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20 March 1963

MEMORANDUM FOR: Comptroller

SUBJECT : Intelligence Community Budget Data

REFERENCES : A. Memo dtd 3 Jan 63 from Robert Amory to John Bross concerning subject problem and related papers

B. Memo dtd 11 Jan 63 from Comptroller to DCI via DBM concerning DOD review of intelligence activities

C. Memo dtd 13 Dec 62 from Chief, PAS to Comptroller concerning BOB reconciliation of Intelligence Community Budgets

1. Review of reference papers indicates that the so-called Intelligence Community budget for FY-1964, included in the DOD portion, (under the heading "Other Intelligence Programs") a host of activities which have not been heretofore considered as intelligence programs, e.g., [REDACTED] It was noted that the activities so listed were identical with those chosen tentatively by the DIA for review and consideration; presumably, to determine which, if any, should be included within DIA's sphere of responsibility. In addition, it should be noted that the Agency's "covert action operations" are also included as a part of the Intelligence Community's overall effort.

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2. Reference C raised the question as to the extent and nature of the Director's unilateral coordination responsibilities and the USIB's corporate managerial responsibilities with respect to this greatly expanded "package" of activities included in the "Community Budget".

3. Reference B indicates that the Bureau of the Budget planned to receive from DOD and pass to the DCI, the results of the DOD review of their intelligence activities and, in anticipation of this action, questioned who in the Agency would get this material and what they would do with it?

4. The action indicated in paragraph 3 above appears to be a resumption of the old system whereby intelligence cost estimates were prepared individually by the members of the community and transmitted to the BOB, who simply put them together on a spread sheet and shipped them over to the DCI. It seems to me that any community-wide data of a man-

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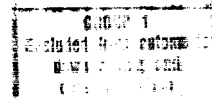
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gerial nature, including purely budgetary material, should result from a coordinated effort by the community under the direction of the DCI. The results of this type of effort in the field of community-wide management, would be transmitted to the DCI for his use as the Coordinator, and the use of the USIB in carrying out its managerial role as the community's "Board of Directors". In addition and with due regard to his statutory responsibility for the protection of intelligence sources and methods, the DCI could, as the Coordinator and/or the Chairman of USIB, make appropriate use of this data to satisfy any legitimate interests of Congressional committees, the Bureau of the Budget, the President's Board of Foreign Intelligence Advisors, etc., with respect to Intelligence Community affairs.

5. At no time since the establishment of a Director of Central Intelligence have we had greater pressures for, a greater need to have, and a better climate in which to achieve strong comprehensive coordination and sound corporate management of the U.S. foreign intelligence effort. The formation of the DIA has enhanced the possibilities for improvement in all areas of relationship between the DOD intelligence elements and the CIA, provided we jointly tackle the problems involved without further delay, while the DIA is still in its formative stage, and before it becomes in its own eyes and those of the Agency, through neglect and arms-length dealing, another and more potent "competitor" in the intelligence jungle.

6. Some readers of this and related papers from the same source may consider that an already dull subject is made even more boring by repetition of the same old theme; in self-defense, the writer can only assure them that it is no less boring to look back upon more than a dozen years of frustrated efforts in the field of community coordination. Unfortunately, any true veteran of the coordination wars is forced to the conclusion that no degree of relief from such boredom will repay the amount of blood, sweat and tears already invested in this enterprise, therefore the only hope for eventual peace of mind is to keep on preaching the same old gospel on every available stump in our parochial wilderness.

7. Once again we reiterate, the first and essential step to take in the development of a community-wide program analysis system, including a "community budget" if desired, is to make a clear and specific determination as to those activities which properly are "foreign intelligence" (in terms of paragraph 1, NSCID No. 1) and thus subject to the coordination of the DCI and the guidance of the USIB. Then, and only then will it be possible



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to develop clear and objective pictures of the totalities of the U.S. intelligence effort from whatever variety of perspectives may be required by the DCI and the USIB to carry out their respective coordination and managerial responsibilities.



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Chief, Program Analysis Staff

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