

Mr. Vice President, Members of the President's Commission:

I appreciate this opportunity to appear before you to clarify the activities conducted by the Central Intelligence Agency within the United States. I would like to assure you at the outset that the Agency has not conducted a "massive illegal domestic intelligence operation" as alleged in The New York Times of December 22, 1974.

The Agency and I shall be entirely forthcoming with this Commission's work in full confidence that a thorough understanding of the intelligence apparatus of the United States and the role of CIA will:

- (1) demonstrate the high value and great importance of the intelligence work of the Agency,
- (2) reassure you as to the legality and general propriety of the Agency's activities over the years, and
- (3) lead you to constructive recommendations to improve the procedures and arrangements that govern Agency activities.

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In short, we welcome the opportunity this inquiry brings to increase public confidence in the Agency and to make its work more effective in the future.

I shall start with a brief description of the CIA-- its authority under the law, its mission, and the intelligence process itself.

This will include two Agency activities of special relevance to this inquiry--security and counterintelligence.

I shall then describe those activities of the Agency that take place within the United States to demonstrate the relationship between them and the collection of foreign intelligence.

I shall follow this with a discussion of the allegations raised in The New York Times of 22 December and several subsequent publications.

I shall conclude with some ideas which might be useful to the Commission in formulating its recommendations.

Mr. Vice President, in addition to this statement, I am submitting for the record a set of detailed appendixes discussing in greater depth some topics germane to the Commission's work. Most of these documents are classified and in their present form should remain so. We would, however, be glad to work with the Commission to make parts of them appropriate for public release if the Commission desires.

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In addition, of course, I am prepared to answer your questions in any detail you request, as will other current Agency employees you may wish to question, but on these matters also I respectfully request that you consult with the Agency to delete sensitive material prior to release.

#### THE CIA, AUTHORITY AND BACKGROUND

CIA's existence and authority rests upon the National Security Act of 1947. The Act provides that the Agency will "correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government...."

The Act calls for the Agency to perform certain services of "common concern as the National Security Council determines can be more efficiently accomplished centrally" and "to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

The Act provides that "the Agency shall have no police, subpoena, law enforcement powers or internal security functions." I emphasize the latter phrase. The law is explicit that the Agency shall have no internal security functions--those are the responsibility of the FBI and other law-enforcement

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authorities. In its use of the term "intelligence" in connection with CIA activities, thus, the Act implicitly restricts CIA to the field of foreign intelligence.

Another proviso is that "the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;...." Incidentally, the Director is the only Government official specifically charged by statute to protect intelligence sources and methods.

The CIA Act of 1949 provides that, in order to implement the above proviso and in the interests of the security of the foreign intelligence activities of the United States, the Agency is exempted from the provisions of any "law which requires the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency:...."

In the intervening years since 1947, as the international role and responsibilities of the United States have grown, so has the importance of intelligence to its decision-making processes. The duties of the Director of Central Intelligence have also grown, and particularly his role as coordinator of all the intelligence efforts of the US Government.

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Intelligence today is no simple, single-dimensional activity. It is primarily an intellectual process involving:

- (1) the collection and processing of raw information,
- (2) analysis of the information and development of reasoned judgments about its significance, and
- (3) the dissemination and presentation of these findings to those needing them.

The process involves a number of different Departments and Agencies, which, together, we call the Intelligence Community.

Our overt collection includes, for example, monitoring public foreign radio broadcasts, press, and other publications, excerpts of which are produced by CIA as a service of common concern for the other members of the Community.

Other overt collection is done by State Department Foreign Service Officers, Treasury Department representatives, and Defense Attaches abroad.

Great technological advances have revolutionized intelligence over these years. The advent of sophisticated technical collection systems has enabled us to know with certainty many things which a decade ago we were debating on the basis of bits of circumstantial evidence.

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This technology has been introduced at high cost. Collection systems being employed today have required hundreds of millions of dollars and substantial numbers of people to analyze and make sense of the information they deliver.

But overt and technical collection cannot collect the plans and intentions of a hostile general staff, sense the political dynamics of closed authoritarian societies, or enable us to anticipate new weapons systems during the research phase before they are completed and visible. For this, clandestine collection is needed, especially by human sources.

The immense flow of data from these collection systems must be correlated, evaluated, and analyzed to understand its true significance. Since the responsibilities of our policy-makers cover such a wide range of international subjects these days, intelligence must employ the analytical services of professionals with specialized backgrounds in politics, economics, the sciences, military strategy, geography, and other disciplines. CIA alone, for example, employs enough expertise in these fields to staff the faculty of a university.

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Other Agencies play essential roles in intelligence work, but CIA is the only statutory Agency of the US Government with responsibilities exclusively in the field of intelligence.

It has three major functions:

(1) to produce intelligence judgments, based on information from all sources, for the benefit of policy-makers. The product is in the form of publications and bulletins on current developments, estimates of future international situations, and in-depth studies on various topics--for example, a study of the origins and growth--over time--of the Soviet strategic weapons program.

(2) to develop advanced technical equipment to improve the collection and processing of US intelligence; and

(3) to conduct clandestine operations to collect foreign intelligence, carry out counterintelligence responsibilities abroad, and undertake--when directed--covert foreign political or paramilitary operations.

This chart depicts the CIA organization to accomplish these activities.

The production of intelligence judgments and analysis concerning foreign affairs is vested in the Directorate for Intelligence (DDI). Offices below the Deputy Director level specialize in economic, political, and military topics. DDI analysts often confer with a range of experts in the United States outside the Intelligence Community to benefit from the views of recognized authorities on topics of interest.

