

DRAFT - 7 Jan. 1972

The Honorable John C. Stennis
Chairman, Senate Armed
Services Committee
Washington, D. C. 20510

My dear Mr. Chairman:

This is in reply to your request for our recommendations concerning S. 2231, a bill "To require that appropriations be made specifically to the Central Intelligence Agency."

S. 2231 amends current law and proposes substantial changes in the process by which sums are made available to this Agency for its functioning by:

(a) requiring a single line item in the United States budget in the name of this Agency showing proposed appropriations, estimated expenditures and other related data;

(b) requiring a specific lump-sum appropriation act for CIA, and

(c) prohibiting any expenditure by CIA of funds appropriated to any other department or agency starting 1 July 1972.

As you know, the Central Intelligence Agency Act of 1949 provides the basic authority for financing this Agency without impairing security. During the Senate consideration of that Act, the Chairman of the Armed Services Committee explained:

"...Ours will perhaps be the only Government having a law providing for such an activity. Other governments simply

appropriate a disguised sum of money, without any authority of law, to handle the whole matter through some government official. We are writing the whole law out. I regret we cannot proceed in any other way. If the Senate knew about the details, it might be willing to do as other countries do, but we do not do business that way. We are not doing what other countries do. We are throwing every possible democratic safeguard around it as we go along." [95 Cong. Rec. 6955 (1949) (remarks of Senator Tydings).]

In line with this concept, the budgetary and appropriation process for funding the Agency parallels the procedures followed for other agencies in the Executive Branch, with certain exceptions authorized by law to protect intelligence sources and methods. The annual request for funds for the Agency is not specifically identified in the United States Federal budget. These funds, nevertheless, are contained in the totals submitted to Congress in that budget and the specific amount requested by the President for the Central Intelligence Agency is made known to the appropriate committees of the Congress as classified material. The specifics of the Agency's annual budget are also made known to the appropriate committees of the Congress and each year Agency witnesses testify in detail before these committees. The amount of the President's budget request for CIA that is eventually approved is contained in an appropriation bill although the CIA portion is not specifically identified as such.

The Agency's budget consists of programs which are inextricably involved with intelligence sources and methods and committees of Congress have for some time been handling it in a manner specifically designed to protect against unauthorized disclosure. Providing security for the Agency's

budget was one of the principal objectives of the Central Intelligence Agency Act of 1949 and any change, affecting as it does intelligence sources and methods, is deserving of the closest scrutiny.

One of the stated premises of S. 2231 is that the mere existence of an appropriation act for CIA, even as a single line item, will lead to a public determination on the amount of Federal resources to be allocated to CIA. It would not be difficult to endorse this desirable objective were it not for the fact that it does not appear to be achievable without unacceptable diminution and degrading of the sources and methods of intelligence on which we so heavily depend. If a public judgment is to be reached on the amount of resources to be allocated to this Agency, a n a s p e c i f i c public analysis of this Agency's programs and resource requirements would be required so that an informed judgment could be reached. Without such detail it is difficult to perceive how CIA's programs and requirements could either be evaluated on their merits or compared with other Federal programs with which they presumably would be competing for funds. However, making such detail public would be in complete conflict with present law and practice and destructive of the very intelligence sources and methods that are, have been, or are to be funded.

Another stated premise of S. 2231 is that publicising the Agency's budget would not communicate useful information to potential adversaries. We are not sure what portions, if any, of the Agency's budget have been

identified or accurately estimated by potential adversaries to whom this information would be useful against the interest of the United States.

However, the precise total (assuming the figures are believed) may aid in verifying estimates in hand and in filling in critical gaps in information.

A third premise of the bill is that the public debate over money appropriated for other agencies is unrealistic if the money is actually intended for CIA. As you know, funds approved for the Agency by the Appropriations Committees of Congress are included in, and constitute a small portion of, appropriations for the Department of Defense. Therefore, the current process, if anything, affects the appropriations of the Department of Defense and does not affect the programs and activities of any other department or agency of the Federal Government.

In view of the foregoing, I must recommend against favorable consideration of S. 2231 by your Committee on the basis that its enactment would have the effect of nullifying provisions in existing law which directly and effectively assist in fulfilling existing statutory responsibility for protecting intelligence sources and methods from unauthorized disclosure as set forth in the National Security Act of 1947 (50 U. S. C. 401) and the Central Intelligence Agency Act of 1949 (50 U. S. C. 403).

The Office of Management and Budget advises there is no objection to the submission of this report from the standpoint of the Administration's program.

Respectfully,

Approved For Release 2005/04/21 : CIA-RDP75B00380R000100060154-9
Richard Helms
Director