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26 January 1953

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Comments on Research and Development Appropriations

1. The proposal that all NSA funds be assigned under a single appropriation was initiated by our own Comptroller - it is nothing forced upon us by higher authority.

2. I think Kullback's Par. 3d argument is the most persuasive one. If we have but one appropriation and a general cut-back is forced upon us some day in the future, R/D would have to suffer its proportionate cut; whereas with a separate appropriation for R/D, we would have a better chance of defending and retaining the necessary funds to keep us in the forefront of progress.

3. This argument I think outweighs the one of greater simplicity for the Comptroller and also the one pointing out the greater flexibility you would have, in being able to divert money from operations to R/D when surpluses are available for such diversion to R/D.

4. If nevertheless you urgently wish a single fund, then I suggest adoption of Kullback's recommendation in his Par. 4, even though I know that you certainly would be consulted in advance of any substantial diversion in any case. The R/D people might feel a bit more safe with such a proviso.

15/ 24 Jan.
WILLIAM P. FRIEDMAN
Consultant

Orig to V/DIR-53-10/cons #1
cc: to R/D - " " " #2

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