The Directorate for Science and Technology (DDS&T) is the unit responsible for research, development, and operation of advanced collection systems. These range from small technical devices concealed by agents abroad to complex and costly "black-box" collection systems involving electronics, photography, and the like. In the DDS&T also, our analysts keep under study scientific and technical developments abroad, including weapons and space systems.

The Directorate for Operations (DDO) is the unit responsible for covert collection, primarily through clandestine collection by human sources. The Directorate is organized along geographic lines. It has some special staffs which focus on problems that cut across regional boundaries (for example, international terrorism).

The Directorate for Administration (DDA) provides support to other Agency components. It is responsible for personnel programs, security, administration, training, logistics, communications, medical services, and the like.



## SECURITY AND COUNTERINTELLIGENCE

I have already mentioned my responsibility for protecting intelligence sources and methods. It is out of this responsibility, and because of the need to protect the nation's vital intelligence secrets, that CIA has built over the years a capability, using security and counterintelligence techniques, to protect those secrets and guard against penetration of our intelligence activities.

A degree of secrecy, and an ability to protect some secrets, is essential to our work. This literally can be a matter of life and death for agents operating abroad, whether they be our own employees whose identification with CIA would make them obvious targets for terrorists, or citizens of totalitarian regimes who have agreed to report to us on their own governments. Many of the American businessmen and professors who voluntarily share their foreign experiences with us want the relationship to remain confidential, and we must protect their proprietary information which sometimes comes our way in the course of such exchanges.

Disclosure of the details of sophisticated (and costly) technical collection operations would tell a target country,

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for instance, just how to change its procedures in order to deny us reliable assessments of its military threat. Finally, no foreign government can be expected to continue intelligence cooperation and exchange with us unless it is confident that we can keep its secrets.

There is an obvious potential conflict here with the right of citizens in a democracy to know what their government is doing in their name (and with their money). I am trying to reconcile this dilemma by making as much as possible of the substantive product of intelligence activities available to the general public as well as to Government officials. I am also trying to make public as many as possible of the general categories of intelligence activities conducted by the US Government. But I cannot relax, and indeed am intensifying, efforts to preserve the secrecy of operational details. Our efforts on these lines concentrate on assuring us of the integrity of those we employ or work with, providing indoctrination in and monitoring our procedures to keep our secrets, and investigating weaknesses or leaks in our security machinery. We have requested some improvements in our legislative tools for this purpose, and during the course of this investigation, I shall be asking your support for some of these efforts.

Counterintelligence is an essential element of the intelligence process, assigned to CIA by the National Security Council.

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The counterintelligence function was the subject of scrutiny back in 1954 by a special committee established by President Eisenhower and headed by General James Doolittle to examine the covert activities of CIA.

In his report, General Doolittle wrote:

"We cannot emphasize too strongly the importance of the continuation and intensification of CIA's counterintelligence efforts to prevent or detect and eliminate penetrations of CIA."

Findings such as this served to underscore the importance of our counterintelligence work.

## ACTIVITIES WITHIN THE UNITED STATES

It is, of course, a fact that the CIA has a presence in and carries out certain activities within the United States. About three-fourths of its employees live and work in this country. Most are in the Metropolitan Washington Headquarters Area, performing analysis, staff direction, or administrative support. About 10 percent of CIA's employees work in the United States outside the Headquarters Area. These perform functions supporting our organization which must be done here, such as personnel recruitment and screening or contracting for technical intelligence devices, and they collect foreign intelligence here. Clearly much information on the world is available here from private American citizens and from foreigners, and it would be foolish indeed to spend large sums and take great risks abroad to obtain what could be acquired cheaply and safely here.

CIA's Domestic Collection Division (DCD) 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. These American sources provide their information voluntarily, in full awareness they are contributing information to the Government.

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The DCD assures them their relationship with CIA will be kept confidential and that proprietary interests (say, on the part of a businessman) will not be compromised.

Since 1947, the DCD has contacted many thousands of individuals and organizations representing American business, industry, and the scientific and academic communities. DCD of course maintains records on its relationships with the individuals and organizations it has contacted.

The information obtained by DCD is made available to other agencies in the Intelligence Community as a service of common concern. Army, Navy, and Air Force officers are assigned to some DCD offices to assist CIA personnel so that there is one coordinated program, rather than separate duplicating efforts.

I want to emphasize that this collection program focuses exclusively on the collection of information about foreign areas and developments.

In addition to their information collection responsibilities, DCD offices also assist in other CIA activities in the United States, such as the identification of individuals who might be of assistance to Agency intelligence operations abroad. DCD is also responsible for the resettlement of ✓ foreign defectors who take up residence in the United States.

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Information is sometimes received by DCD representatives which more properly falls within the jurisdiction of other US Government agencies. Such information is always passed to the appropriate agency. When possible, the possessors of the information are referred to the appropriate local agency. In a few cases, Domestic Collection Division ✓ offices have accepted and passed to CIA Headquarters, for forwarding to the appropriate agency, information about foreign involvement in US narcotics traffic, dissident activities, and terrorism which they learned while conducting their normal collection activity.

The Foreign Resources Division was known until 1972 as the Domestic Operations Division. The principal mission of this Division is to develop relationships with foreigners in the United States who might be of assistance in the clandestine collection of intelligence abroad. In this process, it also ✓ collects foreign intelligence from foreigners in the United States. It has offices in eight US cities, which operate under some cover other than CIA.

The work of this Division is closely coordinated with the FBI, which has the responsibility for identifying and countering foreign intelligence officers working within the US against our internal security.

