find out whether there were any foreign connections with them while they were abroad. Now that built up about two-thirds of the files. And in those two categories there are some that you might wonder as to whether we should have those if they came from this business of having people in a movement here, who, were preparing to use that as credentials to go abroad and meantime reporting something, they did report some facts on Americans here. And I think that's probably wrong. We don't allow it any more. But it was in the framework of that time, I think, not all that unreasonable.

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The remaining third is one of those things that we bureaucrats understand very well, that the FBI sent over copies of their reports on various things to us, and we busily filed them and carded them. We didn't do anything more with them. They were just raw FBI reports on various people. But they did build up in this file. We've been going through this file, I understand, for the last several months and scraping out of it anything that's not appropriate under our proper guidelines today. But the fact is that we had various names of various people.

On the Congressmen question, which was one of the things covered -- As you know, the Legislative Counsel has lots of records of Congressmen, obviously, including our services to them. But on the Congressmen, we found some Congressional names in our files. They were either -- I think most of them predated their election to Congress and were caused by that individual's willingness to work with us, collaborate with us. After all, there is one Congressman who was a former staff employee here. Obviously we have a file on him. But they were before they were Congressmen, or in some cases their names did come up in connection with this by-product of something abroad. But I can say with great confidence that we have never, to my knowledge, conducted any kind of a surveillance of a Congressman and, frankly, we'd

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be out of our minds if we did so.

Yeah?

Q: Mr. Colby, are you aware of any more surprises that the press might pull on you? ...Sunday's New York Times, they quoted a former CIA employee, supposedly --

DCI: Yeah. I can't make any sense out of that at all. Frankly, I told Mr. Hersh that didn't make sense to me, but he ran it anyway.

Q: Does the press normally indicate to you that they are going to spring something like this --

DCI: Yeah. They usually call me up about five-thirty on a Friday night and it's just the right time to conduct a file search. And they did; Time Magazine called me up on this story about the three Congressmen and Justice Douglas. And I denied that we spied on them, but they ran the story anyway. And then one of the Congressmen called me from Miami because the Miami Herald had across the top of the headline that he was spied on by CIA. And just to give you a little sense that the world is not all that unfriendly out there, his concern was that this was interpreted by a number of his constituents as meaning there was something wrong with him. So, there are people in this country who think that we're doing a useful service. I assured him that he was not -- we had found no record of his name, we never spied on him in any way, and I assured him of that, and he issued a statement on that.

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But frankly, this New York Times case, it is completely off the reservation. Really, I can't connect it. I think frankly what is going on there is that Mr. Hersh is on to some fellow who had a tenuous connection with it, who has given him a lot of, what we used to call in Vietnam, war stories -- third, fourth, fifth hand statements saying things that happened without any knowledge about whether it was happening, or whether it really happened or not. Then, of course, there it is; he runs it.

But the Domestic Operations Division, which is the ancestor of the Foreign Resources Division, was not engaged in this counterintelligence program, for instance, and rather carefully kept out of it. Its targets are foreigners, in America, and we've taken the position that -- and I've taken the position publicly in my confirmation hearing and had no flak -- that the collection of foreign intelligence from foreigners in the United States is within our responsibilities. And, I think that's perfectly proper, and that's the function of that Division.

I would say that -- and I particularly appeal to this audience,

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because that question of surprises that five-thirty Friday night when they call you up and ask you about, you know, what you knew about some horrendous event; if you have some kind of a feel of anything that might relate to it, you can sometimes interpret the problem and bring it into shape. And if you'll read the original New York Times article, you'll see that I did make the point, very strongly, that these foreign intelligence operations were - or our counterintelligence activities involving American dissidents were foreign counterintelligence activities even though there's a little edging over in certain places as I've indicated. But what really, I think, can hurt the Agency badly and that is if its management doesn't know things that went on, because you can get into a situation where you have no record of a certain event, the allegation is made, you deny it and then you're proven to be wrong. And that can destroy the Agency. And therefore I appeal to all of you to once again look in your consciences and in your records, and if you know of anything that you know of or have heard of that is outside of our Charter, either bring it to me personally or bring it to the IG, who now has a nice procedure for handling this collection of skeletons. But if I know about the skeleton I can handle it. If I don't know about it, I really am walking on very thin ice. And you remember we went through this problem after

the Watergate thing, and it did cause us quite a lot of trouble. And I think we're in good shape now. I'm convinced that we have a collection, but if anybody knows of anything that he thinks is wrong, let's hear about it, because a) we want to stop it; and b) we want to be aware of it so we can handle the question.

And some of these things undoubtedly will be forced into the public print in the next few months, because in some of these things there are no intelligence sources and methods involved, and we will be unable to keep them in Executive session in the atmosphere of today. But if we know about them, if we can present them in the context in which they appeared at that time, I think we can protect the Agency, which is what we're interested in, from the adverse effect. But if we have these things thrown at us in the middle of nowhere, after having made statements to the contrary, we're in very serious shape for our future.

