

DIARY NOTES

DD/S



24 January 1958

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1. [redacted] telephoned to say that he was having trouble staying within the budget which the Director had set for a special project, inasmuch as the Director had said that he did not want to withdraw more than \$1,000,000 from the Contingency Reserve, and wanted to know if there weren't some way we couldn't absorb the ordnance items without reimbursement. Later in the morning Jim Garrison and I met with Al, [redacted] to discuss this further at which time we agreed that we could absorb the cost of the ordnance items which would make it unnecessary to ask for more than \$1,000,000 from the Reserve. However, in pursuing this matter still further it turns out that counting the ordnance materiel which has already been consumed by this project the total will be \$3,057,820 and that if we are to replenish the [redacted] strategic reserve it will be necessary to purchase additional ordnance items in the amount of \$1,207,441. (Al and I met with the Director on Saturday morning to discuss this matter and acquainted him with these facts. This would mean that he would have to request \$1,000,000, which he had in mind, plus \$1.2 million to replenish the ordnance stockpile. Al and I urged him to request \$3,000,000, pointing out that it could be turned back if it were not used. We reached no definite decision with the Director before his OCB luncheon guests arrived; however, it was our understanding that he would discuss the matter with the "5412 Committee" sometime during the course of the day.)

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2. I lunched with Matt Baird who has just returned from [redacted]. He said that the morale there was good in all respects but that they seemed to be having considerable maintenance problems with their new quarters. He felt that the houses should have been built higher off the ground and said that when there was a heavy rain with wind they got quite wet inside. They are also having to replace water faucets, etc., even though this construction is little more than a year old; electrical fixtures are likewise having to be replaced. He commented that the 90-day resupply arrangement now in effect was totally inadequate inasmuch as supplies usually took close to six months to arrive. With regard to training activities, he felt that [redacted] was still ideal for singleton, doubleton, or small groups of agents but was not good for training liaison services, which is being done on a considerable scale there at present. In fact, training of liaison services has greater emphasis at the moment than the singleton or doubleton agent training. He discussed this with [redacted], the Chief of Station [redacted] and [redacted] who both agreed. I told him that I thought he should discuss the matter with [redacted] and, of course, mention it to General Cabell in his briefing. He also met and talked with several

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people at [REDACTED] and believes that we should have a spotter there with the idea of recruiting American citizens [REDACTED] who can be put under deep cover. This sounds like a good idea and I asked him to talk to Gordon Stewart about it.