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The Cover and Commercial Staff exercises both staff and operating responsibilities in the conduct of the Agency cover program, in commercial activities and funding necessary to support our other operations, and in arranging the cooperation of US business firms for cover purposes. It conducts negotiations with other US Government Departments and Agencies on official cover arrangements and with cooperating US business firms on non-official cover arrangements for Agency personnel, installations, and activities. It develops and maintains a variety of proprietary commercial mechanisms to provide non-official cover and operational support to Agency operations against foreign targets. An example of the work of this Staff in the commercial area is the arrangement with a corporation, either an independent firm or a wholly-owned proprietary, to provide the ostensible source of income and rationale for a CIA officer to reside and work in a foreign country.

The Agency's Office of Security has eight field offices in the United States primarily engaged in conducting security investigations of Americans with whom the CIA anticipates some relationship--employment, contractual, informational, or operational. The investigators do not normally identify themselves as CIA.



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The Office of Security investigates all applicants for employment with the Agency, actual or potential contacts of the Agency, and consultants and independent contractors to determine their reliability prior to their exposure to sensitive matters in dealings with the Agency. We also conduct investigations of individuals employed by contractors to the Agency, such as the employees of Lockheed who worked on the U-2 program. Numerous files are, of course, built up in this activity, but are kept segregated from the Agency's operational and counterintelligence files.

Another responsibility of the Office of Security is the investigation of unauthorized disclosures of classified intelligence. This function stems from the Director's statutory responsibility to protect intelligence sources and methods. Thus, the CIA Office of Security would prepare a damage assessment and endeavor to determine the source of a leak so that we could take corrective action. The National Security Act of 1947 gives the Director authority to terminate the employment of an individual when he deems it "necessary or advisable in the interests of the United States. . ."

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Research and development are necessary activities if we are to have the technical intelligence capabilities I discussed earlier. Nearly all such work is done for the CIA through contracts with US industrial firms or research institutes. In many such contracts, CIA sponsorship of the project is not concealed. But in some cases, the fact that the work is being done for the CIA--or even for the Government--must be hidden from many of the individuals working on the program. This was the case in the development of the U-2 aircraft, for example.

In such cases, a separate organization within an existing company may be established by the company to conduct the necessary R&D under a cover story of commercial justification. Management of the entire program is organized in a fashion which isolates it from any association with the CIA or the Government. In order that such operations can take place, special cover mechanisms must be established to handle such problems as funding and security investigations of personnel being assigned to the job. Because of the Agency's ability to operate with greater flexibility than most other agencies of Government and because of its experience in such activities, it has also undertaken such activities on the basis of funding made available from the Department of Defense from

appropriations for the purpose. Indeed, though the CIA's own R&D program is a vigorous one, it is very small when compared with the several large programs conducted in conjunction with the Department of Defense. All such activity is subject to regular and systematic review and audit. This activity represents another category of our domestic activities, bringing the Agency into contact directly or indirectly with large numbers of US citizens and requiring it to keep a large number of records involving US citizens and organizations.

The complexity of modern intelligence analysis requires the development and application of increasingly sophisticated methodology for treating the enormous quantity of data collected by the Intelligence Community. Although the Agency has actively pursued such development using its own highly qualified staff, it has increasingly been forced to call on the capabilities of the American scientific and technical community for assistance.

This assistance is provided via a contractual arrangement. It may be for the purpose of defining and developing the methodology, e.g., how to process poor quality foreign radar signal intercepts in order to be able to evaluate the emitting radar. Alternatively, it may require a continuous effort to apply a methodology, e.g., to provide assessments of foreign

missile performance from intercepted signals. In either case, it both supplements and complements analogous efforts in the Agency itself. Such programs have been a standard means of carrying out the Agency's role for many years.

These sorts of research projects or studies can be misunderstood, as recently occurred with respect to one on foreign transportation technology. One critic has confused CIA's solicitation of bids for a study with a program to spy. This confusion stems from a lack of appreciation of the modern intelligence process in which "spying" plays only a small role. In fact, however, this project, and others similar to it, are purely analytical in character and expect no espionage or active intelligence collection by the contractor beyond research among open sources. Some such contracts do include analysis of information provided by CIA from its secret technical or clandestine sources, but only when the information is not available otherwise.

The Agency's Office of Personnel has a Recruitment Division to hire Americans with the required skills and expertise for Agency employment.

Agency recruiters identify themselves as CIA Personnel Representatives and carry CIA credentials. We maintain 12

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domestic field offices (whose telephone numbers can be obtained from the public telephone directory). In addition, Agency representatives enter into confidential arrangements with some US residents who agree to assist us abroad in the conduct of our foreign intelligence responsibilities.

Here in the Headquarters area, we have an office in Rosslyn, Virginia, open to the general public. Since most of our professional applicants come from college campuses, primarily at the graduate level, our recruiters maintain close contact with college placement officials and faculty advisors. To round out our recruitment effort they also maintain contact with personnel representatives of private industry, professional and scientific associations, minority organizations, and the like. Our recruiters are authorized to place advertisements in newspapers, periodicals, and college publications for recruitment purposes.

The Agency must look to itself to provide training of its employees in those disciplines which are unique to its mission, ranging from clandestine operations and agent handling to intelligence analysis and technical skills. We also offer an extensive program in language training, communications, and the normal administrative and management courses associated with Government operations. To this

end we operate several training sites and occasionally take advantage of a large US city environment to expose a trainee to the difficulties of foot surveillance. In such instances, of course, the subject would be another Agency employee participating in the training exercise.

The four units I have just described carry out the major programs of the Agency which call for the operation of field offices in the United States. They all are proper under the Act which governs us. A detailed list of the facilities involved and various other specific facilities outside the Washington area (e.g., logistics) is in Appendix H, "CIA Domestic Real Property."

