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1. PURPOSE

The Basic Plan AEACRE and AEACRE Amendment No. 1 provide for a Domestic Operations Base in the United States in support of operations directed against the USSR. The purpose of this document is to renew approval of the Basic Plan as amended for FY 1953 and to obtain approval of the specific Recommendations of Amendment No. 2 covering FY 1954 as outlined at the conclusion of each Part II, III, IV and V attached.

2. BACKGROUND

a. The Basic Plan and Amendment No. 1 for AEACRE provided the establishment of an agent training base in the U. S. in support of operations against the USSR. The main factors dictating this move were:

- (1) The decreasing security of training conducted in Germany.
- (2) The greater efficiency and control to be obtained in an agent training base accessible to CIA Headquarters.
- (3) The migration of the existing reservoirs of potential agents from Europe to the United States and South America.

b. Approval of the Basic Plan and Amendment No. 1 was granted for the establishment of such a base including: a headquarters building removed from any CIA building, 10 safehouses, 20 vehicles, 10 safehouse-keepers, 12 contract instructors, and a T/O of 60 staff employees.

c. During the past twenty-four months, the organization and establishment of this base has proceeded to the point where it is now functioning as the principal agent training center of the SR Division. Exploitation of the new concentration of potential agents in the Western Hemisphere is proceeding and the work of the base is contributing to the knowledge of SR in conducting operations against the USSR. The facilities, equipment, and contract personnel called for have largely been obtained and the level of staff employees is approaching that necessary to properly fulfill the functions with which the project is charged. Specific accomplishments are covered further on under Parts II, III and IV of this amendment.

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d. An administrative

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d. An Administrative Plan defining the authorities given to the project and providing for the necessary exceptions to Agency regulations, has been staffed and approved by the Project Administrative Planning Staff. It was approved by DD/A and DD/P on 21 January 1954. When put in operation this plan will assist in providing AEACRE with a "status of almost complete autonomy comparable to that enjoyed by overseas field stations" as approved in AEACRE Amendment No. 1. A copy of this plan is attached herewith as Tab C.

e. AEACRE Amendment No. 2 including a budget of \$650,000.00 was originally presented on 30 June 1953 to cover FY 1954. The apparently sharp increase in budgetary requirements over FY 1953 occasioned a delay in approval and a review of the project by the Inspection and Review Staff. This review has now been completed and AEACRE Amendment No. 2 (Revised) is therefore being re-submitted in line with the recommendations made.

3. PRESENTATION OF AEACRE PROGRAM FOR FY 1954

The program of activities for the Domestic Operations Base for the fiscal year 1954 has been divided into parts in order to provide for definition and specific approval of the activities described:

a. Part I - Preface

b. Part II provides for a continuation of agent training under the Domestic Operations Base. Included also are the support facilities required to maintain the other substantive operations of the project.

c. Part III provides for the spotting and assessment activities of the Domestic Operations Base. A detailed account of these activities is given in order to obtain specific project approval for the operations involved.

d. Part IV provides for the Soviet Area Orientation Program for staff employees of the SR Division and the Domestic Operations Base. This is an interim studies program which will utilize some of the facilities and personnel assets of AEACRE for a period of approximately four months during the year. Because of the scope of this program it is presented as a separate part of the AEACRE Amendment No. 2 in order to obtain specific project approval for the activities described.

e. Part V presents for approval the amended budget for AEACRE Amendment No. 2 covering FY 1954, and reviews the financial background of the project as a whole.

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