Yes?

Q: Forgetting about the past for a moment and concentrate instead on what's coming up, apart from an injunction... that we should be aware and report to you. Are you satisfied that at this point your own guidelines are firm enough and that your own - how shall I say it? - tentacles out into the organization are broad enough that you

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will in fact be aware of what's going on and -- Because I think there's been a concern what happened was not the result of a top-level decision but rather say middle-level activities, of which there was no check until

DCI: I think the guidelines are clear enough. And you know this folder we read every October, I think it is, has a section in there that says if you have any feeling that anything is outside the Charter of the Agency that you're obliged to bring it up to me. I think the control of what the different Directorates are doing and the activities of the different offices and so forth that I'm reasonably content that the Deputy Directors and the various office chiefs are well enough aware of the limits of propriety and, certainly, in this atmosphere, are well enough aware of the dangers of ignoring those limits to themselves as well as to the Agency. Though I don't think there's that much of a problem. I do not run a whole separate counterintelligence activity within the Agency to find out about things like that. I stress the command structure, because I believe that the various leaders of the various units are responsible people, and I want them to feel responsible and not to feel that it's up to me to find out something. The responsibility's up to them, and I mean you, to tell me about anything that you're doing that is of any question at

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all. And we have procedures to do that. And I'm, frankly, reasonably content that it works. I have total confidence in our Deputies. They tell me I'm wrong every now and again very forcefully so I expect they'll tell us if anything is going on in their shop that's wrong occasionally.

Yes?

Q: Mr. Colby, is all of this going to impair the effectiveness of the Domestic Contact Division to contact

DCI: I don't think this will so much. It will give it some problem. The thing I'm worried about that Division is the - that we have developed a reputation over the years of being able to keep our mouths shut about the various people we've dealt with; and if we deal with the XYZ company and they tell us something, that they don't read it in the paper the next day. I think there are a lot of people who are not overly convinced at our ability to keep a secret right now. And that's hurting us. And to some extent you have to admit that they're right from the leaks that we've had and from the problems that we have of handling our legal responsibilities. We're going to try to protect them, but I think there is an unease in the context of our domestic contacts people as to the wisdom of working with us. On the other hand, there are an awful lot of Americans who are very friendly to us and are very sympathetic with us in these times. You know, we get

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a certain amount of crank letters up there, and it's been rather amusing the last week we've gotten quite a few that are very supportive -- you know, that, darn it, you ought to have been doing that. I don't agree with that, but it's an interesting reflection that there is a body of opinion that is very supportive of this Agency and its work. And while we may have a few ex-employees who may say too much or who may be cleverly manipulated to say too much, I think the great mass of our employees and a great mass of our ex-employees are very loyal to the Agency and that we do have the ability to keep secrets except for that small percentage. It's that small percentage that hurts us. And I think that's something we're just going to have to figure out how to live with until we get some assumption of responsibility by our leadership and by our Congress that we really do want to run an intelligence service and it requires that we have some tools to keep the necessary secrets and to supervise us in a necessary way. And with that I think we'll be all right. But it's going to be a bouncy spring, and I can't tell how many other little surprises are downstream.

Well, this is a family meeting. Obviously I didn't say anything that was all that highly classified, but if I went back through every individual sentence I could make a headline out of several of them I'm sure. So I do beseech you to pass along your impressions of this meeting to

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your associates in the Agency; but please do not reveal the specifics of what we've been talking about outside the Agency. I really don't want the President's hands to be tied by a premature leak of this report from this Agency. And I've taken some steps to try to hold on to it, because I think the President has both the right, and I have the respect for him, that he should have a free hand as to decide what he's going to do and not have the newspapers shoving him around just because of something that leaked out of here.

I do take you into our confidence to the degree I have but -- and I didn't cover a lot of specifics, as you know, because I know you're as concerned about this as we are in the front office, and your families are concerned and your associates are concerned. So I don't want to send you away feeling happy and relaxed, but at the same time I don't want you to feel that the Agency record is bad, nor that the Agency has no future. I think it has a future. It may have a bumpy few months before it gets there, but it will have a good future thanks to the talents that are in it.

Thanks very much. [Applause.]

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TAB

Office of the Assistant
to the Director



(Advance for Use After 1:00 p.m. EDT, Monday, April 7, 1975)

INTELLIGENCE AND THE PRESS

Address to the
Associated Press Annual Meeting
by
William E. Colby
on
Monday, 7 April 1975

Fellow Publishers:

I presume to address you in this way to bring out a point which is not adequately perceived these days: that intelligence has changed from its old image to become a modern enterprise with many of the attributes of journalism. We collect much information in the same way you and your reporters do from open sources, such as the foreign press and radio, and those foreigners and Americans willing to talk to official American reporters, such as our Embassy officers, Defense Attaches, and CIA's clearly identified inquiring reporters here in the U. S.