Mr. Vice President, the foregoing provides you with a view of the extent of CIA activities in the United States. The classified appendixes I have submitted to the Commission provide additional detail.

Now, let me turn to the recent press allegations.

ALLEGATIONS AND SOME DETAILS

The article of December 22, 1974, charged that CIA has engaged in a "massive illegal domestic intelligence operation." The article referred in particular to files concerning American dissident groups.

The facts are these (as outlined in my report to President Ford, a copy of which you have):

In mid-1967, the US Government was concerned about domestic dissidence. The obvious question was raised as to whether foreign stimulation or support was being provided to this dissident activity.

On August 15, 1967, the Director established within the CIA Counterintelligence Office a unit to look into the possibility of foreign links to American dissident elements.

And then, you will recall that President Johnson on July 27, 1967, appointed a National Advisory Commission on Civil Disorders. Mr. David Ginsburg, the Executive Director of that Commission, wrote to the Director on August 29, 1967, asking what the Agency might do to assist in that inquiry with "information, personnel, or resources."

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The Director responded on September 1, offering to be helpful, but pointing out that the Agency had no involvement in domestic security. Some limited material from abroad, the Director wrote, might be of interest.

Later the same year, the CIA activity became part of an interagency program, in support of the National Commission, among others.

In October 1967, a report issued by the new CIA unit concluded that, although information was limited,

"There is no evidence that anti-war demonstrations and related activities in the United States are controlled by Communist forces abroad. There are indications, however, that anti-war activity is partially responsive to North Vietnamese inspiration."

Periodically thereafter, various reports were drawn up on the international aspects of the anti-war, youth and similar movements, and their possible links to American counterparts. Specific information was also disseminated to responsible US agencies.

In September 1969, the Director reviewed this Agency program and stated his belief that it was proper "while strictly observing the statutory and de facto proscriptions on Agency domestic involvement."



In 1970, in the so-called Huston Plan, the Directors of the FBI, DIA, NSA, and CIA recommended to the President an integrated approach to the coverage of domestic unrest. While not explicit in the plan, CIA's role therein was to contribute foreign intelligence and counterintelligence to the joint effort.

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The Huston Plan was not implemented, but an Interagency Evaluation Committee, coordinated by Mr. John Dean, the Counsel to the President, was established. The Committee was chaired by a representative of the Department of Justice and included representatives from CIA, FBI, DoD, State, Treasury, and NSA. Its purpose was to provide coordinated intelligence estimates and evaluations of civil disorders with CIA supplying information on the foreign aspects thereof.

Pursuant to this, CIA continued its counterintelligence interest in possible foreign links with American dissidents. The program was conducted on a highly compartmented basis. As is necessary in counterintelligence work, the details were known to few in the Agency.

We often queried our overseas stations for information on foreign connections with Americans in response to FBI requests or as a result of our own analyses. Most of these requests were for information from friendly foreign services, although there were instances where CIA collection was directed. In most cases the product of these queries was passed to the FBI.

In the course of this program, the Agency worked closely with the FBI. For example, the FBI asked the Agency

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about possible foreign links with domestic organizations or requested coverage of foreign travel of FBI suspects. The Agency passed to the FBI information about Americans it learned from its intelligence or counterintelligence work abroad. The FBI turned over to the Agency certain of its sources or informants who could travel abroad, for handling while there. In order to obtain access to foreign circles, the Agency also recruited or inserted about a dozen individuals into American dissident circles in order to establish their credentials for operations abroad. In the course of the preparatory work or on completion of a foreign mission, some of these individuals submitted reports on the activities of the American dissidents with whom they were in contact. Information thereby derived was reported to the FBI, and in the process the information was also placed in CIA files.

In 1973 this program was reviewed and specific direction given limiting it to collection abroad, emphasizing that its targets were the foreign links to American dissidents rather than the dissidents themselves and that the results would be provided to the FBI.

In March 1974, the Director terminated the program and issued specific guidance that any collection of counter-intelligence information on Americans would only take place

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abroad and would be initiated only in response to requests <sup>✓(1)</sup> from the FBI or in coordination with the FBI, and that any such information obtained as a by-product of foreign intelligence activities would be reported to the FBI.

In the course of this program, files were established on about 10,000 American citizens in the counterintelligence unit. <sup>✓(2)</sup>

About two-thirds of these were originated because of <sup>✓(2)</sup> specific requests from the FBI for information on the activities of Americans abroad, or by the filing of reports received from the FBI.

The remaining third was opened on the basis of CIA foreign intelligence or counterintelligence information <sup>(4)</sup> known to be of interest to the FBI.

For the past several months, we have been eliminating material from these files not justified by CIA's counterintelligence responsibilities, and about 1,000 such files have been removed from the active index but not destroyed.

In May 1970, the Department of Justice provided us with <sup>(5)</sup> a machine-tape listing of about 10,000 Americans. The listing could not be integrated in CIA's files and was destroyed in March 1974.

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Mr. Vice President, let me digress here for a moment to comment on this word "files" which has been bandied about widely and can mean many different things to different people.

The backbone of an intelligence operation, particularly a counterintelligence case, is detailed information - through which one can begin to discern patterns, associations, and connections.

In this sphere, therefore, any professional intelligence organization tries to systematically record all scraps of information on people who may be of interest to it or may provide avenues to persons of interest. Thus whenever a name - anyone's name - a date, a place, a physical description, appears anywhere in any operational report, it is usually put into a cross-referenced master index.

Whenever there are one or more pieces of paper dealing primarily with a single individual - for whatever reason - there is probably, somewhere, a "file" on that individual; whether he is an applicant, an employee, a contractor, a consultant, a reporting source, a foreign target of intelligence interest, a foreign intelligence officer, or simply a person on whom someone else (such as the FBI) has asked us to obtain information overseas.

