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The CIA's Bargain Budget

Post 8/10/73

The irony of the budget battle between Congress and the Central Intelligence Agency (CIA) is that top secret figures show the government spending far less annually for intelligence than the average citizen imagines: under \$700 million by the CIA itself and around \$4 billion for overall intelligence.

CIA critics in Congress who have seen these budget figures claim they do not include all money spent for intelligence. But even if highly debatable areas are included, the overall cost is little more than \$6 billion. In support of a \$100 billion defense budget, that represents a rare bargain.

Hence, CIA Director William Colby might be doing himself and his agency a favor by releasing rounded-out figures. But Colby, extraordinarily candid for a career intelligence officer, has been privately criticized at the White House for talking too much. He will not be authorized to reveal budget aggregates until President Ford decides upon overall CIA reform.

The CIA budget was frozen for years at something over \$650 million, and recent increases have lagged far behind inflation.

Another \$1 billion or so is spent by the National Security Agency (NSA) for communications intelligence. Including support for troops manning intercept stations, this represents an effort substantially below previous years because of inflation and skyrocketing army pay scales.

The remaining \$1.2 billion includes spy satellites, U-2 spy planes and the Defense Intelligence Agency (DIA).

Rep. Otis Pike of New York, chairman of the House Intelligence Committee, refused to discuss secret budget figures but told us "an awful lot of

money" is kept out of the official intelligence budget. Such criticism suggests routine air reconnaissance flights and submarine missions that gather intelligence should be financed from the intelligence budget. The CIA maintains that these functions serve mainly as military training and so should come mostly out of the Pentagon budget.

Disagreement over government accounting, however, bears not relation to innuendoes of profligate, clandestine spending of the taxpayer's dollar by the CIA.

Sen. Birch Bayh of Indiana, a serious new suitor for presidential support from the Democratic party's dominant left wing, has found himself stuck—after squirming a bit—with a year-old statement accepting Gov. George Wallace as a possible vice presidential candidate.

Fighting for his life in a 1974 re-election campaign in a state with heavy Wallaceite strength, Bayh was interviewed by the Indianapolis News. The transcript of the tape-recorded interview, published in the news last Oct. 15, contained this exchange:

"Q: If George Wallace is on the Democratic national ticket in 1976, either for President or Vice President, will you personally support him?"

"A: Let the record show a long, agonized pause. I would not support him for President. I can see circumstances where there might be a balancing effect. I would support him for Vice President."

We read this over the long distance telephone to Bayh in Indianapolis last Wednesday and asked whether this was still his view. "No, it isn't," he replied. When did he change? Never,

replied the senator, because he had not said it in the first place.

"The Indianapolis papers have not been known for accuracy," Bayh charged. Did he protest the quotation when it appeared ten months ago? "I did not. I can't go through life protesting everything."

After Bayh returned to Washington Thursday and conferred with his press secretary, Bill Wise, he decided not to deny the contents of a tape-recorded interview. "Sure," said Bayh, "I did say something to that effect." Wallace is not his choice for Vice President, but he could support a ticket with him as running-mate. If he had misled us, said Bayh, it was "inadvertent."

The Ford administration's private forecast of a gloomy future for the automotive industry is particularly pessimistic about the Chrysler Corp.

Describing how the recession hit Chrysler harder than other automaker, the confidential quarterly economic review of the cabinet-level Economic Policy Board (EPB) adds:

"Despite drastic cutbacks in production, the company has continued to post significant losses in recent reporting periods, and is presently being kept afloat by its banks. Even with a \$400 million credit commitment from its banks, Chrysler will face significant cash flow problems in early 1976 if there is no significant improvement in sales."

The report sees similar trouble ahead for another automaker: "If 1976 auto sales were to decline below the company's 1975 levels, the viability of American Motors would be placed in jeopardy by this time next year."