Our collection process involves a lot more than these efforts, of course, but it is still the process of assembling individual bits of information from a variety of sources, cross-checking them, and coming up with reasoned assessments

and conclusions about them. I sometimes say, and not entirely in jest, that our publications have the largest staff, the smallest circulation, and the lousiest advertising of any journalistic enterprise.

One of our problems, of course, is an erroneous identification of current intelligence practices with old-fashioned spy stories. Just as the image of "The Front Page" hardly fits the modern investigating reporter, so the old spy story hardly reflects the enormous contribution technology makes to modern intelligence. Some of this technology has pressed the state of the art, as in the U-2 and certain other activities of which you may have become aware. In many of these, advances had to be made in secret in order to avoid alerting foreign subjects of these capabilities so that they not frustrate them. This contribution to modern information, in a variety of fields from photography to electronics, has revolutionized intelligence, and we now can run a pictorial supplement and a technical journal about foreign weapons systems and military forces which we could only generally sketch out from indirect sources in years past.

Just as in your profession, we are faced with the problems of success -- how to organize and articulate the key judgments and conclusions hidden in this explosion of raw information. For this I am pleased to say that we have adopted another attribute of the profession of journalism -- the editorial board. In the early days of World War II, our country faced the problem of an instant need for knowledge of such far-off places as South Pacific islands or the hump between India and China. We assembled from American academic circles, business circles, and journalism, staffs of experts of these areas. They then became the repository of all information on these subjects available to the United States Government.

This analysis staff has since developed into another unique American contribution to intelligence. At our Headquarters today, we probably have more doctors, masters, and other advanced students of complex disciplines from agricultural economics to nuclear physics than can be found in most large American universities. It is their task to separate the true from the false, the full from the half story, and the warped from the straightforward

report. They produce our publications, and their reputation for independence, objectivity and integrity is as precious to them as the reputation of your profession is to you.

Am I sliding over the old-fashioned concept of clandestine intelligence or our role in political and paramilitary work abroad? No. These are a part of our intelligence function, and they do make a unique and important contribution to the safety of our country. Some things cannot be learned by the inquiring reporter or even the spy in the sky. Sources within a closed and authoritarian foreign society can let us know its secrets in these days of mutual vulnerability to nuclear warfare. When defense systems take years to build, we need to know of the hostile weapon while it is being planned, as well as when it is cocked. We must understand the personal and political dynamics which can produce threats from such societies. And, there are occasions in which some quiet assistance to friends of America in some foreign country can help them withstand hostile internal pressures before they become international pressures against the United States.

But while I do not wish to slide over these activities, I do wish to point out the comparatively small proportion they

play in our intelligence function and activities these days. The most important part of our mission is in the intellectual process of collecting, analyzing and presenting intelligence to assist in the important decisions our government makes about the safety of our country and the welfare of our people.

In the very function of intelligence, great changes have occurred. Intelligence no longer consists only of stealing the military secret so that the General may win a battle. Today it provides the basis for negotiations to remove or defuse military and economic threats to our country by mutual agreement rather than armed force. It thus fulfills a positive peace-keeping as well as its old defensive security role.

While I think our country has developed the best intelligence service in the world, I must warn you that it is in danger today. Intelligence by its very nature needs some secrets if its agents are to survive, if its officers are to do their work, and if its technology is not to be turned off by a flick of a switch. We in the American

intelligence profession are proud of our open society; this is why we devote our lives to its service. But we also believe that this open society must be protected and that intelligence, and even secret intelligence, must play a part in that protection in the world in which we live.

There are secrets in American society. Grand jury proceedings are secret, Congressional committees meet in secret executive sessions, we have secret military capabilities, and our journalistic profession insists on its right to protect its sources. But for some reason, secrets of intelligence arouse such public fascination that the letters "CIA" can move a story only tangentially referring to CIA from the bottom of page 7 to the top of page 1.

Mr. Charles Seib, the "ombudsman" of The Washington Post, recently wrote a critique of what he called the "sensational lead." This referred to the wire service practice in days gone by, and he stressed that they have gone by for the wire services today (both in the splendid Associated Press and Brand X) wherein a story would be

twisted and turned in order to get a sensational lead to catch immediate reader attention.

The CIA today, I fear, fits this category of the sensational lead. If CIA were in politics, we could perhaps take solace from the politician's old story about not caring what they said about him so long as they spelled his name right. But our intelligence agency today and its service to our country are being jeopardized by its status as the nation's number one sensational lead.

Our agents abroad are questioning our ability to keep their work for us secret, work they do with us because they believe in democracy too, but work which can jeopardize their lives if revealed. Many Americans who have helped their country through its intelligence service are concerned that they will be swept into the climate of sensationalism and their businesses abroad destroyed by a revelation of their patriotic assistance to CIA. And a number of cooperative foreign officials have expressed great concern to me as to whether they can safely continue to pass their sensitive information to us in this climate of exposure. We are already seeing some of these sources withdraw from their relationship

with us or constrict the information they provide us.

