DEPARTMENT OF THE AIR FORCE
WASHINGTON

OFFICE OF THE UNDER SECRETARY

February 12, 1965

MEMORANDUM FOR MR. VANCE

Cyr,

The attached letter to you from Mr. McCona 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 DM O. 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 DM O 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, affirm that Mr. McCona 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.
Mr. McCaw states, "the budget, as submitted to me, reflects a 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. McCaw does not address the assignment of responsibilities for projects. Attached is a copy of the format sent to Mr. Wagaman.

As to Mr. McCaw's proposal for a joint presentation to Congress: it seems to us that the DoD, as Executive Agent for the ERP, has the responsibility to present and to substantiate the budget as necessary; this is provided for in the ERP 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, 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 Stewart to which Mr. McCaw refers were made because we need to know the background knowledge of the many Congressmen who may be questioning Air Force witnesses, for the first time, about SR-71, YF-12A, J-58, and Program 417. The CIA has not responded to Gen Stew 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. McCaw. This has been coordinated with Mr. Rubini.

Attachments:
- Letter from Mr. McCaw
- Proposed Letter to Mr. McCaw
- Budget Info