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14 October 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Chuck Snodgrass, House Appropriations Committee Staff, on 9 October 1975.

1. Jack Iams and I spent about two hours with Chuck, going over the House Appropriations Committee report on CIA and other intelligence agencies. One general point on the importance of adhering to Committee directives is covered in a separate memorandum for the record. In brief, the message is that if we play straight with the Committee, they can continue to keep Committee action secret; if we don't, they can't. Early next year, we'll be asked for a point by point report on responsive action. Attached is the information he provided on the studies that will be done by the Committee's Surveys and Investigations Staff. Other matters follow.

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2. The Committee was greatly distressed about the [redacted] Reserve release--both the handling of the mechanics and the sense of priorities it conveys. [redacted] comment got into the report because of the large sum of money for [redacted] Why neglect [redacted] which are important, and "pour money down a rathole?" He wanted to know if there was any way the Committee could stop the project now; we could only suggest that the Chairman could contact the DCI on behalf of the Committee if the Committee wanted. He also was interested in knowing how much remained unspent [redacted] money that might be returned to the Reserve. We told him we would find out.

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3. We reviewed the status of the Reserve and the need for an appropriation sufficient to cover the full approved program and to supplement the Reserve. We also pointed out the Transition Quarter discrepancy.

4. On reprogramming, the Committee's interest is in being advised prior to initiation of major projects not included in the Congressional presentation. Chuck particularly singled out covert

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action and S&T collection projects. But anything with substantial costs over several years is covered. So, the questions that we need to ask ourselves on reporting reprogramming actions are:

--Is this a project that was included in the presentation to Congress?

--Is it significant, either politically or financially?

They will compare the budget they received on 1 March 1975 with what they receive on 1 March 1976. If any major deviations show up that have not been previously reported to them, they will want explanations.

5. He wondered whether we were doing anything in the way of developing another high altitude reconnaissance aircraft. Someone at Boeing had made a comment that triggered the question. We told him no.

6. The Committee's instructions to him on CIA are very simple. Treat them like everyone else. Keep their secrets.

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7. [redacted] the Committee was very definite--no appropriated funds to be used to support it in any way. That prohibition does cover any expenditures we might think of trying to justify as special costs required for security reasons. The Committee was not trying to kill it. But if it continues it must be wholly self-supporting.

8. On RD&E, we made the point about the relatively slow rate of growth if 1974 was taken as a base and the need to improve covert communications gear. He mentioned that he had asked around in the Far East and no one was using it much. Therefore why do we need it? Jack responded that the need was directly related to recent

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9. The Committee members who visited the Far East were left with a very negative feeling about large Stations. They are going to want to look at both Station sizes and Station Chiefs next year.

10. He was interested in knowing the intelligence (as opposed to countermeasures) value [redacted] and the number of CIA personnel stationed there.

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11. He is still willing to be convinced about the intelligence value of some of the collection systems that were hard hit by the Committee and to recommend reversal of the action. But he is tired of pressing for the information and he is not going to take any further action himself. If anyone has a convincing story to tell, he will be happy to listen; they should call him. Either the information is volunteered, or the program is dead.

12. McClellan is committed to act on Defense appropriations by the end of October; go to conference in early November; appropriation to be passed before Thanksgiving recess.

13. He wants the following additional information; and we should have it in the Office of the Comptroller by c.o.b. 16 October.

--What is the rock bottom minimum to keep SAFE going through the year?

--An updated tally of savings in DDO in FY 76 resulting from Southeast Asia shut-down.

--A current estimate [redacted] support costs in FY 76.

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[redacted] /s/ [redacted]
Chief, Analysis Group
O/Comptroller

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Attachment: As stated

The House Studies

1. Organization. There is a three-man permanent team at the Appropriations Committee [redacted] which borrows selected people from throughout the Government for specific studies.

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2. Snodgrass made some general comments on atmosphere. He understands that all are under pressure from select committees, etc. But House Appropriations Committee will be around after all the others are gone. And HAC teams are not looking for "dirt"--they are not antagonists. Most parts of DoD get subjected to such a study every year or two. CIA is just being treated like everyone else--being brought into the regular cycle. Moral: Give these guys as much time and attention as you can; they're more important than the others in the long run.

3. SIGINT Study. It will be done by a five-man team, full time, headed by [redacted] who headed the study for NSA. They are there and waiting to get started. We promised to try to get in touch with them on Tuesday to get things moving.

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They are independent of Committee control--the Committee has not directed them to come up with any particular set of conclusions. And Chuck is not firmly set in his own mind on any money amount or particular element to be transferred. He has told them to study and report in pieces as small as possible--individual projects with costs and people associated with each--and to discuss pros and cons of transfer of each piece. He wants to offer the Committee as many alternatives as possible in the way of actions or combinations of actions.

4. COMMUNICATIONS Study. They won't be ready to begin before the week of October 20.