The foreign military attache in Washington can purchase at our newsstands information which our intelligence service must run the risk of life and death and spend hundreds of millions of dollars to obtain about his country. I do not object to this. In fact, it is one of the strengths of this great American society. But I do believe that with the benefits of our open society comes an equal responsibility to protect it by not revealing its attempts to protect itself through intelligence operations. That responsibility rests not only with the nation's intelligence service, it rests with every American. It rests especially with you, with your enormous power and freedom under our Constitution to choose which subjects to call to public attention and which ones to ignore.

I am pleased to say that in some recent dealings with the journalistic profession, I found much evidence of this sense of responsibility, even from some of my most severe critics. This sense of responsibility was double-bladed. Part was a receptiveness to the valid

reasons why I believed certain information should be withheld from publication and consequent inevitable exposure to foreigners. Part of that sense of responsibility also involved a clear understanding that in our society the decision on this question was the journalist's, not mine, unless I could meet the Supreme Court's test of "direct, immediate and irreparable damage to our nation or its people."

Thus, on this question of intelligence and the press, I believe we Americans can quite easily agree on the general principles. It becomes difficult, however, if the story gets ahead of the capability to be responsible. For example, sometimes the journalist assumes that the story can do no harm, when, in reality, there are unrevealed facts about it which would change the journalist's mind. Some of our more critical journalists have a practice of calling the subject of a story to afford a chance of a denial or other comment. This does allow the presentation of good reasons to write the story so as to protect important secrets or even, in exceptional cases, to withhold it.

I do not have to make this appeal to this audience, as I know that your procedures would be the responsible ones. I do suggest, however, that you consider carefully

whether CIA really should be the sensational lead in any story in which it is mentioned even incidentally, and thereby fan the fires of excitement about CIA and inevitably obscure the real nature of modern intelligence and its contribution to our country.

I do not ask that "bad secrets" be suppressed. In fact, I have exposed some of our missteps of the past. I also believe that "non-secrets" should be exposed. A "non-secret" I define as a known fact about intelligence which in the old tradition would have been kept secret, but which in our open society should no longer be withheld. The public inquiry and debate we are conducting as to the proper authority, limits, and supervision of our national intelligence effort falls into this category. But I do make a plea that "good secrets" be respected, in the interests not of intelligence but of our nation. Our people must not only be protected in today's world, they should benefit in many other ways from what modern intelligence can provide. I do not ask that the healthy adversary relationship between the press and government (and our government's intelligence structure) should be abandoned.

I only ask that we Americans protect our nation's sources
in the same way the journalist protects his.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

DCI's Address to the Associated Press Annual Meeting

FROM:

DD/Security

EXTENSION

NO.

DATE

7 April 1975

TO: (Officer designation, room number, and building)

DATE

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.	DATE		OFFICER'S INITIALS
	RECEIVED	FORWARDED	
DD/P&M	7 APR 1975	7 APR 1975	AS
DD/PSI	4/7/75		V
DD/PTOS			X
<i>c/ops</i>	14 APR		AAW
DD/Sec	14 APR 1975	14 APR 1975	SE
DD/PSI			

TAB

DCI's Speech Before
House Comm. on Govt. Operations

Statement

W. E. Colby

Director of Central Intelligence

Before

Government Information

and Individual Rights Subcommittee

of the

House Government Operations Committee

March 5, 1975

Madam Chairwoman:

The Privacy Act of 1974 in Section 3(j) exempts the Central Intelligence Agency from all but certain of the Act's provisions. This partial exemption of the Agency followed a series of discussions with the committees during the consideration and enactment of the Privacy Act. In these discussions, the Agency pointed out that a full response to certain of the provisions of the Privacy Act would jeopardize the sensitive sources and methods used in our intelligence activities.

In discussions with the staff, some appropriate language was requested in the Act which would recognize this fact, and I am happy to say that the committees and the Congress understood this need. Two alternative ways of accomplishing this were considered. One was an exemption of the Central Intelligence Agency from all but certain of the provisions of the Act. The other was an exemption of "intelligence sources and methods" from the provisions of the Act. The Central Intelligence Agency indicated its satisfaction with either arrangement, and eventually the exemption of the Agency by name was selected by the Committee as the best way of accomplishing the end sought.

Madam Chairwoman, the Agency is fully understanding of the policy represented in the Privacy Act of 1974. As urged in this Committee's report on the bill which became the Act, we intend to respond to requests under its provisions to the extent that responses would not jeopardize intelligence sources and methods or otherwise fall within the appropriate exemptions provided by the Act. While the Act itself is not effective until September of 1975, and while the CIA does have an exemption, we will, in response to requests, furnish to requesters such material as we have to the extent that it does not reveal intelligence sources and methods or is not material subject to determination by other agencies.

