

100-5-3580

23 March 1954

MEMORANDUM FOR THE RECORD

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100-78-35

SUBJECT : Conference with Mr. Taber, Chairman, House Appropriations Committee, Concerning the CIA Budget Presentation for Fiscal Year 1955.

REFERENCE: Memorandum for the Record dated 22 March 1954 from A-10/A, sub: "Presentation to the House Appropriations Committee of the CIA Budget for Fiscal Year 1955."

1. At 9:00 a.m. on 23 March 1954 Mr. Dulles and I met with Mr. John Taber, Chairman of the House Appropriations Committee, to pursue the Dallas-Taber conversation of 22 March with reference to this subject.

2. Mr. Taber opened the discussion by saying that information had reached members of the Armed Services Subcommittee involved with the budget for the National Security Agency (which had requested \$_____ for Fiscal Year 1955) that _____ and that they, therefore, had the impression that there was duplication of effort in this field between NSA and CIA. He advised that it was primarily for this reason that he had felt it necessary to allow the full Subcommittee to hear CIA's presentation.

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3. Mr. Dulles explained the _____ which in no way duplicates the NSA activity. He also stated that through our relations with foreign intelligence services we did obtain NSA-type information of great value to the National Security Agency which we turned over to them and that NSA had advised us that it would cost approximately \$30,000,000 if they had to obtain the same information by actual monitoring. Mr. Dulles also related his role as Chairman of the United States Communications Intelligence Board (USCIB) and emphasized that there was no duplication of effort.

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4. Mr. Dulles then expressed his reservations about informing the full Subcommittee of some of our operations. Mr. Taber stated that he did not believe we should tell the full Committee very much about our operations but that he thought our over-all financial statistics should be freely given. At this juncture he stated that some afternoon before the Subcommittee had completed its work he would bring Messrs. Wigglesworth, Geriwer, Mahon, and Cannon over to CIA for a more complete briefing. Mr. Dulles expressed his pleasure with this and stated that we would be most anxious to give them a thorough briefing.

5. We then proceeded to show Mr. Taber the "black book" containing information which we had prepared at Mr. Sprinkle's request to present to the full Sub-

committee. We went through the book page by page and at Mr. Taber's suggestion agreed to delete a substantial portion of the information contained therein. Specifically, Mr. Taber saw no reason why we should give the full Subcommittee a breakdown of expenditures in the DD/P group and stated that "a one-line figure" would be adequate. He also saw no necessity for breaking down the expenditures to differentiate between Departmental, Field, and Overseas.

6. With respect to personnel statistics he stated that he would be perfectly satisfied to have Departmental figures only. (We, therefore, will not show a detailed breakdown of U. S., Field, and Overseas personnel, but it will be necessary to use the over-all figure in order to tie this back into our spread sheets which cannot be altered at this late date.)

7. Mr. Taber also saw no necessity for presenting the full Subcommittee with our schedule of reimbursements and advances to other departments and agencies.

8. There was a brief discussion of communications activities during which Mr. Taber related that in examining the budget of the Federal Civil Defense Administration they had found that FCDA was planning to spend money duplicating facilities which the American Telephone and Telegraph Company already had. He stated that he expected they would not find such duplication in CIA's budget whereupon he was assured that (a) wherever possible we used Department of Defense transocean facilities, (b) our money went primarily into maintaining base stations communicating with a large net of agents and (c) that we felt sure we were perfectly clean on this score.

10. It was agreed that we would prepare new books in accordance with Mr. Taber's suggestions and that more detailed information would be supplied to the group to be briefed at CIA later to the extent which they desired. We also agreed to furnish Mr. Spradlin any additional information which either he or the Chairman felt he should have.

11. Upon leaving, Mr. Taber advised us that it would be satisfactory to bring the revised books to the Hearing Room, E-70, at 9:00 a.m. tomorrow morning. Mr. Dulles expressed his hope that after the Hearing we could take the books back and keep them in CIA custody and Mr. Taber indicated that this would be perfectly satisfactory.

/s/

L. K. WHITE
Acting Deputy Director
(Administration)

A-DD/A:LKW:laq
O: Mr. Dulles
cc: Mr. Fforshelmer
cc: Mr. Saunders
m/k shama