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The fact that there is a "file" somewhere in one of our various record systems with a person's name on it does not mean that that "file" is the type of dossier that police would use in the course of monitoring that person's activities.

In this context, it is clear that CIA does have listings of large numbers of Americans, as applicants, current and ex-employees, sources and other contacts, contractors, Government and contractor personnel cleared for access to sensitive categories of intelligence, individuals corresponding with us, etc. I am sure you will find that most of these are unexceptional and necessary to run an institution of the size and complexity of CIA, and that these records are maintained in ways which do not suggest that the names are in any way suspect.

Our operational files also include people who were originally foreign intelligence targets but who later became US citizens, such as Cuban or other emigree groups.

There have been lists developed at various times in the past, however, which did appear questionable; for example, caused by an excessive effort to identify possible "threats" to the Agency's security from dissident elements, or from a belief that such lists could identify later applicants or contacts which might be dangerous to the Agency's security.

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They did not result from CIA collection efforts, but were compilations of names passed to us from other Government agencies such as the FBI, some police forces, or the House Un-American Activities Committee. A number of these dubious listings have been eliminated in the past three years, and the Agency's current directives clearly require that no such listings be kept.

The New York Times article of December 22, 1974, made certain other charges:

that at least one member of Congress had been under CIA surveillance and that other Congressmen were in our "dossier" on dissident Americans, and that break-ins, wire-taps, and surreptitious inspection of mail were features of CIA activities.

Let me provide background on these allegations.

On May 9, 1973, the Director issued a notice to all CIA employees requesting them to report any indication of any Agency activity any of them might feel to be questionable or beyond the Agency's authority.

The responses led to an internal review of the counter-intelligence program and other Agency activity - a review, Mr. Vice President, that is continuing.

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The initial responses and our review of them culminated in fresh policy determinations and guidance issued in August 1973. This guidance is a matter of detail in the classified appendixes I will provide to this Commission.

As I have said, Mr. Vice President, this review continues in order to insure that our activities remain proper.

Let me discuss our findings with respect to the press allegations.

(1) The New York Times article of December 22, 1974, declared:

"At least one avowedly anti-war member of Congress was among those placed under surveillance by the CIA, the sources said."

Mr. Vice President, our findings are that there is no -- and to my knowledge never has been -- surveillance, technical or otherwise, directed against any sitting member of Congress.

The New York Times article also indicated that "Other members of Congress were said to be included in the CIA's dossier on dissident Americans."

No current Congressmen are included in the files of the counterintelligence program described above, although we do have lists and files of current Congressmen.



Some (about 14) were opened prior to the Congressmen's election as a step toward possible operational cooperation with the Agency. Some (about 2) because the names arose in the course of coverage of foreign targets. Some are files on ex-employees (2) or applicants. Some (about 17) are on contacts or sources of our Domestic Collection Division. Some were included in the coverage of dissidents maintained by our Security Office mentioned above. And, of course, our Congressional liaison staff keeps working files on its contacts with Congressmen.

(2) The New York Times article also referred to "break-ins," and said no "specific information about domestic CIA break-ins" could be obtained.

Our investigations to date have turned up a total of three instances, which could have been the basis for these allegations. Each of the three involved premises related to Agency employees or ex-employees.

In 1966, a new Agency employee, inspecting a Washington apartment he was thinking of renting, saw classified documents in the apartment, which was the residence of an ex-employee. The new employee advised CIA security officers who promptly went to the apartment, were admitted without stating their intentions, and removed the documents.

The second instance occurred in 1969. A junior Agency employee with sensitive clearances caused security concern by appearing to be living well beyond his means. Surreptitious entry was made into his apartment in the Washington area. No grounds for special concern were found.

The third instance occurred in 1971 in the Washington area. An ex-employee became involved with a person believed to be a Cuban intelligence agent. Security suspicions were that the two were engaged in trying to elicit information from Agency employees. A surreptitious entry was made into the place of business of the suspect Cuban agent. Results were negative. An attempt to enter the suspect agent's apartment was unsuccessful.

(3) The New York Times article also referred to wire-taps and said no specific information could be obtained.

Our findings show that there were telephone taps directed against twenty-one residents of the United States between 1951 and 1965, and none thereafter. In each case the purpose was to check on leaks of classified information. Nineteen of the individuals concerned were Agency employees or former Agency employees, including three defector contract agents (not US citizens) and one contract employee who was the wife of a staff agent. The two private citizens whose phones were tapped in 1963 were thought to be receiving sensitive intelligence information, and the effort was aimed at determining their sources. Our records show that these two taps were approved by the Attorney General.

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In 1965, President Johnson issued an order that there be no wire-taps in national security cases without approval by the Attorney General. Only one of the operations mentioned above took place in 1965, against a CIA employee suspected of foreign connections. This operation was approved by the Attorney General.

Since World War II, successive Presidents have authorized the Attorney General to approve electronic surveillance in national security situations. The Omnibus Crime Act of 1968 prohibits interception and disclosure of wire or oral communications but further provides that nothing in such law

"...shall limit the constitutional power of the President to take such measures as he deems necessary to protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information deemed essential to the security of the United States, or to protect national security information against foreign intelligence activities." (Emphasis supplied.)

While this statute does not purport to convey a new power to the President, it is a recognition by the Congress that such measures are within the constitutional power of the President.

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(4) The New York Times article also alleges physical surveillance of American citizens.

