

SECRET

5 June 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Jim Clark, Bureau of the Budget

1. Inquired of Jim Clark of his reaction to a request from the Agency at this time for [] to surge fund the Asia Foundation (TAF) for 1968. Clark indicated he understood the general problem and would have no difficulty with such a release in principle. He stated, however, that the Agency must be prepared to replenish this money in the Reserve from its 1968 appropriation, irrespective of any program cuts made by the Congress.

2. I explained to Jim that I could not agree with this sort of pre-condition since the behavior of Congress with respect to the Asia Foundation or to any other part of our program was a matter over which we had no control. I pointed out that should the Congress, in its own judgment, determine to cut the funds now being defended in our Congressional budget for the Asia Foundation the effect of that cut, assuming surge funding now of [], would be to reduce the level of the Agency Reserve. I emphasized that the Agency will defend its budget as it now exists before the Congress with the intention of putting the [] budgeted for the Asia Foundation into the Reserve to offset the equal amounts used for surge funding.

3. Clark agreed with the general principle of funding TAF now, but he did not feel he could make a release without an understanding with Colonel White on the condition cited above. He saw no reason why the Agency should not make inquiries on the Hill and explain the advantages of funding now. He observed that if it appeared that Congress would cut the \$8.5 million from our current budget request in 1968 should an advance from the Reserve be given now, the Bureau would prefer to wait until the actual appropriation rather than use the Reserve route.

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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

15/
John M. Clarke
Director/PPB

This information was passed to the Executive Director suggesting the following alternatives:

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1. To finance TAF [] July 1 under the continuing resolution of Congress and before the actual appropriation of the CIA budget. If this course were selected, it would be prudent for the Director to advise the Committees of his intention to do this with explanation of the causes for the urgency and attempt through this method to get commitment of both Committees to appropriate the \$0.5 million in our regular budget. This action would not require BOB approval but would have the disadvantage of delaying for the month of June. Should the Congress withhold the money from our appropriation, the BOB in its apportionment exercise would not be committed in any way to offsetting the [] surge funding.

2. To appeal the Clark caveat to Charlie Schultze. Such an appeal may not be necessary and further exploration by PPB to determine the hardness of Clark's position will be made immediately. Should this position prevail, however, the Director may wish to discuss the matter with Charlie Schultze so that the surge funding can be undertaken now through the Reserve route without conditions. The position of Jim Clark's unwillingness to take the risk of reducing the Agency's over-all Reserve level by surge funding now deserves explanation to the Agency by the BOB and it is in this context that PPB is pursuing the issue.

JMC

JMC/gmb

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