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DAILY LOG

27 February

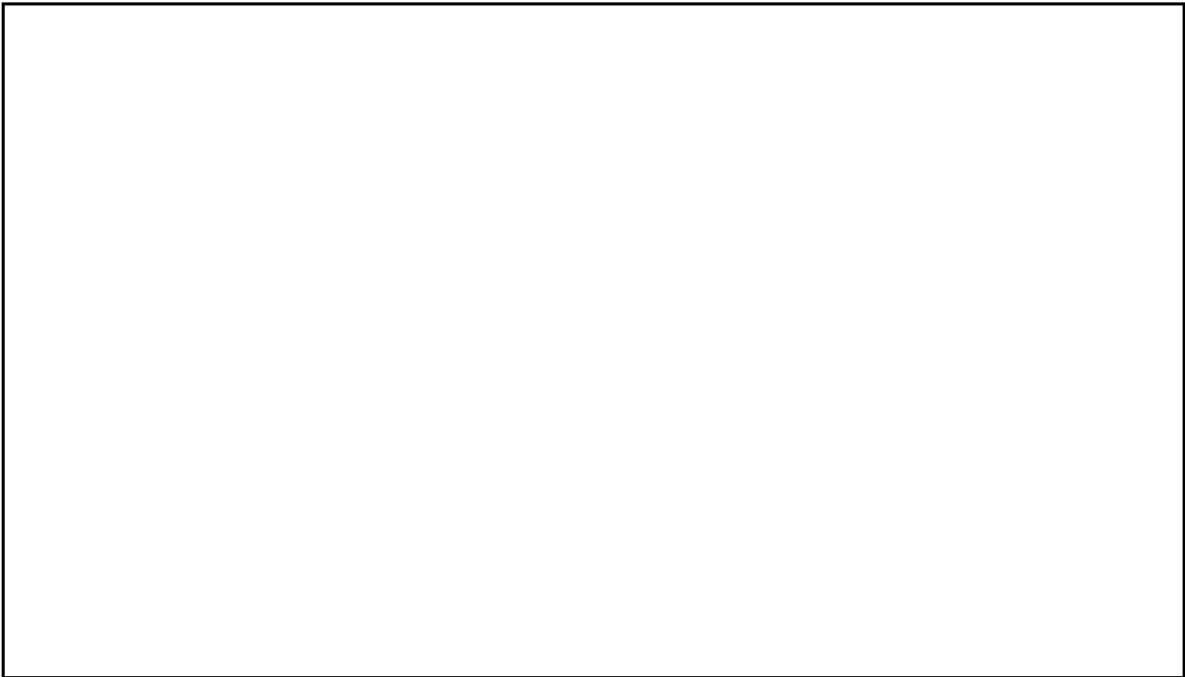
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OTR Move - [] met with [] to start developing a plan for movement of OTR out of the headquarters building. It appears that most of the Office except classrooms and language lab space will have to go to free 20,000 square feet. No moving dates established. Logistics and OTR will have a plan to discuss with Baird on his return 20 March.

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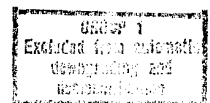
Defense - CIA Logistical Agreements - A proposed Regulation came through for review re peacetime support of CIA by the military; it incorporated info and agreements previously distributed in dispatches. You may recall that the JCS proposed new procedures for CIA support about 6 months ago, procedures which we saw in a bootleg draft copy and which were unacceptable to the Agency. Since nothing more had been heard of these new procedures, and we had no evidence that General Carter had ever discussed the matter with Defense, [] took the position that the existing peacetime agreements stand and that the Regulation should be published.

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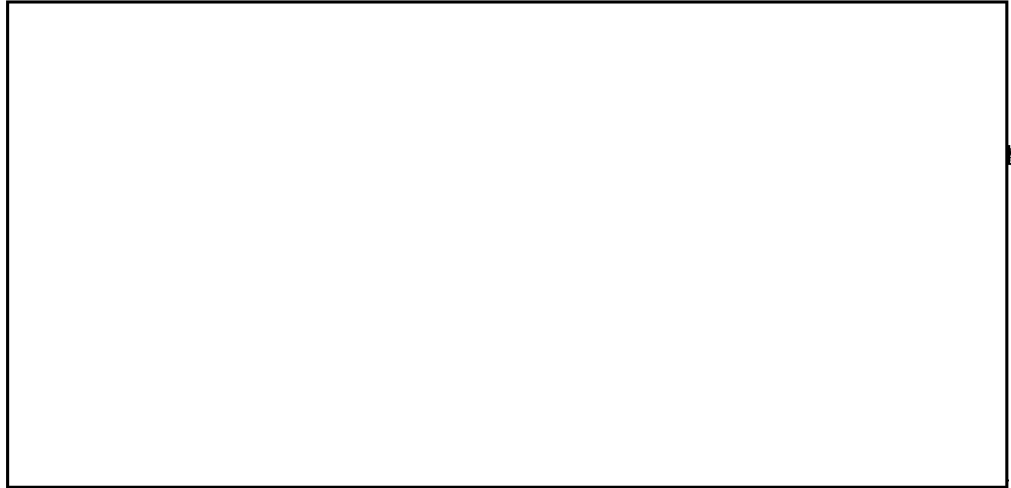
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28 February