The Agency has conducted physical surveillance on our employees when there was reason to believe that they might be passing information to hostile intelligence services. This was done on rare occasions, and in recent years only three times -- in 1968, 1971, and 1972. In 1971 and 1972, physical surveillance was also employed against five Americans who were not CIA employees. We had clear indications that they were receiving classified information without authorization, and the surveillance effort was designed to identify the sources of the leaks.

Also, in 1971 and 1972, a long-standing CIA source -- a foreigner visiting in the US -- told us of a plot to kill the Vice President and kidnap the CIA Director. We alerted the Secret Service and the FBI and we carried out physical surveillance in two American cities. The surveillance came to involve Americans who were thought to be part of the plot -- and the mail of one suspect was opened and read.

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(5) The New York Times article also refers to "surreptitious inspection of mail."

As part of its foreign intelligence program, CIA has conducted at various places in the world a survey of mail to and from certain Communist countries. This provides technical information on Communist mail procedures and censorship. It provides addresses that might be used for various intelligence programs and, in those instances in which selected mail is opened, it sometimes provides information on conditions in the country as well as operational leads for agent recruitment.

From 1953 until February 1973, CIA conducted programs at three sites in the United States to survey mail between the United States and two Communist countries. Some of this mail was opened to determine Communist censorship techniques or to report the contents of the messages. The main product of this activity was material of an internal security nature, which was disseminated to the FBI.

The activities discussed above were reported as a result of the Director's 9 May 1973 notice and were reported to the Chairmen of the Senate and House Armed Services Committees -- the Congressional bodies responsible for oversight of CIA -- on 21 May 1973.

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## CIA RELATIONSHIPS WITH OTHER GOVERNMENT AGENCIES

In August 1973, in connection with the review of all activities of the Agency which might be considered questionable under the terms of its charter, I ordered a review of assistance to other Federal, state, and local government components. Each of the Agency's Deputy Directors was required to terminate all activities he considered inappropriate.

Based upon this review, I asked the CIA Inspector General and General Counsel to review and make recommendations on all activities not terminated by the Deputy Directors. On this basis, I made an individual determination to continue, modify, or terminate each such activity. Most assistance to other agencies was continued, but a substantial number of such activities were modified or terminated.

Assistance to agencies with foreign operations and not involved in domestic law enforcement was generally continued, while assistance which could involve the Agency even indirectly in law enforcement activities was appropriately modified or terminated.

In addition, some assistance activities not warranted on the basis of economy or necessity were discovered and terminated. This program of review of assistance to other

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Government agencies has been made permanent and each new proposal for this kind of assistance must be reviewed and approved by the Deputy Director concerned, the Inspector General, and the General Counsel before it may be instituted. In case any one of them disagrees, I personally make the decision.

I believe this continuing program will assure that all assistance is carefully considered and kept within the bounds of legality, propriety, and economy.

In discussing allegations of improper CIA domestic activity, I wish to comment on "the Watergate affair." This topic has been the subject of extensive hearings by the Ervin Committee and the four CIA Subcommittees of the Congress as well as by other investigations by the Grand Jury, the Department of Justice, and the Special Prosecutor. So I will comment only briefly on it. The allegation was that CIA had prior knowledge of the Watergate break-in and was somehow otherwise knowingly involved. While I have admitted the CIA made mistakes in providing certain equipment to Howard Hunt and in preparing a psychological assessment on Daniel Ellsberg, both in response to directives from the White House, we have no evidence, and none was developed in any of the hearings or inquiries I have just mentioned, to support the other allegations concerning CIA. Aside from

these two instances, the main CIA role in Watergate was to refuse to be used in the coverup, and to avoid being misunderstood as involved. Most recent evidence clearly demonstrates CIA's non-involvement rather than involvement in Watergate.

While Senator Baker's minority report suggests that the Agency was involved in domestic activities beyond its charter, the testimony of 24 Agency witnesses covering 2,000 pages, along with the production of some 700 sensitive Agency documents, failed to result in any concrete evidence to support these allegations.

Although we entered into that investigation in the spirit of cooperation and in the interest of providing information relevant to the investigation, eventually extremely broad requests, which would have exposed sensitive intelligence sources and methods having no relationship to the inquiry, forced me to request a more precise bill of particulars, and to suggest that they might be handled more appropriately through our normal oversight procedures with the Senate Armed Services Committee.

I think it is interesting in this connection that despite the fact that the profile and the provisioning were requested by the White House, questions as to the propriety of these actions were brought to the attention of senior



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officials of the Agency by Agency employees at the working level.

For the Commission's background, I would also like to mention the Agency's relationships with American student and other associations and foundations, revealed in 1967 by Ramparts magazine. The Agency had developed confidential relationships with some officials of these groups to assist their activities abroad in exposing and counteracting Communist-controlled efforts to subvert international student and labor groups.

State Department Under Secretary Katzenbach chaired an interagency group which investigated this matter. The group's recommendations resulted in a ban on CIA covert assistance to American educational or voluntary organizations, and these restrictions are reflected in internal Agency regulations and policy.

The activities I have described to you in this statement related to The New York Times allegations and were among those, as I have said, that were reported to the Director by our officials and employees in 1973 in response to his notice to all employees asking them to report any and all activities that they or others might deem questionable. These were reported to the Chairmen of the Senate and House

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Armed Services Committees - the Congressional bodies responsible for oversight of CIA - in May 1973.

These briefings were accompanied by my assurances that the Agency's activities would be conducted strictly within its proper charter, and specific instructions were issued within the Agency along these lines. Recently, I was advised by the Acting Attorney General that I was obliged to call certain of these to his attention for review, and I have done so, although it is my opinion that none would properly be the subject of adverse action against men who performed their duties in good faith.

The Commission will be interested in some of the CIA's internal checks and balances - its safeguards designed to ensure that its activities remain within proper bounds.

