

SECRET VOTE: RESERVES

There are two classes of reserves:-

- (a) 'Unofficial', in the sense that the money has not come from the Exchequer, but from subscriptions (dating from the war period) by well wishers of the Secret Service, including a particularly large sum from an American. The total in this class of reserve is £1,523,000.
- (b) 'Official', derived from money voted by Parliament. Some £846,000 is a sum carried over from the war. The rest consists of the Secret Vote balances not surrendered at the end of successive financial years since the war, and now amounts to £1,358,000.

The unofficial reserve is mainly held by the Head of the Secret Service, with a small amount in the hands of the Head of the Security Service. The official reserves are held in agreed proportions by the Secret Service, the Security Service and the Treasury.

All the reserves are kept under close control. The Heads of the Secret Service and Security Service have discretion to draw on the unofficial reserve on a small scale, but drawings of any substance require the consent of the Permanent Under-Secretary of the Foreign Office. The official reserves may not be drawn upon at all without the knowledge and consent of the Permanent Heads of both the Foreign Office and the Treasury.

Only the smallest number of people know of these reserves. They were reported to the Chancellor (Mr. Butler) in 1953 and to Mr. Macmillan in 1956. So far as we know, their existence is not known to any other Minister.

[Sir Edmund Compton. (Jan. 17, 1957). 'Secret Vote: Reserves', CAB 301/118, Secret Intelligence Service (SIS), Bureaucracy Funding, Special Operations. The National Archives via Univ. of Nottingham, Center for Conflict, Security and Terrorism (CST).]

E. G. COMPTON

17th January, 1957.



## TRANSCRIPTION

TOP SECRET

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