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DIARY NOTES

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DD/S



9 January 1962

1. At the Deputies' Meeting this morning:

a. The Director said that while he felt it was desirable for certain members of the Agency to see foreign nationals from time to time he would like to caution everyone to make a rather detailed memorandum for the record and send it to his Deputy Director when such meetings occurred. The memorandum should be specific as to what the purpose of the meeting was, what took place, etc.

b. We discussed the President's comments with regard to the status of women in the Federal Service, and General Cabell directed that the Director of Personnel assume responsibility for action in connection with this matter.

c. Mr. McCone said that he wanted to make sure that we were on top of the problems created by the Attorney General's recent ruling concerning conflict of interest on advisory committees. (This is causing considerable trouble in the Atomic Energy Commission and the Department of Defense.) He also said that he wanted the General Counsel to review another problem which required the chairmen of new committees working on Agency problems to be members of the Agency. (I have talked to Larry Houston about both these problems. He already was working on the first problem and indicated that he would look into the second. I suggested that if he could get ready we would put these two items on the agenda for next Tuesday and that I would ask General Cabell's permission to bring him to the meeting.)

d. The Director announced that he was going to postpone for the time being any reorganization of USIB which would cut down the number of members from the Department of Defense.

e. The Director advised us that Senator Mansfield indicated that he would not initiate legislation for a joint committee unless the President asked him to do so, despite the fact that he felt we ought to have a joint committee. It seems certain that the President will not do this.

f. The Director saw Senators Dirksen and Saltonstall yesterday, and apparently, their concern about the size of the Agency in Washington impressed him. He said that since he has been here he had gained the impression that we wrote far too many papers and that perhaps we were producing intelligence

"by the pot." He said that he wanted each of us to take a good hard look at the number of personnel we have in Washington and make sure that everybody was justified. He also indicated that he would want to look into this further at some later date.

25X1A9a g. I asked [REDACTED] for a copy of his report on CAT and he promised it to me within a couple of days with the understanding that the Director would not get it until about the first of February since it will be a part of the over-all report on DPD.

25X1A9a 2. [REDACTED] telephoned to request that a consultant's contract be prepared for General Cabell, effective 1 February. I asked [REDACTED] to do this and send it directly to [REDACTED].

25X1A9a 3. Stan Grogan called about a request from the Office of Training to invite Jerry Kluttz to the building to talk to some of our people on overseas effectiveness. Stan thought that this was a bad idea in that if the press did a favor it only would lead to a request that we do a favor for the press. I telephoned [REDACTED] and told him that regardless of Colonel Grogan's attitude I thought this was not a good policy to invite members of the press to make talks and that we should not do so. Bill said that he agreed with this and would take the necessary action immediately; he also said that he would review the entire list of guest speakers to make sure that we didn't have others in a similar category.

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25X1A6a [REDACTED]

25X1A6a [REDACTED]

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25X1A2g 5. I met with Messrs. [REDACTED] of the WH Division to talk about the audit report of Project [REDACTED]. The representatives of Project [REDACTED] assured me that the discrepancies noted in the audit report had been or were being corrected as rapidly as possible. They might ask for one or two exceptions where collection from employees was required but they assured me that they would initiate the proper papers requesting these exceptions without delay. They also assured me that the Project had been administered in accordance with normal Agency Regulations and accounting procedures since 20 August. However, a paper is in the process for the Director's approval which will set forth some more specific procedures given to this Project. I made some suggestions to change the wording of the paper which they showed to me giving them a little of the Director's philosophy about the Comptroller's position and urged that (a) this paper be expedited and (b) that it have a concurrence line for the Comptroller.

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6. Jim Garrison telephoned to say that he had requested [redacted] to call a special meeting of the Automatic Data Processing Committee on Thursday, 11 January, to decide on what kind of computer should be ordered for the National Photographic Interpretation Center. Joe will advise me immediately after this meeting and I will, in turn, telephone Jim so that the necessary letter of intent can be issued.

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7. Mr. Kirkpatrick telephoned to say that Pat Coyne had been to [redacted] recently and had commented to him on [redacted] house which he regarded as rather pretentious. I told Kirk that I personally had seen this house prior to its purchase, that we got a good buy on it, and that it was approved by the [redacted]. I also told him that I did not think we ought to be apologetic about it. I gathered that Kirk also had been somewhat defensive in talking to Coyne about our policy with regard to purchasing a house overseas. I told him that it was my feeling that we should purchase more houses in a few places so as to ensure that our Chiefs of Stations had adequate accommodations upon their arrival. There have been many instances in which operations have been interfered with because a new Chief of Station had to spend a considerable amount of time looking for a house after his arrival.

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8. [redacted] telephoned to express his concern about Mr. Bissell ~~and his~~ having reduced the IO budget by \$1 million in his figures for our congressional submission. I told him to go ahead and put it in this way inasmuch as the total DD/P budget could be shifted around if necessary.

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9. [redacted] reported that the FE Division had received a formal request from [redacted] for an extension on [redacted] until June of 1963 in which [redacted] had concurred. I told Bill that I concurred and authorized him to send a cable out granting the extension.

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10. Bill also reported that his meeting yesterday with Admiral Donaho and representatives from the Department of the Interior (Del Nucker) went well. The Department [redacted]

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11. Gates Lloyd and I met with [redacted] to discuss the Inspector General's report on CAT. The gist of our conversation can be summarized as follows:

a. I told George that without prejudging the report which we didn't have yet I thought the criticism would appear to fall into three general areas: (1) What is wrong with the Company versus what the Company has accomplished; (2) the tax question; and (3) George's personal public relations. I said that I wanted to get the tax question sorted out as soon as possible but that I did not feel it could be treated separately from the remainder of the report.

b. I indicated to George that I felt we would be able to contest the report with his help but that it was becoming increasingly difficult to defend him unless he could improve his personal public relations. I also told him that I thought this problem was going to be with us for some time to come and that if he wanted to resign we would understand but that insofar as I was concerned he could resign without any stigma attached to it. I went on to say that as soon as I received the report and we had an opportunity to study it I proposed to send Gates to the field to check into the matters raised therein.

c. For George's part of this conversation he said that he thought he could demonstrate that it was not his intent to derive any personal benefit from use of the Government's money and that his bank account had averaged considerably more than this throughout the years. I asked him to go ahead and prepare a memorandum along these lines without delay. He was emphatic about his desire to continue in his position if permitted to do so.

d. We closed the meeting on the general note that I would still defer judgment until we had received the report and had an opportunity to study it and investigate it, that I would be willing to defend him, but that I could not assure him that Mr. McCone would approve of my stand. (I have advised General Cabell of the understandings of this conversation.)

LKW:mam