In the first place, strength is to be found in the simplicity of CIA's organization. The command line runs from the Director to four Deputies and thence to Office or Division Chiefs. The arrangement provides the Director with an uncomplicated and direct access to action officers within the separate components, whether they be Deputies, Office Chiefs, analysts, or operators.

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The Agency relies on certain functions, as well as organization, to provide safeguards. The Inspector General, who reports directly to me, is vested with an independent authority to review the activities of all elements of the Agency.

The CIA General Counsel reports to the Director and oversees the legal aspects of Agency activity.

The CIA Comptroller, who reports directly to the Director, reviews programs and the allocation of resources independent of the Deputies and makes his advice known to the Director and the Deputies.

The CIA Audit Staff is responsible for checking the use of funds by Agency components and for assuring that the funds are properly used and are consistent with appropriate internal approvals and the law.

The Office of Finance watches the integrity of the Agency's accounting structure, supervises internal financial audits, and assures compliance with the fiscal requirements of the Agency and the Government.

In addition to my dealings with each Deputy Director and Independent Office Chief, they together comprise the CIA Management Committee. As such, they meet regularly to

advise me on a wide range of policy decisions. This practice also ensures communication among the leadership of all components of the Agency and provides for cross-fertilization of ideas and opinions.

One characteristic of the Agency is the need for compartmentation to enhance security and protect particularly sensitive sources and methods. This does not diminish my responsibility to know of and approve all sensitive operations, but it does limit the awareness of employees not directly involved in the operation and leads to limits on written records to which substantial numbers of people have access.

As a result the written records immediately available to describe the background of some Agency activities conducted in earlier years are less complete than I - and I am sure the Commission - would like. There is no implication here of improper destruction of records, but the intelligence profession does limit the detail in which they exist and the degree to which they are circulated.

Finally, every year Agency employees are instructed to bring either to my attention or to that of the Inspector General any activity which they think may be beyond our charter.

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Mr. Vice President, in this presentation I have endeavored to provide the Commission with a frank description of our intelligence activities. That description is intended to demonstrate the importance of the CIA and the rest of the Intelligence Community in assisting the Government in developing and implementing its foreign policy and alerting it to potential crisis or war. I would now like to summarize the situation and present some thoughts as to possible Commission recommendations.

First, as I said at the outset, I flatly deny the press allegation that CIA has been engaged in a "massive illegal domestic intelligence operation."

Whether we strayed over the edge of our authority on a few occasions over the past 25 years is a question for you gentlemen, and whatever investigative bodies Congress may designate, to judge.

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Mr. Vice President, any institution--in or out of Government--that has been functioning for 25 years finds it hard put to avoid some missteps, but I submit that any such missteps in the CIA's history were few and far between, and unconnected with the thrust of the Agency's important and primary mission--the collection and production of intelligence pertaining to foreign areas and developments.

Certainly at this time it is my firm belief that no activity of the Agency exceeds the limits of its authority under law.

Mr. Vice President, the President's charge to this Commission requests that your review lead to recommendations, some to be made to me as well as to the President. I look forward to those recommendations, including any you may make with regard to internal CIA safeguards and organization.

I would like to offer for the Commission's consideration certain suggestions which the Commission may deem to be appropriate subjects for eventual recommendations.

There are several bills now in Congress recommending certain amendments to the National Security Act so as to clarify the extent of CIA's activities within the United States.

One of these is to add the word "foreign" before the word "intelligence" wherever it appears in the Act, to make crystal clear that the Agency's purpose and authority lie in the field of foreign intelligence.

Another amendment proposes that within the United States the Agency will not engage

"in any police or police-type operation or activity, any law enforcement operation or activity, any internal security operation or activity, or any domestic intelligence operation or activity."

The Agency fully accepts these amendments as a clear statement of prohibited activity and as a way to reassure any concerned that CIA has any such function. Last September, I wrote to the Chairman of the Senate Armed Services Committee assuring him that the Agency will abide by the letter and the spirit of this proposed amendment.

The prohibition in this amendment is supplemented by the following additional proviso:

"Provided, however, that nothing in this Act shall be construed to prohibit CIA from protecting its installations or conducting personnel investigations of Agency employees and applicants or other individuals granted access to sensitive Agency information; nor from carrying on within the United States activities in support of its foreign intelligence responsibilities; nor from providing information resulting from foreign intelligence activities to those agencies responsible for the matters involved."

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Again, we welcome this text as a clear statement of what the Agency properly does in the United States in support of its foreign intelligence mission. As I described to you earlier and explained in my confirmation hearings, these include:

- (1) Recruiting, screening, training, and investigating employees, applicants, and others granted access to sensitive Agency information;
- (2) Contracting for supplies;
- (3) Interviewing US citizens who voluntarily share with the Government their information on foreign topics;
- (4) Collecting foreign intelligence from foreigners in the United States;
- (5) Establishing and maintaining support structures essential to CIA's foreign intelligence operations; and
- (6) Processing, evaluating, and disseminating foreign intelligence information to appropriate recipients within the United States.

I respectfully suggest that the Commission might indicate its support of these legislative amendments in its recommendations.



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A separate matter of concern deals with the question of appropriate oversight of the Agency. Within the Executive Department, the Director is appointed by the President with the advice and consent of the Senate and serves "during the pleasure of the President of the United States and for the time being."

The President has appointed a Foreign Intelligence Advisory Board to assist him in supervising the foreign intelligence activities of the United States.

This Board has a long and excellent record of reviewing the foreign intelligence activities of the United States-- those in CIA as well as the other departments and agencies.

The Board has made a number of very important recommendations to the President and has stimulated and supported major advances in our intelligence systems.

