

\$82.4 Million Allotted for Security Investigations

FBI Reveals Intelligence Budget

8/17/75
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After considerable frustration with other government intelligence agencies, the House intelligence committee yesterday pried a budget figure for spying out of FBI—\$82.4 million.

The committee's chief counsel complained that the public FBI figure is much too low and leaves out many activities that contribute to the FBI's intelligence work.

The Internal Revenue Service volunteered a budget figure for its intelligence operations—\$4.3 million and shrinking, according to IRS Commissioner Donald C. Alexander.

The House committee members, led by Chairman Otis Pike (D-N.Y.), gave up a week of their August recess for public hearings on what the various intelligence agencies spend. But the major ones—the Central Intelligence Agency, the National Security Agency and the Defense Intelligence Agency—have secret budgets and it would be against the classification laws to discuss them in public.

The committee members did hear the budget numbers in private, and many of them suggested broadly that the billions spent on intelligence reflect much that is questionable duplication or waste.

Yesterday, the chairman coaxed a budget figure out of Eugene W. Walsh, and FBI assistant director, by backing him into the subject. Walsh said the FBI budget included a classified section, which he could not talk about. Pike asked him what the total budget was. Walsh replied it is \$449 million.

"How much of that is classified?" Pike asked.

"The amount we consider



United Press International

Eugene W. Walsh: backed into disclosing classified budget.

classified is \$82,488,000," Walsh responded.

"I guess it isn't secret any more," Pike said. "You've now told us how much is secret."

The \$82 million covers internal security investigations of terrorists, civil rights violators or those attacking government installations, counter-espionage aimed at tracking foreign spies, and criminal intelligence covering organized crime, among other things.

The committee counsel, Searle Field, insisted that the budget figure excludes important elements of support within the FBI that contribute

to intelligence costs, such as the fingerprint file system. "Isn't it a fair statement that the American people are spending closer to half a billion dollars rather than \$82 million on intelligence?" Field asked.

"I can't agree with that, sir," Walsh replied.

Rep. Robert Giaimo (D-Conn.) joined in the complaint. "It's been the effort of certain agencies—and I believe the Justice Department is one of them—to keep their intelligence budget low so the figure would be more appealing to Congress," he said.

Giaimo also needed Walsh about the cozy treatment that the FBI budget traditionally has received from congressional oversight committees. "Hasn't it been a very sacrosanct budget, which truly didn't receive any oversight scrutiny?" Giaimo asked.

"I think the testimony of former Director [J. Edgar Hoover was given great weight by the members of the Appropriations Committee," Walsh said.

"It certainly was, it certainly was," the congressman said. "Go ahead."

"That's my response," Walsh replied.

In the afternoon, the committee members found IRS Commissioner Alexander more forthcoming than any of their previous witnesses and anointed him with compliments on his candor. Among other things, Alexander said the IRS needs new legislation to tighten controls over the confidentiality of tax returns and perhaps to outlaw the scandalous political uses of income-tax investigations, as exposed in the Watergate case.

Alexander said that two years ago the IRS was spending \$11.8 million a year on its generalized intelligence gathering, mainly the pursuits of tens of thousands of unsolicited "tips" about tax cheaters. When Alexander became commissioner in 1973, he concluded that this operation was not very productive and has scaled it down to \$4.3 million a year.

Alexander agreed with the congressmen that the distribution of tax-return information among government agencies, including state and local tax agencies, is too loosely controlled. IRS is tightening its rules for sharing the tax data with state governments, he said, but Congress also should enact new control legislation.