

*in memo*



**CENTRAL INTELLIGENCE AGENCY**

Office of Legislative Counsel  
Washington, D. C. 20505  
Telephone: 351-6121 (Code 143-6121)  
18 December 1974

**TO:** Mr. James Oliver  
Office of Management and Budget  
Washington, D. C. 20503

Jim:

There was a revision of the second page of the letter and of the attachment. Please substitute this package and destroy the one you picked up at our office.



Deputy Legislative Counsel

STAT

FORM 6-68 1533 OBSOLETE PREVIOUS EDITIONS

(40)

Re copy of DCI's 18 December letter on Foreign Assistance Act.

CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

OLC 74-2589

18 DEC 1974

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

This is to recommend a statement to be used in connection with your approval of S. 3394, the Foreign Assistance Act of 1974 (attached).

Section 27 of S. 3394 prohibits any expenditure of appropriated funds for non-collection type foreign operations ("covert actions") unless and until the President finds that such operations are important to national security and a description and scope of the operation is reported to six committees of Congress (the four Agency oversight committees of Armed Services and Appropriations of each house and the Senate Foreign Relations and House Foreign Affairs Committees).

The legislative history of this section is replete with references to the necessity of protecting the security of the information involved, but no specific language exists in section 27 safeguarding or limiting access to the information. Moreover, House Rule XI, Clause 27(c) entitles all Members of the House to have access to all committee records, and the leaking of my testimony on covert activities in Chile before the Intelligence Subcommittee of the House Armed Services Committee is traceable to this Rule. The attached statement is designed to enhance the prospect of working out suitable security arrangements to protect the sensitive information covered by section 27 of S. 3394.

This recommendation stems from my concern over our ability to protect the security of our activities so that we can fulfill the Agency's statutory functions under your direction. The splintering of responsibility for oversight of this Agency within the Congress as evidenced by this enactment, I am fearful, will bring pressure for widening the audience for receipt of sensitive operational information even further. The enclosed statement or an appropriate revision of it could hopefully slow this tendency.

Respectfully,

/s/ W. E. Colby

W. E. Colby  
Director

Enclosure

Distribution:

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OLC/LLM:bao, jmd (18 Dec 74)

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OCI Courier at 4:50 on 18 Dec 74. Courier receipts  
returned to OLC.

Recommended Presidential Statement  
on Section 27 of S. 3394

Section 27 of S. 3394 limits the expenditure of appropriated funds for certain foreign intelligence activities abroad by requiring a prior finding by the President that the matters undertaken are important to the national security and a report to congressional committees along with an appropriate description of the nature and scope of such operations.

It is recognized that in a free society such as ours, such activities must be rigidly controlled and I am exerting that control. But, by their very nature, knowledge of them within the Executive and Legislative Branches must be limited in a manner to protect such information.

I have stressed to the Director of Central Intelligence the absolute necessity of maintaining the security of such information. I trust that the Congress in administering this provision will cooperate fully in this endeavor.