Your concern which led to this hearing, Madam Chairwoman, arises understandably from extensive press allegations that CIA conducted a "massive illegal domestic intelligence operation" within the United States. I have flatly denied such a charge before three committees of the Congress, and I am confident that the Commission appointed by the President to look into these charges and the Select Committees of the Senate and of the House, which undoubtedly will cover this subject in their wider

review of U.S. intelligence activities, will support my position. I do not say that CIA never made a mistake. I do say, however, that any such actions were few and far between and were undertaken in the belief that they fell within the statutory intelligence mission or the Director's responsibility to protect intelligence sources and methods against unauthorized disclosure.

As I have explained elsewhere, the charges in the press against CIA stem from an inaccurate mixture and magnification of two separate matters. Pursuant to the National Security Act and National Security Council directives it was entirely proper for the Agency to endeavor to ascertain whether any foreign links existed with the domestic dissident groups which aroused concern starting in mid-1967. Working with the FBI, the Agency looked for such foreign links abroad and followed up leads furnished by the FBI as to such possible foreign links. Included in this was an attempt to determine whether foreign links were established with Americans who traveled or lived abroad, where the FBI capability to do so did not exist. In the course of CIA's work abroad also, the names of certain individual Americans arose in the course

of coverage of foreign conferences and other developments, and these were reported to CIA Headquarters and thence to the FBI.

In this entire program, it was clear that the responsibility for internal security belonged to the FBI and the responsibility for foreign counterintelligence work abroad belonged to the CIA. In other words, CIA's operation, Madam Chairwoman, was neither massive, illegal, nor domestic.

The second basis for the newspaper charges stemmed from a reporter's learning, to some limited degree, that CIA, in May 1973, conducted a review of past activities which might be questionable. This material was collected and showed that there were a few incidents in which CIA may well have overstepped its bounds, even though the action was taken in a belief that it was within CIA's statutory authority. Among these were a few cases wherein CIA developed informants within the anti-war movement in the United States to establish credentials for travel into areas and among groups abroad which were of foreign intelligence or counterintelligence interest to the United States. In other cases, several informants were developed among certain elements who appeared to pose a

threat to the security of the Agency. Over the 27 years of its history, there were also a few individual instances of surveillance, wiretap, or opening of mail which have been outlined in detail in my testimony to Senate and House Appropriations Subcommittees, and the Senate Armed Services Committee, copies of which I submit herewith for your record.

These few instances were exaggerated out of all proportion into a charge that CIA was engaged in a massive domestic intelligence activity. As I stated, Madam Chairwoman, that is not true, and CIA essentially conformed to its proper foreign intelligence and counterintelligence mission over the years, complying with the provisions of its statute which proscribe it from police, subpoena or law enforcement powers or internal security functions.

I have pointed out, in particular to the House Appropriations Subcommittee, the dangers which have been created for our intelligence operations by these exaggerations and ill-founded allegations. I have indicated my full support of responsible investigations of the type being conducted by the

President's Commission and which I am fully confident, through my discussions with the leaders thereof, will be conducted by the Senate and House Select Committees as well. These inquiries will in my opinion afford a basis for better public understanding of the real nature of intelligence and place in true proportion the small number of missteps or misdeeds which CIA may have committed over its 27 years.

In this hearing, Madam Chairwoman, I would hope to describe for you CIA's files and procedures so that you may be assured that CIA is fully conscious of and intends to comply with the spirit of the Privacy Act of 1974 while recognizing the importance of protecting intelligence sources and methods so that our American intelligence activities may continue to make their contribution to the safety of the nation and the welfare of its citizens.

A report issued by the Government Operations Committee in 1973 stated that "...there is an unquestioned need for Federal agencies to avoid the release or dissemination to the public of certain sensitive types of information, the safeguarding of which is truly vital to protecting the

national defense and to maintain necessary confidentiality of dealings between our country and foreign nations." (House Report No. 93-221) The Committee's report on the Privacy Act repeated this theme in recognizing that "certain areas of Federal records are of such a highly sensitive nature that they must be exempted."

On March 5, 1974, the Government Operations Committee report on the Freedom of Information Act amendments (H.R. 12471) recognized that certain types of Governmental information are "born classified," a result of statutory enactments. The conference report on this legislation specified intelligence sources and methods [50 U.S.C. 403(d)(3) and (g)] as such an enactment. These enactments and statements recognize the inherent sensitivity of information dealing with intelligence sources and methods.

