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DIARY NOTES

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15, 16, 17 November 1954

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1. Reviewed with Shef Edwards and [REDACTED] the proposed reorganization of the Security Office. Suggested a few changes in their proposals which they will attempt to coordinate with the Management Staff prior to submitting for formal approval.

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2. Gates Lloyd and I attended a briefing for [REDACTED] on the gist of a report about to be made by the I&R Staff, Office of the Deputy Director (Plans), concerning the [REDACTED]. The report is not a good one in any sense of the word but is worse from the financial standpoint than from any other. In addition to the fact that controls over finance matters seem to be very lax at the [REDACTED] I do not understand why the Comptroller in working with the FE Division did not pick up many of these discrepancies without waiting for them to be found by an inspector. Will pursue this with Ed Saunders as soon as [REDACTED] makes his report.

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3. Approved of Jim Garrison advising the lawyer whom we have been using in connection with [REDACTED] and for whose services we have been paying \$1,000 per month that in the future we would pay not to exceed \$350 for his services, including secretarial assistance, office space, etc. If this is unacceptable we will have to make other arrangements.

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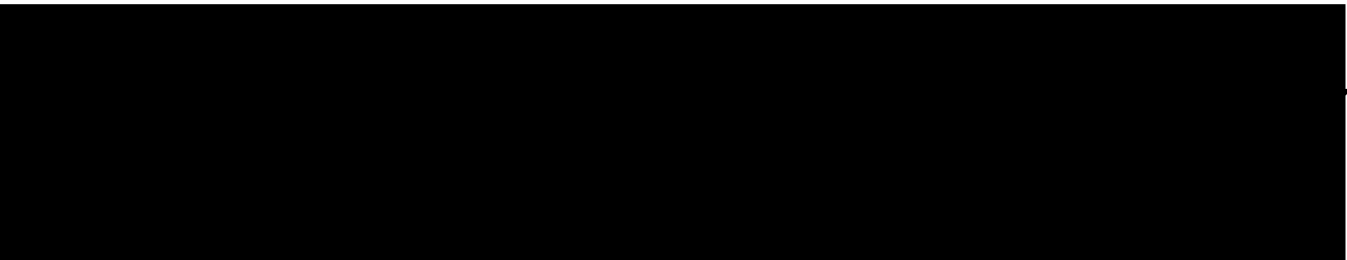
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4. Jim Garrison advised me that there was a complaint concerning the administration of [REDACTED] Company. He is going to [REDACTED] to investigate the matter and to determine whether or not we should continue with the [REDACTED] or enter into a new contract through which we might administer the [REDACTED] at much less cost.

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6. Authorized Walter Pforzheimer to contact the Bureau of the Budget to insure that we were aware of all legislation being introduced in the next session of Congress which might affect us.

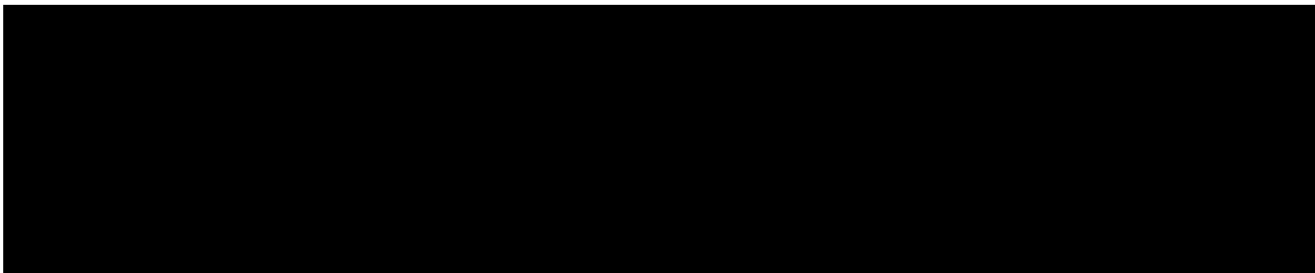
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7. [redacted] advised that the fire which was reported in the Washington Star on 15 November was caused by an electric motor in a sump pump between two of the buildings in the DD/P area. I cautioned him that this was the second occasion within recent weeks in which the Director had found out about a small fire from reading about it in the newspaper and that we should take pains in the future to report any such occurrence to [redacted] without delay, as well as to Stanley Grogan. 25X1A9a

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9. Gates Lloyd and I discussed with Frank Wisner and [redacted] the proposed assignment next summer of [redacted] as Chief of the Support Mission on [redacted]. It was agreed that Ted should take this assignment. We all had reservations as to who should replace him as Chief of Administration and it was agreed that we would think about the matter and come up with a list of possible candidates for consideration. Frank and Dick emphasized that they had made no commitments to anyone in this direction. 25X1A9a

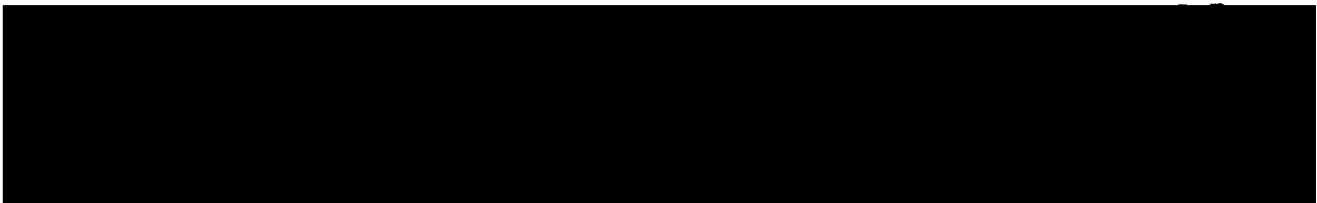
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Ted telephoned later in the day and I told him of this agreement. He expressed surprise, and some concern, as to the replacement angle. It would appear that he had already advised [redacted] that he would definitely be his replacement. 25X1A9a

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10. Ed Saunders and I met with [redacted] of the NEA Division to discuss a request for the release of funds from the Reserve for a special project which has been approved by the Operations Coordinating Board. I also discussed this matter with the Director who told me that we should get \$3,000,000 from the Bureau of the Budget for the project. In addition, the Operations Coordinating Board has approved of the withdrawal from the Reserve of \$1,250,000 for the purchase of [redacted]. I will try to clear both of these matters with the Bureau of the Budget on 18 November. H

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could not be resolved otherwise.

25X1A9a 12. I concurred in [redacted] recommendations to suspend [redacted] and 25X1A9a
25X1A9a [redacted] of his Office for two weeks and one week, respectively, on an LWOP
status because of excessive security violations. 25X1C15a

[redacted]

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[redacted]

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