

## 3. Mr. McCone then turned to the budget and noted that some

difficulties had arisen in this connection and in the over all field of coordination. He reminded the Board that they had wanted him to review the budgets of the whole intelligence community, and noted that the military intelligence budget was 90% of the over all effort. He said that he had discussed this with Secretary McNamara. Dr. Killian reiterated that he thought the DCI should review the whole intelligence budget. The DCI noted that intelligence in Defense was going through a transitional period with the development of DIA and other changes. General Doolittle expressed surprise that CIA was only 10% of the intelligence budget. The DCI pointed out that Defense was spending \$3,844,000,000 on intelligence and CIA only \$363,000,000. This was an increase from \$2,250,000,000 in the past, but Defense had put all reconnaissance of the Navy and Air Force into its intelligence budget. He said he did not believe this was correct, and thought it should be deleted.

4. - Turning to the CIA budget, the Director said he had instructed the Agency to keep at the level of last year--this was about \$50,000,000 less than what had been asked for by the various departments. He said he thought the Agency had worked hard to keep the budget down, and noted that there had to be additional funds for operations against Cuba. There was an increase in NPIC, and as a result the budget was \$425,000,000 versus \$405,000,000. The Bureau of the Budget had cut this to \$381,000,000 and taken \$20,000,000 for Cuban operations to charge to the Reserve. The DCI said he found this unacceptable, and thought the contingency should be pure. At this point

TOP SECRET

Mr. Clifford said he had run across the phrase, MONGOOSE, on several occasions, and asked what this involved. The DCI then explained briefly the MONGOOSE project and how it was set up. He said that after his discussion with the President and Attorney General last fall, it had been decided to utilize all resources to unseat Castro. He went on to mention some of the activities of the project. Mr. McCone then said he did not favor continuing sabotage and guerilla operations. He noted that he was very disturbed about the future and felt that there might be a confrontation within the next few days, and that the Russians might light up the SAM's. He said he had no way of explaining why the SAM sites were being left there. Dr. Langer asked if it might not be for fear of an invasion; the Director said he did not think so because our military forces could eliminate the SAM sites without much trouble.

5. Mr. McCone then said he wanted to discuss the NRO agreement. He said that it had not worked, and the Director of NRO feels that he must have fiscal control over CIA projects and review programs progressively week by week and month by month. The DCI said this was wrong because the appropriation was to CIA and was approved by a different committee of Congress to whom we were responsible. He noted that CIA could handle the project more clandestinely. He had discussed this matter with the Secretary of Defense but had reached no agreement. Defense is withholding \$140,000,000 and asking CIA to fill out certain forms before they will advance the money. The Director said that such a decision cannot be made retro-