The essential mission of the Central Intelligence Agency pursuant to the National Security Act of 1947 is to provide our Government with information and assessments to assist policy decisions about developments abroad affecting the United States. The system of records established in the Agency is designed to support this mission. The

files in the Agency's possession contain information on intelligence sources and methods which the Director of Central Intelligence is charged by statute to protect from unauthorized disclosure. Clearly, a foreign intelligence service or a strategically placed individual in a foreign government or a foreign country, as well as American citizens, can not be expected to cooperate with this Agency and to provide information in confidence if such information is subject to public release.

As you know, Madam Chairwoman, there are several important provisions of the Privacy Act which do apply to the Central Intelligence Agency. These would not expose our sensitive intelligence sources and methods, so the Agency fully accepts these obligations. They include a requirement to publish in the Federal Register the record systems of the Agency. I believe the publication of such information will provide added assurances to the public that the Agency's systems of records is completely in consonance with the Agency's mission.

In addition, the Privacy Protection Study Commission, established under the Privacy Act, is

authorized to inspect the Agency's systems of records and to submit reports to the President and the Congress. One of the many important functions of the Commission is its authority to determine if specific categories of information collected violate an individual's right of privacy and should be prohibited from collection by statute.

Moreover, the President's Commission on CIA Activities Within the United States and the Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities and the House Select Committee on Intelligence, in addition to the regular CIA oversight committees in the Congress, are in the process of or about to engage in an intensive review of the mission of the Agency and its activities. These thorough undertakings can and will establish a better understanding of the intelligence process and the role of the CIA and will reassure our people of the general propriety and legality of the Agency's activities over the years.

Since your Subcommittee's concern relates most specifically to the Privacy Act, I thought you might be interested in a preview of the information which will be published about the Agency's systems of

records in the Federal Register and what the Privacy Protection Study Commission will find when it makes its review of the Agency's systems of records after the Privacy Act becomes effective next September.

CIA's records collections which are biographic in nature consist of selected information from both official reporting and open-source material. In some instances, information from CIA's predecessor organizations is included in the collections. Our records, therefore, are the products of some 34 years of intelligence collection.

The main positive intelligence biographic collection contains information on several million foreign political, military, scientific, economic, technical, and cultural personalities. Information is filed alphabetically by name of individual within country of citizenship. The names of some U.S. citizens or permanent resident aliens appear in this collection -- we do not know how many. Such names appear in the collection for a variety of reasons: they may be associated in some way with a foreign personality in whom we are interested; the information contained in a particular document may have come from a named source who is a U.S. citizen or permanent resident alien; or we may

simply have made a mistake and have begun a record on a person whom we believed to be a foreigner but who is a U.S. citizen -- nationality or citizenship cannot always be reliably determined. A number of American names came into this collection because they were incidentally acquired in the course of coverage of a foreign intelligence matter, and reported as one of its aspects or contacts.

A second biographic collection, also consisting of data collected in the course of foreign intelligence operations, including data from other federal agencies and open-source material, serves as the primary foreign counterintelligence index of the United States and as a reference to personalities of intelligence interest. An adjunct to this collection contains information on persons, including U.S. citizens, involved or suspected of being involved with foreign espionage or security services. CIA keeps this material in response to a National Security Council directive to maintain a central index of foreign counterintelligence information for the benefit of the Intelligence Community as a whole.

A third system of records is an intelligence document collection organized by data source or topic. This system contains either the full text

or extracts of intelligence documents received in CIA. The system can be searched by any word or combination of letters -- thereby permitting the retrieval of records by name (any U.S. citizens mentioned therein would thus be included). There is no way of knowing how many names of U.S. citizens it contains.

In addition to these collections of records, the Agency also maintains a number of other collections that include the names of U.S. citizens. Our Office of Personnel, of course, holds records referring to our employees, applicants, recruitment prospects, etc.

These include, for example, personnel records of present, former, and prospective employees; records maintained by Agency components responsible for security, training, medical, and financial activities; records regarding the management of Agency property; records of consultant and contractual relationships with individuals and organizations; vendor contracts for goods and services acquired from commercial firms; records of individuals and firms who cooperate with the Agency in the collection of foreign intelligence; and records of liaison with personnel of other U.S. Government agencies. Some of these collections of records are

organized so that the information they contain can be retrieved by individual name or identifying number; others by subject or topic; and still others by document number, title, or agency of origin.

The Office of the Assistant to the Director of Central Intelligence maintains a collection containing information from domestic newspapers and similar sources. These collections include articles by various journalists about or mentioning CIA, death notices of present or former employees, articles mentioning or written by present or former employees, and notations with respect to briefings and other contacts with journalists or others given by or related to CIA.

The Office of the Legislative Counsel maintains records of the Agency's contacts with members, congressional committees and their staffs and other Government agencies, departments, and commissions. In addition, the Agency keeps records containing correspondence and other documents related to the receipt, processing, and final disposition of requests received from the public by the Agency for the declassification and release of documents.