The activities of the CIA and the Intelligence Community are also reviewed by the Office of Management and Budget, to which the Agency reports fully and through whom the Director's recommendations for the total foreign intelligence program are routed to the President.

General guidance of the CIA and the Intelligence Community is provided by the National Security Council through the Assistant to the President for National Security Affairs and

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the National Security Council staff. The National Security Council is assisted by the National Security Council Intelligence Committee and by several other National Security Council committees, such as the Washington Special Action Group for crisis situations, the 40 Committee for covert actions, and others.

Pursuant to a Presidential directive of 5 November 1971, reaffirmed by President Ford on 9 October 1974, the Director of Central Intelligence is also assigned a special role with respect to the Intelligence Community as well as the Central Intelligence Agency. He is required to exercise positive leadership of the entire Community and to recommend to the President annually the appropriate composition of the entire intelligence budget of the United States. He is directed to accomplish these with the advice of and through the United States Intelligence Board and the Intelligence Resources Advisory Committee, which include the intelligence elements of the State, Defense, and Treasury Departments, and other agencies concerned with intelligence.

The National Security Council exerts its direction over the Intelligence Community through a series of National Security Council Intelligence Directives assigning responsibilities and providing authorization for actions. These Directives are in the process of consolidation and updating and are supplemented by Directives issued by the Director of Central Intelligence under the general authority provided by

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the National Security Council Intelligence Directives. One of particular relevance to this Commission's work specifically outlines how CIA will operate within the United States. It is in its final stages of coordination and is essentially agreed between the FBI and CIA.

In my view, Mr. Vice President, the arrangements for administrative supervision of the Central Intelligence Agency and the Intelligence Community by the Executive Branch appear sufficient at this time, but you will certainly want to reassure yourselves on this in detail.

Congressional oversight of CIA has long been handled with full recognition by Congressional leaders of the necessary secrecy of the Agency's activities. As a result, from its earliest days, small subcommittees were established in the Appropriations and Armed Services Committees of the Senate and the House to which the Agency reported its activities, but outside of which no information was made available concerning its sensitive operations. There are no secrets from these oversight committees, and between our meetings with the Committees, we are in continuing contact with the Staffs.

The Agency has reported publicly to other Committees about matters which can be disclosed publicly, and it has

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reported extensively in Executive Session to other Committees, providing classified and substantive intelligence appreciations of world situations. Over the years, a number of suggestions have been made within the Congress to revise the oversight responsibility, but to date none has been agreed. The Agency's position has always been that it will work with the Congress in any way the Congress chooses to organize itself to exercise its responsibilities for oversight and for appropriations.

Whatever arrangements the Congress adopts, we trust there will be a continuation of Congressional protection of the secrecy of our intelligence activities.

This raises the final subject to which I invite the Commission's attention--the need for improvement in our legislation to strengthen our ability to protect those secrets necessary to successful intelligence operations.

It is plain that a number of damaging disclosures of our intelligence activities have occurred in recent years. One effect of this has been to raise questions among some of our foreign official and individual collaborators as to our ability to retain the secrecy on which their continued collaboration with us must rest.

We certainly are not so insensitive as to argue that our secrets are so deep and pervasive that we in CIA are beyond scrutiny and accountability.

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We of course must provide sufficient information about ourselves and our activities to permit constructive oversight and direction.

I firmly believe we can be forthcoming for this purpose, but there are certain secrets that must be preserved.

We must protect the identities of people who work with us abroad.

We must protect the advanced and sophisticated technology that brings us such high-quality information today.

To disclose our sources and methods is to invite foreign states (including potential enemies) to thwart our collection.

The problem is that current legislation does not adequately protect these secrets that are so essential to us.

Current legislation provides criminal penalties, in event of disclosure of intelligence sources or methods, only if the disclosure is made to a foreigner or is made with an intent to injure the United States. The irony is that criminal penalties exist for the unauthorized disclosure of an income tax return, patent information, or crop statistics.

To improve this situation, we have recommended changes in legislation, and I invite this Commission to support the strengthening of controls over intelligence secrets. These can be fully compatible with the Constitution, with the lawful rights of intelligence employees and ex-employees,

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and with the independence of our judicial authorities.

I believe this matter to be as important as possible improvements in our oversight by the Executive and Legislative Departments. For effective supervision of intelligence activities and the need for effective secrecy must go hand in hand.

Mr. Vice President, I mentioned at the outset that I have submitted for the record classified appendixes to this statement. I trust they will be useful to the Commission in its examination.

I am prepared to respond to any questions the Commission may have and to make available appropriate employees of the Agency for questioning.

As for ex-employees, I respectfully request--should the Commission seek them as witnesses--that they be contacted directly by the Commission. The Agency no longer has authority over them, and I have directed that they not be contacted by the Agency at this time in order to avoid any possibility of misunderstanding of such contacts.

In the event of testimony by ex-employees or others, I respectfully request an opportunity to review with the Commission the details of testimony before a decision is made to publish them and perhaps reveal sensitive intelligence sources and methods.

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In conclusion, Mr. Vice President, I sincerely believe that this Commission will find with me that the Agency did not conduct a massive illegal domestic intelligence activity, that those cases over its history in which the Agency may have overstepped its bounds are few and far between and exceptions to the thrust of its activities and that the personnel of the Agency, and in particular my predecessors in this post, served the nation well and effectively in developing the best intelligence product and service in the world. Lastly, I hope that this Commission may help us to resolve the question of how, and consequently whether, we are to conduct an intelligence service in our free society, and recognize its needs for some secrecy so that it can help protect our freedoms and contribute to the maintenance of peace in the world.