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DEPARTMENT OF THE AIR FORCE
WASHINGTON

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OFFICE OF THE UNDER SECRETARY

February 12, 1965

MEMORANDUM FOR MR. VANCE

Cy,

The attached letter to you from Mr. McCone is characteristically misleading.

The first two sentences of the letter set into opposition a citation from the NRO Agreement referring to inclusion by the CIA of NRO funds in its budget presentation, and substantiation of the NRO budget by the DNRO. In fact, by the NRO Agreement, these actions are not in opposition. The following is the full text of the applicable provision, which establishes as a responsibility of the DNRO the

"Preparation of budget requests for all NRO programs, and presentation and substantiation of such budget requests to the Secretary of Defense and the Director of Central Intelligence, the Bureau of the Budget and Congressional Committees. CIA will include in its budget presentation to the Bureau of the Budget and Congressional Committees the funds for those NRP tasks which are assigned to CIA and which are to be financed from NRO resources."

The first paragraph of the letter also states "Last year there was a general discussion of reconnaissance and other sensitive programs with Senator Russell, in which Mr. Hitch and others representing the Defense Department and I and members of the CIA staff participated." Both Dr. Brown and Dr. Hitch, who participated in such a discussion with Senator Russell, are firm that Mr. McCone was not present. Mr. Kirkpatrick and two other representatives of the CIA were present but they did not discuss the NRO budget. Your secretary took the notes and the transcript is available.

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actions:
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There was such a discussion with McCone but not with reference to appropriations and budgets. The b.

Mr. McCone says, "I saw this budget for the first time only recently." On 5 January 1965, in response to a written request from Mr. Clarke of the CIA Comptroller's office citing Mr. McCone's desire to see it, a copy of the budget was sent to Mr. Clarke.

Mr. McCone states, "the budget, as submitted to me, reflects lack of understanding concerning the proper allocation of responsibilities, as between the CIA and the Defense Department for individual projects." In fact, the budget as submitted to Mr. McCone does not address the assignment of responsibilities for projects. Attached is a copy of the format sent to Mr. McC

As to Mr. McCone's proposal for a joint presentation to the Congress: it seems to me that the DoD, as Executive Agent for the NRP, has the responsibility to present and to substantiate the budget as necessary; this is provided for in the NRO Agreement. Last year, Dr. Brown and Dr. Hitch carried the burden for me, with my agreement. Dr. Brown felt that if I did not appear, the depth and detail of the questioning might be limited and easier to control. I would like to participate this year, not to the exclusion of Dr. Brown and Dr. Hitch. CIA participation should be as needed, based on the types of questions expected. There should be no question that the presentation is by the DoD.

Incidentally, the inquiries by General [redacted] to which Mr. McCone refers were made because we need to know the background of knowledge of the many Congressmen who may be questioning Air Force witnesses, for the first time, about SR-71, YF-12, J-58, and Program 417. The CIA has not responded to General [redacted] inquiries; as yet they have not given us up-to-date information about the clearance status of members of Congress.

Attached for your consideration is a proposed reply to Mr. McCone. This has been coordinated with Dr. Fubini.

[redacted]
Brockway McMillan

Attachments

- Letter from Mr. McCone
- Proposed Letter to Mr. McCone
- Budget info

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THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

22 FEB 1966

Honorable John A. McCone
Director of Central Intelligence
Washington, D.C.

Dear John:

Your letter of February 5, 1965 refers to the Congressional hearings for the NRO budget in FY 1966. Modifications to the procedure followed last year are, of course, possible. As you know, last year Charlie Hitch and Harold Brown presented the budget to Congressional committees and Dr. McMillan did not participate in the presentation. Since the presentation and substantiation of this budget is the responsibility of the executive agent, we had planned to follow the same procedure this year. We planned to ask Brown and Hitch to do the presenting and the supporting again and to keep the DNRO in the background to reduce the number of detailed questions that could be asked.

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The modification of last year's procedure to include members of the CIA in these discussions may well be useful. Presence of members of your organization could be helpful in responding to any questions which may arise relative to the financial management, accounting and contracting for that portion of the NRP funds which are being administered by the CIA. On the other hand, we should be careful lest, by modifying our procedure, we encourage protracted hearings in the area of appropriations. As you correctly stated, separate generalized discussions were held with you, Senator Russell, and elements of the Department of Defense; it might well be that continuation of this procedure would be better.

We should separately examine the clearance situation for such projects as the SR-71, YF-12A, J-58 engine and 417 weather satellite. I believe that these items will be subjected to a careful examination by broader elements of the committee than heretofore. For this reason, information regarding clearances of members of these committees is essential for DOD witnesses to properly plan their answers. Please let us have such information as soon as is convenient.

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It seems to me that your suggestion of adding CIA personnel to the DOD presentation of the NRP to the Congress so as to emphasize the joint character of the program is a healthy one. I would suggest that, together with information regarding clearance of the elements of Congress, you will let us know who will represent CIA when Mr. Hitch and Dr. Brown will be called by the Appropriation Committees. It may well be that, if this new procedure is employed, we will also ask Dr. McMillan to be present; your opinion on this whole issue will be greatly appreciated.

Sincerely,

CY

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