In the same vein, the Office of the General Counsel also has records collections containing

the names of U.S. citizens -- lawyers, etc. -- who have been concerned with legal matters involving the Agency. Similarly, the Office of Medical Services maintains the names of various U.S. medical personnel with whom the Agency has some contact as consultants or who otherwise provide assistance to the Agency.

The Agency's Office of Security has also maintained a number of files in which the names of citizens appear. These obviously include security investigations and clearances of employees, applicants, contractors, sources, and consultants. Some involve cover clearance for access to sensitive intelligence information by employees of other government departments, such as the military.

There are situations in which an individual's name may appear in Agency records without his or her knowledge, such as in the course of a security investigation of an applicant in which reference is made to a third party and the name is recorded in the investigation records. Similarly, a number of employees of contractor organizations may not be aware that their corporation has contracted with CIA to perform services requiring investigation and clearance. This was, for example, the situation

with respect to most of the employees who worked on the U-2 project for Lockheed, who did not know that CIA was involved.

Also, the Office of Security kept certain records as an aspect of its responsibility for the protection of the Agency. These include the normal type of crank mail that is received by any organization, reports of individuals who have threatened or otherwise were believed to be likely to threaten the Agency (one of our field offices in the United States was bombed on one occasion), and certain name lists developed at various times relating to the suitability of various individuals for possible collaboration or assistance in CIA's operations.

As a result of the review of questionable activities undertaken in the summer of 1973, specific directives were issued in the Agency that it would not maintain files on American citizens other than those developed as an incidental aspect of foreign intelligence or counterintelligence matters or as an employee, applicant, contact, etc. Any accumulation of American names for possible use in connection with foreign intelligence matters was directed to be conducted in a fashion to clearly avoid the maintenance of blacklists of any sort.

By the very nature of its activity, CIA must record certain names of individuals who do not know they are being recorded. Thus, before it approaches an American on a sensitive intelligence matter, it would be less than prudent if CIA did not determine the likely attitude of the individual with respect to the proposal of assistance. If the determination was then made not to approach the individual, a record of that consideration would undoubtedly exist, but it would not constitute a blacklist or "dossier" on him.

Madam Chairwoman, as I have indicated, I believe that some of the material which was collected by CIA over the past 27 years may not be appropriate today although undertaken then under the belief that it fell within the charge on the Director of Central Intelligence to protect intelligence sources and methods or under the belief that it was included within our charge to collect foreign intelligence and counterintelligence. Over the past several years, CIA's files have been examined with an eye to eliminating material therein which is not appropriate. In the course of this, a number of files have been destroyed. This process is not

complete, however, and of course is suspended at this time in response to the investigation being made of CIA's activities by the President's Commission and the two Select Committees. I have directed, however, that the segregation process continue in the belief that, after the investigations are completed, the best disposition of these materials is destruction. In the interim, I propose to respect the privacy of the individuals whose names may be involved in such documentation by rejecting requests to make them public. On inquiries by individuals with respect to their own names, I propose to make available to the requester such material as does not reveal intelligence sources and methods or which does not fall within the responsibility of agencies other than CIA.

Madam Chairwoman, the release of CIA information is also a matter of some interest in view of the passage of the effective date of the Freedom of Information Act amendments on February 19th. In view of this subcommittee's interest in that Act as well as the Privacy Act, I thought you would be interested in our experience under that law.

First, our experience under Executive Order 11652 demonstrates CIA's effort to be as responsive as

possible while protecting intelligence sources and methods. Of 362 requests from June 1972 through December 1974, 195 were granted in full, 58 in part, and 62 denied. In some 47 cases the documents could not be identified or located, the request was withdrawn or was referred to another agency, etc. Some 2,990 documents were released in this process. In addition, during 1974 CIA reviewed and released over 500,000 pages of World War II Office of Strategic Services records, plus films, maps, and card index files. Some 95 percent of what was reviewed was released.

We have received several requests under the new Amendments to the Freedom of Information Act. One requests records regarding "all expenditures" of the Agency "from the date of inception" of CIA. The requester asks for the "smallest transactional amounts" that are recorded, along with all clarifying data available.

Another requester sent us five different letters dated February 19, 1975. One attaches a listing of 44 matters on which the requester wishes documents. One is for a list of CIA's "ostensibly private, commercial, and funding operations." Another asks for copies "of all damage assessments of leaks."

The requester refers to the unit established within the "CIA Counterintelligence Office to look into the possibility of foreign leaks (sic) to American dissident elements" (We assume the requester means "Links.") and requests all files of this unit.

Another asks for "all CIA reports on the foreign aspects of the anti-war, youth, and similar movements and their possible links to American counterparts." Another of this requester's letters asks for inter alia, "all material relating or referring to ... all domestic corporations or associations owned or controlled or managed in whole or in part by the CIA which have functioned at any time and in any capacity as cover organizations for funds for any CIA intelligence or counterintelligence or surveillance or other covert activities in the United States during the period 1950-1974."

