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DIARY NOTES

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20 February 1958

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I met with [REDACTED] and [REDACTED] to discuss the question raised by General Cabell and Kirk as to why staff agents are included in our personnel ceiling.

The history of this seems to be that in either 1953 or 1954 we were taken to task by the House Appropriations Committee because our budget figures were misleading. (At this time we did not include staff agents and staff employees in projects nor our military people.) After consultations with the Committee and its Staff it was agreed that we would in the future include in the budget all employees with which an employer/employee relationship existed on a permanent basis.

Consequently, we now include all staff employees, staff agents, and military personnel in our ceiling. This arrangement was not, of course, intended to inhibit the use of commercial cover in any way. We could leave staff agents out of the ceiling, but we would, in any case, have to include them in the budget. So, unless the Director wishes to permit the Agency to get larger, no useful purpose would be accomplished by removing them from ceiling. If, on the other hand, commercial cover is to be expanded, and, at the same time, official cover reduced, it would not appear to be necessary to remove them from ceiling. Gordon Stewart believes that when our flexible T/O system is implemented this problem will be taken care of automatically.

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