

OFFICE OF THE DIRECTOR

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Date: 25 March 1977

TO: Admiral Turner

FROM: Sharon

3/26/77

SUBJECT:

REMARKS: Mr. Knoche requests you read this before your 1600 meeting with Senator Inouye.

We continue to work the [redacted] problem with the SSCI Staff and within the Administration. Senator Hart is continuing to insist that the troublesome sentence remain. The SSCI Staff is redrafting the entire paragraph to try to find the middle ground. Meanwhile, we have the sound advice of the NSC Staff (Dave Aaron and Rick Inderfurth) to stick with our view that the troublesome statement gets too close to sources and methods. In a nutshell, we are trying to resolve the issue in the interest of all and the process continues.

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Background Information and Talking Points
for Meeting with Chairman Daniel Inouye

I. Membership on Intelligence Operations Subcommittee of Senate
Appropriations Committee

Chairman Inouye has been appointed to this Subcommittee along with Senators Proxmire and Stevens. Senator Pastore and Senator Hruska, former members of this Subcommittee, retired at the expiration of the last Congress. Senator Inouye's membership on this Subcommittee will provide continuity between the Senate Select Committee and the Appropriations Committee in considering the authorization and appropriation of funds for the Intelligence Community.

25X1 In an unusual conference session to which Director Bush was invited (with George Cary accompanying him) Senator Inouye was invited to join the Senate conferees in the discussion of funds for the overhaul of [] Senator Inouye almost single-handedly pushed this item through despite some resistance from the House subcommittee, especially at the staff level. The Senator rightly takes credit for this and should be complimented for this action.

It is to be hoped that his presence on the Intelligence Operations Subcommittee will stiffen that group into taking stronger positions in conference against somewhat ill-considered cuts made by the House subcommittee largely on the basis of staff recommendations. The Senate Committee has not been a particularly active one and has been controlled almost exclusively by Senators McClellan and Young who have been overwhelmed in the House/Senate conferences in the last few years.

It might be suggested to Chairman Inouye that in considering the intelligence budgets that they return to earlier practice of recommending dollar cuts to be made in consultation with the Committee rather than specific program cuts which has been the case in recent years. Some members of the House subcommittee feel that they

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should not attempt to manage the Agency by cutting programs but should exercise the function of assuring that the funds are needed for the purposes appropriated and are properly expended for those purposes. Detailed consideration of programs from the standpoint of their desirability should be exercised by a Committee like the Senate Select Committee from an authorization standpoint.

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III. Charters

The Ford Administration expressed concern, if not outright opposition, to the prospect of totally rewriting the charter of the Central Intelligence Agency and of providing statutory charters for NSA and DIA. It was the view of that Administration that more time should be allowed for the functioning of the Intelligence Community under Executive Order 11905 before provisions of that Executive Order or any similar provisions were "cast in concrete" in statute.

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In this connection, Chairman Inouye has expressed his personal view that he is very reluctant to tamper with these charters, feeling that "we may do something that we will regret for the rest of our lives." Certainly some changes can be made in the charter of CIA and have indeed been proposed and passed by the Senate in past years, such as limiting the language to foreign intelligence and making some other clarifying amendments to the basic 1947 Act. However, it has been felt that a move for massive revision of intelligence charters should move slowly, cautiously and deliberately.

It might be interesting to determine whether Chairman Inouye would favor establishing the congressional oversight committees in this revision of the statute and including in that revision something comparable to the "sources and methods" legislation which was proposed in the last Congress. This would provide a statutory base for oversight and protection of information similar to that contained in the Atomic Energy Act. Finally, it is felt that providing a statutory charter for NSA would be extremely difficult and probably unwise.

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IV. Open Budget

Although the House Appropriations Committee proposed the open budget for the Intelligence Community staff, it took a firm position against further disclosures of intelligence budgets. The Senate Appropriations Committee felt that even the IC staff budget should remain in the secret appropriation, but concluded in conference that since the figure had been released by the House it was a little difficult to "stuff that genie back in the bottle."

Additionally, both Houses of Congress have voted down proposals for an open budget in recent years by more than two to one majorities. It would be interesting to determine Chairman Inouye's thinking, especially in view of recent statements by the President and himself expressing concern over the proliferation of intelligence information. It would seem that publishing the Intelligence Community budget would be just another step toward the disclosure of information which could ultimately be detrimental to the national security.

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