Another specific request would cause CIA to search through and review 900,000 files. All told, in this requester's letter, there are at least 25 or 30 specific items out of a total of 44 which ask for "all files of."

In each of the letters from this requester, he closes by stating "I will expect to receive a

reply within 10 working days." Obviously it is impossible for us to locate and identify the records requested within 10 days, much less conduct a serious review of such records to see what parts could be released. Copies of these requests and our replies will be submitted for your record.

We are endeavoring to be responsive to such portions of these requests as are reasonable. However, the result is a serious strain on the intelligence apparatus of this Government. Indeed a good-faith attempt to comply with the spirit of the new Freedom of Information Act will have serious impact on this Agency, as well as the Intelligence Community. It is clear at this early date that one of the results of the passage of the amendments to the Freedom of Information Act will be to cause numerous suits in the Federal courts simply because of the sheer inability of Government agencies to comply with the provisions of the law.

Madam Chairwoman, I hope this description of CIA's actual activities will indicate the basis for our request for special consideration in the Privacy Act for the sensitive intelligence sources and methods necessary to the operation of an intelligence agency in our free society. We in the

Intelligence Community and at CIA have undertaken the same commitment to support and defend the Constitution as have the other members of our Government. We intend to carry out the laws of the United States and at the same time to help maintain its security, the welfare of our citizens, and peace in the world to the degree we can through our intelligence operations.

In the Central Intelligence Agency, we stand second to none in our recognition of the paramount rights of our citizens, but we also believe that those rights must be protected by an effective intelligence service in the world in which we live. We consequently ask the opportunity to explain our activities in an atmosphere of serious and responsible inquiry into how to reconcile the activities of our open society and the necessity that some of our secrets be respected if this society is to endure in the worlds of today and tomorrow.

This will be a major focus of the inquiries to be made by the President's Commission and the Select Committees, and I am sure that in their findings there will be a vindication of the contribution CIA and intelligence have made and a

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reaffirmation of the need of the Agency for exemption of intelligence sources and methods from the workings of the Privacy Act and the Freedom of Information Act.

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TAB

DCI's Speech Before
Senate Armed Services

SECRET/SENSITIVE

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OLC 75-0126

26 January 1975

MEMORANDUM FOR THE RECORD

SUBJECT: DCI Briefing of the CIA Subcommittee of Senate Armed Services Committee - 16 January 1975

1. The Director appeared before the CIA Subcommittee of Senate Armed Services Committee in executive session on 16 January 1975 to discuss the recent press allegations of CIA involvement in massive, illegal domestic intelligence activities. Ambassador Richard Helms was also a witness at this session. The briefing began at 1000 hours and concluded at 1230 hours, subject to recall. A transcript was taken and will be on file in the Office of Legislative Counsel. A technical sweep of the room, 1114 Dirksen Office Building, was conducted and the room was kept under technical monitoring throughout. The material covered was Top Secret.

2. Present from the Subcommittee were:

John C. Stennis (D., Miss.), Chairman
Strom Thurmond (R., S. C.)

3. Present from the full Committee were:

Howard W. Cannon (D., Nev.)
Thomas J. McIntyre (D., N.H.)
Robert Taft, Jr. (R., Ohio)
Harry F. Byrd (I., Va.)

4. Other invitees attending were:

John L. McClellan (D., Ark.)
Milton R. Young (R., N. Dak.)

5. Ex officio members present were:

Mike Mansfield (D., Mont.)
Hugh Scott (R., Pa.)

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6. Present from the Committee staff were:

T. Edward Braswell
Clark McFadden
Nancy Bearg
John Goldsmith

7. Accompanying the Director was:

George L. Cary, Legislative Counsel

8. The Director read the prepared statement which he had also given to the Intelligence Operations Subcommittee of Senate Appropriations Committee yesterday and then answered questions from the members. Items of major interest expressed during the questioning related to the following:

a. the command lines and the degree of formal directive on which the Agency takes action;

b. the desire that, when the Director, Mr. Helms and other witnesses attend future sessions, they address themselves to the issues and allegations with a high degree of specificity, especially with respect to the mail surveillance program and the special counterintelligence program as it affected anti-war groups; and



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9. Follow up items:

a. Clarify extent to which groups were penetrated and how long attempts to do so continued.

b. Provide a copy of CIA Employee Bulletin of 9 May 1973.

c. Provide summary of Bay of Pigs operation and the Agency's operations in Laos.

d. Be prepared to provide examples of cheating and problems involved in assuring compliance with the nuclear test ban and SALT agreements.

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e. Justification for mail opening.

f. Provide examples of types of secret writings that were discovered.

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h. At subsequent briefings report on activities of radical or militant leaders and contacts they may have made with Soviet agents at, for example, the Stockholm Peace Movement.

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j. Documentation on part CIA played in final solution of the Cuban missile problem.



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GEORGE L. CARY
Legislative Counsel

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