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Hazardous Activity Insurance - DD/P today signed



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It was approved substantially in the form which you saw when you reviewed it with [redacted] It provides that casualty and benefit plans will be referred to Director of Personnel for review and approval.

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1 March

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Director's Interest in [redacted] - Elder, for Mr. McCone, asked D/Pers for biographic data on [redacted]. It was reported that Mr. McCone met [redacted] at a [redacted] Dinner earlier in the week and learned, apparently for the first time, that [redacted] was formerly in CIA. He expressed interest in [redacted] and a summary of info was forwarded to him this date.

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[redacted] - Resigned as of 1 March. Personnel not yet aware that he has found another job but knows he is looking.

Softball Diamonds on BPR Property

[redacted] met with Rex Whitton, Federal Highway Administrator, and J. C. Allen, Director of Administration, Bureau of Public Roads, on subject. Whitton and Allen apparently had not been briefed very well on CIA's earlier request and now showed a favorable disposition. Whitton promised to check on the matter and make an early decision ([redacted] submitted a Memo of Conversation). Allen brought up question of CIA space in [redacted] which [redacted] and CIA could give up if equivalent space were made available. Whitton will explore possibilities with PBS.

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Meeting Regarding Recruitment of Commo Types for DD/R

was called by Mr. Lloyd today. Present were: [redacted] from OSA, Colonel [redacted] from the Office of the DD/R, [redacted] and General [redacted] from the Office of Communications, and Mr. Lloyd and [redacted] from the O-DD/S. General [redacted] pointed out his problems relative to recruiting Commo types and indicated that he couldn't expect to fill the requirement from normal outside recruitment in much less than ten months and other methods should be sought if DD/R needed them soon. General [redacted] also pointed out that he had had very good luck in short military TDY's and recommended that Air Force cryptographers be obtained for the more pressing needs. He also pointed out that technical representatives from [redacted] constituted a very convenient and quick mechanism for other emergency needs and that the average cost of \$25,000 per man per year compares favorably with CIA direct hires by the time all cost and administrative burdens are taken

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25X1A9A into consideration. Colonel [] stated that he was having some problems working out his ceiling and funds with the Comptroller, and he expected his ceiling to be approved within one to two months. This will be soon enough to avoid any administrative problem with regard to recruitment from any outside concern. On this basis it was agreed that Commo would go ahead with its recruitment efforts.

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25X1A9A Key-Punching Security Record Cards - [] discussed with Al [] and the Budget Division projected plans for key-punching 1.7 million cards on security records. There are two ways to do this job. It could be done during FY 63 by outside contract and paid for from money in the 63 budget. This would offer some security problems and it would undoubtedly cost more than an in-house job. It could be done through clerical pool personnel assistants during FY 64, but the job would take longer even though it would cost less in terms of salaries. It was agreed that [] would discuss the security implications of an outside contract with [] and submit a recommendation for getting this job done.

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25X1A9A Status of FY 63 Obligations, Support Area - [] reviewed the budgeted FY 63 obligations for the Support area against allocations with the Budget Division and, to make a tedious story short, we can squeak by without any grave concern except in the case of Logistics, which appears to require an additional \$300,000 for FY 63. Logistics is running over ceiling and over A. E. This is due in part to the 33 slots which they were given months ago, but without any additional money for them. [] and [] will prepare a joint recommendation on the problem during the coming week. Logistics must either begin to cut back slightly, or we must find \$300,000.

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4 March

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JMWAVE Training Site - Dispatch from JMWAVE (DD/S 63-0867) indicates that the solution to JMWAVE's request for a training site has narrowed down to two alternatives:

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a. The Agency must effect a change in policy which will permit use of [redacted], or

b. Settle for the use of [redacted]

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In any event, if an installation is activated, OTR will be short of personnel to meet this and its other commitments.

Manpower Task Force Report - SSA-DD/S comments on this report received this date; this completes all necessary action.

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visit to [redacted] - [redacted] got following from OTR, stemming from your a few months ago:

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a. Class B financial procedures have been installed.

b. A team from headquarters will visit [redacted] later in March to make final determination as to feasibility of Type II property accountability.

