

DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH
SECRET

July 1, 1960

MEMORANDUM

To : Chairman, Cost Estimates Committee - Mr. Saunders, CIA
From : State Member, Cost Estimates Committee -
Earl W. S. Churchill, State/INR
Subject: Revision of 1959 Report on Foreign Intelligence Costs
Submitted to USIB on June 21, 1960

In meeting of the Cost Estimates Committee held June 30 to consider appropriate action relative to USIB comments on subject report submitted to the USIB on June 21, 1960, it was determined that CIA would submit cost data on "auxiliary activity" items and that State, Air Force, and Navy would submit appropriate explanatory footnotes in lieu of "auxiliary activity" costs. Accordingly, the following paragraphs are submitted for inclusion in revised report for the USIB:

done #2
"State's estimate of costs consists of (1) portions of State's Salaries and Expenses Appropriation and (2) support funds received from CIA. All of the Foreign Service overseas political and economic activities (plus a share of overhead activities) are included, and the overseas consular activity excluded. Costs of the Bureau of Intelligence and Research (plus a share of Departmental overhead activities) comprise the included portion of the Department's domestic operation.

done #3
"The auxiliary items of Administration, Training, Communications, Security, Research, etc., are not segregated because costs of these items cannot be meaningfully related to State's "foreign intelligence" operation. That is, no meaningful proration of "training" costs, for example, can be determined as specifically applicable to "foreign intelligence" as separate and apart from other or regular Foreign Service operations. Further, overseas costs for such items as "translation," "printing and reproduction," etc., in addition to being meaningless when related to "intelligence," could be developed only on an arbitrary and inaccurate basis."

Document No. _____

Review of this document by CIA has determined that

CIA has no objection to declass

It contains information of CIA interest that must remain classified at TS S (C)

Authority: HR 70-2

It contains nothing of CIA interest

Date 1 APR 1981

Reviewer 029725

Approved: *for*

Langston Perry
The Director, INR

Approved: *[Signature]*

Director, Executive Staff, INR

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