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~~THE PRESIDENT HAS SEEN~~

THE WHITE HOUSE

WASHINGTON

July 26, 1976

*mg*

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL BUCHEN *P*

SUBJECT: Star Article of 7/23/76 Entitled  
"Moss Claims U.S. Wiretaps  
on Increase"

Attached at Tab A is a page from the affidavit of James B. Adams, Assistant to the Director of the FBI, which details the number of leased line letters from which Congressman Moss wrongly inferred that wiretaps and microphones for foreign intelligence purposes had increased during your Administration. At Tab B is the release issued by the Department of Justice after Congressman Moss had spoken to the press. It explains that the number of leased line letters does not reflect the actual number of different wiretaps and microphones and that the number of persons subject to surveillances has actually decreased under your Administration.

Attachments



This would permit foreign intelligence services to direct more precisely their efforts toward thwarting these capabilities and allow them to adopt methods of operation not susceptible to our capabilities.

(7) A review of FBI records concerning leased line letters disclosed that from January 1, 1966, to July 1, 1976, 748 leased line letters requesting private line facilities were prepared for transmittal to telephone companies. A yearly breakdown is as follows:

1966 - 26  
1967 - 15  
1968 - 16  
1969 - 39  
1970 - 64  
1971 - 77  
1972 - 76  
1973 - 95  
1974 - 141  
1975 - 141  
1976 - 58 (July 1, 1976)

*James B. Adams*

JAMES B. ADAMS  
Assistant to the Director (Investigation)  
Federal Bureau of Investigation  
Washington, D. C. 20530

Subscribed and sworn to before me this 19<sup>th</sup> day of July, 1976,  
in Washington, D. C.

*Marrion J. Adams*  
Notary Public

My commission expires 12/14/78.

*B*

There are several reasons why there is no correlation between the number of leased line letters and the number of persons under electronic surveillance.

The increase in leased line letters in 1974 and 1975 was primarily due to an agreement between American Telephone and Telegraph Company and the Justice Department and an updating of leased lines held by AT&T affiliates.

Previous to this agreement, coverage was sometimes instituted without written correspondence. Current policy now requires a written request for a leased line.

Further, because of the Attorney General's policy to review requests for electronic surveillance carefully and deliberately, telephone and microphone coverage would sometimes lapse while additional information to justify the surveillance was requested and further consideration undertaken. New letters then would become necessary to reinstitute coverage for the long lapse period.

No American citizen has been the subject of electronic surveillance since the Attorney General made an announcement to this effect in mid-1975.

####



# Department of Justice

FOR IMMEDIATE RELEASE  
FRIDAY, JULY 23, 1976

AG

In an affidavit filed by the Federal Bureau of Investigation, the number of letters prepared for transmittal to telephone companies requesting leased lines to conduct electronic surveillance was disclosed.

These numbers do not correspond to the actual number of targets subject to electronic surveillance.

The number of wiretaps and microphones used for the past ten years is as follows:

<u>Year</u>	<u>Telephone</u>	<u>Microphone</u>
1975	122	24
1974	190	42
1973	123	40
1972	108	32
1971	101	16
1970	102	19
1969	123	14
1968	82	9
1967	113	0
1966	174	10
1965	233	67

These figures show that there was an actual decrease in the number of persons subject to electronic surveillance.

OVER

JUL 24 1976

THE WHITE HOUSE  
WASHINGTON

July 24, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JOHN O. MARSH, JR.  
FROM: JAMES E. CONNOR  
SUBJECT: Star Article of 7/23/76 Entitled  
"Moss Claims U.S. Wiretaps On  
Increase"

The attached was returned in the President's outbox with the following notation directed to you:

"I know this is a distortion by J.M. but what is accurate situation."

Please follow-up with the appropriate action.

cc: Dick Cheney



# CHASE CRASH



—Steve Eisen

ed four lives shortly before dawn today.

## Case

### Tree Car Hit Has Claimed Other Lives

By Charles A. McAleer  
Washington Star Staff Writer

Four Metro system bus mechanics were killed when their car slammed into a tree on the Maryland side of Chevy Chase Circle as they traveled south on Connecticut Avenue shortly before dawn today.

Montgomery County police said the driver apparently fell asleep while heading toward the District at a high rate of speed, causing the car to smash head-on into one of the many large trees that rim the circle.

