

ANOLE VIA

DEPARTMENT OF THE AIR FORCE WASHINGTON

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OFFICE OF THE UNDER SECRETARY

February 12, 1965

MENORINDUM FOR MR. VANCE

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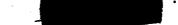
The attached latter to you from Mr. McCone is characteristically misleading.

The first two sentences of the letter set into opposition a citation from the NRO Agreement referring to <u>inclusion</u> by the CIA of NRO funds in its budget presentation, and <u>substancis</u> 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 Dafense and the Director of Central Intelligence, the Bureau of the Budget and Congressional Counittees. CIA will include in its budget presentation to the Bureau of the Budget and Congressional Counittees the funds for those NRP task; 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 member of the CIA staff participated." Both Dr. Brown and Dr. Hitch, who participated in such a discussion with Senator Russell, arfirm that Mr. McCone was not present. Mr. Kirkpatrick and two other representatives of the CIA ware present but they did not discuss the XRO budget. Your secretary took the notes and the transcript is available.

Flere was such a dissussion w Me hone but not with reference to appropriations and indicts. The be



Nr. McCone scys, "I saw this budget for the first time only recontly." 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 saw it, a copy of the budget was sent to Mr. Clarke.

Mr. McCone states, "the budget, as submitted to me, refle lack of understanding concerning the proper allocation of responsibilities, as between the CIA and the Defense Departmen 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. Mc

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

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Letter from Mr. McCone

Proposed Latter to Xr. McCone Budget info

Incidentally, the inquiries by General Stewart to which Mr. McCone refers were made because we need to know the backg of 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 informati about the clearance status of mombers of Congress.

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

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