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DIARY NOTES

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DD/A [REDACTED]

12 through 14 July 1954

25X1A9a 1. Spoke to [REDACTED] about the Audit Report on Project MKULTRA and informed him that the answers given by the Audit Office to the questions which I had raised indicated to me that their Report did not give a realistic picture of the circumstances surrounding this Project as they were actually found at the time of audit. (In fact, I gather that when the audit was undertaken there were practically no books set up at all!) I told him that he should emphasize to his auditors the necessity for reporting situations exactly as they were found and that if during the course of an audit certain discrepancies were straightened out in a satisfactory manner notations could be made to this effect but that it was most important for the report to reflect conditions as they existed at the time of audit. He agreed with me and said that he would see that corrective action was taken without delay.

25X1A9a 2. Returned to [REDACTED] the Audit Report on Project [REDACTED] and asked 25X1A2d1 him to examine carefully the Regulation by which the Deputy Director (Plans) was able to write off unexplained sums and charge them to "operational expense" in order to see if there were any changes he would recommend in present procedures.

25X1A9a 3. Bob Amory requested permission to allow [REDACTED] to contact Lyman Hamilton, Bureau of the Budget, to discuss the "intelligence community budget problem." I told Bob that it would be all right for Gene to do this. However, I telephoned Hart Perry and advised him that any assistance which the Bureau wanted 25X1A9a from [REDACTED] was all right with me but that it should be realized that Messrs. [REDACTED] and Amory had no authority to speak for this Agency on budgetary matters. H

25X1A9a 4. [REDACTED] stopped by prior to his departure for [REDACTED] and suggested 25X1A6a that before we signed the life insurance contract with the Mutual Life Insurance Company of Omaha I call on Mr. Stacy K. Beebe of WAEPA to advise him of our intention in this connection. I told him that I would do this. (I should take Harry Reynolds and [REDACTED] along.) 25X1A9a

5. Have asked Jim Garrison to bring up to date for the General Mark Clark Committee the book outlining our need for a new building.

6. I had dinner with Messrs. Dulles, Wisner, [REDACTED] and 25X1A the Doolittle Committee, composed of General James H. Doolittle, Mr. William D. Pawley, and Mr. William B. Franke, at which time we discussed the budget and how it was handled, etc. Also had lunch the following day with the Doolittle group and have arranged for them to take over Frank Wisner's offices in this Building. They will start work on the 26th of July and expect to continue for about six weeks. H

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7. Dr. Tietjen reported that he is planning to examine thirty-six employees each week in connection with the program to give annual physical examinations to all senior employees. He will take sixteen grade GS-15's and above each Wednesday afternoon and twenty grades GS-12 to GS-14 on a staggered schedule throughout the week.

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8. I discussed with Dr. Tietjen the excess medical supplies problem at [redacted]. A cable from [redacted] who has just arrived there indicates that the excessive medical supplies may be considerably in excess of the \$130,000 worth previously indicated. I told Dr. Tietjen to insure that [redacted] got together [redacted] and submitted a joint recommendation.

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9. [redacted] telephoned to say that the Federal Bureau of Investigation had raised the question again as to whether we were going [redacted] them. I told him to tell them that we were not and that if they wanted to discuss the matter any further they should ask [redacted] to take it up with me.

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10. Have arranged to meet with Messrs. [redacted] Saunders, and Perry, Bureau of the Budget, to discuss the "USIA Intelligence Survey" at 10:30 a.m. on Friday.

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11. Met with Harry Reynolds, [redacted] and Matt Baird to discuss the latter's problem of providing good instructors, primarily from the DD/P area, without grade restriction. It was agreed that a block of fifteen positions should be set aside on his table of organization for instructors without grade restriction. Harry Reynolds was requested to draw up a paper to this effect and, after having obtained the concurrences of Messrs. Baird and [redacted] submit it to me for my approval.

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12. Asked [redacted] to provide by Tuesday, if possible, a "black book" giving the missions, functions, and organizational structure of Agency components.



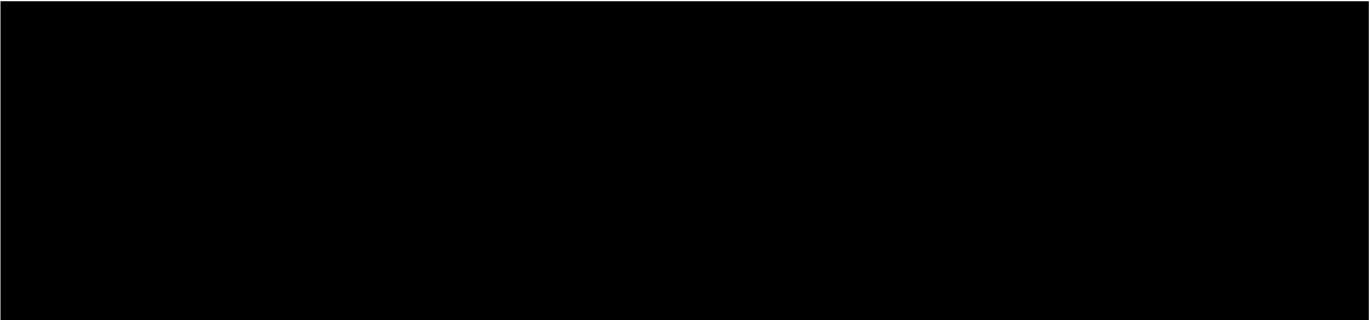
14. General [redacted] was in to say that he might go to [redacted] for the Agency and wanted to make sure that his allowances were fixed up so that he would

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not have to pay a higher income tax. I told him that I would take care of the matter if and when it was finally decided that he was going to [REDACTED]

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