The old trees have been the site of numerous other accidents in the past, some involving fatalities, police and rescue squadsmen recalled.

The latest crash occurred about 5 a.m., less than five hours after the men had gotten off work at Metro garages in the 5200 block of Wisconsin Avenue NW and at 14th and Decatur Streets NW, according to police.

Although the crash occurred on the Maryland side of the circle, District fire rescue units were the first to reach the scene. It had been raining

as in the immediate house said they had the building and new paint job. One man that was blue in into the warehouse ago and was white en out. Two vans, in one and a dark-re used to transport a schoolchildren and r from where they gunpoint near their to Livermore, 120 re they were locked ucktrailer 12 hours

OR the arrest of the n named in the police be issued soon," ac-medea County Sheriff

on of Fred Nickerson ner of the quarry in ameda County, where tims were put in the van early last Friday remained there until hen they escaped

# Moss Claims U.S. Wiretaps On Increase

## Ford Tops Nixon in Requests To AT&T, Panel Chief Says

The chairman of the House investigations subcommittee said today the Ford administration has asked American Telephone & Telegraph Co. to install many more wiretaps than the Nixon administration did.

"We've seen a marked, dramatic increase under Ford," declared Rep. John Moss, D-Calif. "Who is he tapping? Why the escalation?"

Moss made the statements as AT&T officials refused to give the subcommittee their records of the government's national security wiretap requests. They acted in accordance with an order issued yesterday by U.S. District Court Judge Oliver Gasch.

The judge's temporary restraining order represented a victory for President Ford, who had asked the Justice Department to "undertake such action in the courts . . . as may be appropriate to prevent the disclosure of this sensitive information."

AT THE WHITE House, Press Secretary Ronald Nessen said he would have no comment about Moss' statement. "It's in litigation, I just can't comment," Nessen said.

Moss said a Justice Department affidavit outlining its wiretap requests to AT&T shows 76 in 1972; 95 in 1973; 141 in 1974, with 115 of them after Ford became president in August; 141 again in 1975 and 58 for the first six months of this year.

There was no indication whether the requests came from Ford himself or from others in his administration.

Moss criticized Gasch's temporary restraining order barring AT&T from giving up its records including more information about the wiretaps. The congressman also criticized Ford's request for the order.

"The President is charged with seeing that the laws are faithfully executed," Moss said. "Rather than carrying out his responsibility, he is interfering with the legislative powers of the Congress enumerated in . . . the Constitution."

IN REFUSING to turn over company records, John Fox, vice president of AT&T, told the investigations and oversight subcommittee

See WIRETAP, A-6

## Timonium Results

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Timonium, Md.

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that search warrants would be served in two other unspecified cities in the Bay Area, where he said "the same kind of evidence" that officers looked for at the Woods home would be sought.

Among the junk vehicles found where Woods lives were old police cars, taxicabs, fire trucks, trailers and campers, McDonald said. The sheriff said he did not know if any vans matching the description of the 1971 Dodge vans used to transport the hostages.

"I haven't seen anything to indicate there was more than the original three"

THE YOUNGER WOODS and the Schoenfeld brothers have apparently known one another for many years. Woods and James Schoenfeld were born three days apart in October 1951, and all three of the young men graduated from Woodside High School near their homes and attended Canada College, a two-year school in neighboring Redwood City. Each of the Schoenfeld brothers received a degree from the junior college, but Woods dropped out after one semester, according to school records.

A year and a half ago,

in restoring one of these things," said Woods at the time he and James Schoenfeld sought to purchase the 103-year-old Henry Rengstorff House in Mountain View. The project fell through after the two young men were unable to post a \$60,000 bond that city officials had demanded.

**PORTOLA VALLEY**, with a population of 4,800, and Atherton, with 7,600 residents, are similar in size to Chowchilla, population 4,500, but the two areas have little else in common. Most residents of the Chowchilla area, in Madera

area's booming electronics industry, teach at Stanford University or earn their living as doctors or lawyers.

The Woods property and the 15 buildings on it are worth an estimated \$3.5 million, while the Schoenfeld's home is a large ranch dwelling on one acre with a swimming pool in a neighborhood of houses that sell for \$150,000 and up. More than azen motorcycles in various stages of disrepair were observed at the Schoenfeld home Wednesday.

The father of the Schoenfeld brothers, John B. Schoenfeld, is a podiatrist.

ing companies on barter deals for they would have of undercutting price of oil.

**THE NEW PRO** for Iran to provide 10-year agreement barrels of oil a day and 200,000 day to New England.

Half of this "heavy" crude, type of oil which heating fuel and ships. Iran has been time selling that oil which is "he

## WIRETAP

Continued From A-1

that the firm would not risk being held in contempt of court by complying with the panel's subpoenas.

Moss temporarily excused the company from complying with the subpoena but added that this "in no way absolves AT&T from its ultimate responsibility."

The congressman said the President's request for the judge's order "flies firmly in the face of every historical precedent." He said Congress will resist any attempt to make Gasch's order permanent.

Ford's claim of executive privilege was only the second time a president has made such a formal assertion in an attempt to keep information from a congressional investigating committee, the Justice Department said.

In the first instance, an appeals court in 1974 upheld then-President Richard M. Nixon's refusal to turn over White House tapes to the Senate Watergate committee.

**JUDGE GASCH** has set a hearing July 28 to consider issuing a permanent injunction barring AT&T

from turning over its wiretap records.

The 11th-hour restraining order was requested by Rex E. Lee, an assistant attorney general in charge of the Justice Department's Civil Division, at Ford's request.

Lee told Gasch that this was a "rare case, only the second time in history where the president has asserted executive privilege in the subpoena of documents by the Congress."

The court action followed weeks of unsuccessful negotiation between the White House and Moss in an effort to resolve the issue. The purpose of the House investigation is to determine the extent of illegal wiretapping done by telephone companies at the request of law enforcement and intelligence agencies.

The subcommittee wants to find out how wiretapping may be violating provisions of a federal law designed to guarantee privacy in all communications, whether by wire or radio.

**FORD, IN HIS** letter to Moss, said, "I fully understand your desire for some procedure by which you can obtain information relevant to your inquiry," but that the subpoena presented "unacceptable risks" to national security.

He presented as an alternative a plan under which the FBI would separate

documents held by AT&T relating to domestic telephone surveillance from those dealing with foreign intelligence surveillance and provide the former to the subcommittee.

Under Ford's offer, foreign intelligence documents from any two years also could be obtained by the subcommittee, but they would be "edited" to delete "names, addresses, line or telephone numbers and other information which would disclose targets of the surveillances, sources of information about the targets, and methods of surveillance." The documents would disclose, however, whether the targets were U.S. citizens.

**LEE ARGUED** before Gasch that if the unedited letters were sent to the subcommittee, the surveillance targets would become known.

Lee contended in papers filed with the court that such disclosures "would terminate various intelligence and counterintelligence programs, would identify and endanger informants and double agents currently supplying intelligence and counterintelligence information to the United States, would reveal the technical capabilities of the United States in obtaining such intelligence information, would elimi-

nate valuable sources of information important to the national defense and national security and would severely hamper the conduct of our relations with foreign powers."

The Justice Department official argued that the Supreme Court in the Nixon tapes case noted the special need to defer to executive privilege in national security matters, especially where alternative methods of obtaining the information were available.

**HE ADDED** that this case was unique because the documents sought were in the possession of a private company and not the government.

"The government must rely on private industry for many needs, such as defense equipment, since it does not have the capability to provide the material itself. The situation here is the same: AT&T performs a function that only they can perform," Lee said.

He contended that the letters were sent to AT&T under a requirement that they be kept confidential and that AT&T must keep them secret. Lee noted that such letters only have been sent since 1969 and that before then the surveillance requests were made verbally.

## TAXES

Continued From A-3

former Treasury officials and congressional tax experts — work harder for their fees. After they had persuaded the committee once to approve amendments to help their clients

boost employment and investment.

• Another company or industry is getting a break, so we deserve one, too.

• Even if legislation to curtail a tax break is called for, postpone the effective date so our clients can get in under the wire. Alternatively, add a "grandfather clause" to the breakdown

the amendments with Long before they were introduced.

Woodworth said he had not known that the amendments would apply to Long's family. He said he had concurred in his staff's opinion that "there was merit in the proposal" to correct apparently unintended effects of the law.

A 1969 LAW limits deductions basically to the cost of the paint and canvas when the creator is the donor. Collectors, however, can deduct the appraised value, which often is higher than the price they paid.

Museums are lobbying hard for the amendment, but Long said it would "reopen a loophole." He said it

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