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Building Access for PBS Engineers - This problem solved by issuance of interim badges to the engineers concerned [redacted] which permit them to go about their duties in the building unescorted. They will be given "Visitor - No Escort" badges when security clearances are completed. (DD/S 63-0891)

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Pay Accounts - [redacted] - A new Federal law requires that banks report to the Internal Revenue Service the interest paid to depositors. Banks [redacted] can make no exceptions, and a first report of interest paid would be due 15 March. To avoid this disclosure D/Pers recommended that the accounts (six, totalling about \$170,000, interest at 4%) be brought back within the Agency and be credited with the interest which normally would be due. Mr. McCone approved on 4 March. (DD/S 63-0872)

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5 March

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Logistics-Commo Meeting on Procurement Handbook - RBF Alan

[redacted]
met to resolve differences as to the relative roles of OL/Procurement Division and the Technical Officer in the procurement process, particularly on R&D matters. Several differences of view had been surfaced in attempts to coordinate the Procurement Handbook. After general discussion had narrowed and defined the issues, [redacted] went off together and worked out a satisfactory agreement.

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Involuntary Separation Allowance - Kirkpatrick sent a fresh memo (DD/S 63-0926) which he says reflects both his and General Carter's views. In summary, it requests that a new policy position be drafted which will:

- a. Broaden the base of coverage to include persons who will not be covered in the early retirement legislation.
- b. Provide more liberal benefits than are presently authorized in Agency regulations.

The paper criticizes that he considers the negative aspects of the present ISA program, and reaffirms the intention of himself, DCI and DDCI to achieve the most favorable employment conditions in the Agency. You will want to read this in full; original forwarded to D/Personnel.

Budget Briefing - DD/S Budget Officers briefed by [redacted] on entire FY 64 budget, including charts and other related material; well received and helpful to all present.

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Notes from Senior Staff Meeting - Mr. Lloyd's minutes attached.

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6 March

25X1A Military Exercise [redacted] reviewed material on this military CPX exercise which calls for CIA participation. It appears that our participation will be minimal since War Plans Staff was not able to muster up Agency approval for anything more. Support elements probably will not be deeply involved; [redacted] following this.

25X1A9A Logistics Supply Problems - [redacted] brought to Mr. Lloyd two papers which you may wish to read:

a. DD/S 63-0935 concerning issues [redacted], indicating a net cost to Logistics of approximately \$12 million.

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b. DD/S 63-0934 concerning ordnance stock levels; indicates effective level of ordnance stocks in terms of active materiel as contrasted with total stocks which include a quantity of outmoded materiel dating back to 1950.

25X1A9A Semi-annual Report to President's Foreign Intelligence Advisory Board - [redacted] has been seeking guidance from Kirkpatrick's office as to content and timing of the next report which will be due soon for the period ending 31 March. [redacted] reported that DCI has only recently signed and released the last report covering the preceding 6-month period. There is serious question as to the usefulness of this report, and for more than a year there have been rumors in the Intelligence Community that it may be discontinued. No further guidance available at present; [redacted] following this. 25X1A9A

25X1A6A [redacted] has returned from his assignment as Comptroller in the [redacted] office. He is a good man and this should be a good working relationship. [redacted] 25X1

25X1A1A Budget Hearings - At today's meeting of the Financial Policy and Budget Committee the Comptroller stated that arrangements for the [redacted] CIA reserve and the [redacted] were still being worked on by the Bureau of the Budget and therefore the usual letter from the Bureau to the Congress indicating our budget parameters has not gone forward. This letter also serves as notification to the Congressional Committee of our readiness for hearings. It is expected that the letter will not be ready before 1 April. 25X1A1A

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[Redacted]

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Conflict of Interest Regulation - Mr. McCone signed correspondence transmitting to the White House copies of the regulation developed by Dick [Redacted] committee [Redacted] DD/S representative) on this subject. In meantime our revised Handbook and Regulation on Employee Conduct is being circulated for concurrence.

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7 March

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[Redacted] were briefed by [Redacted] and [Redacted] Nothing of significance was added to what [Redacted] had learned from [Redacted] 27 February, but corroboration and a few further details were supplied. Meetings on personnel and training requirements are scheduled for 11 March and thereafter; thus more info should be available soon.

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[Redacted]

8 March

Processing Time for Retirement Cases - Received a report from the Comptroller showing improvements in the time required to process retirement information to the Civil Service Commission. In February, 96 out of 123 cases, or about 80%, were handled in less than 60 days (average: 40 days). Details in DD/S 63-0964.

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Regulation on Liaison Control - The AD/CR proposed, and DD/I and Executive Director approved, designation of representatives from each Deputy Directorate to work out an acceptable procedure for control of liaison with other Government agencies. In his memo Paul Borel recited a long history of unsuccessful efforts along this line, unsuccessful largely because of DD/P objections. [] nominated by Mr. Lloyd to represent DD/S.

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CIA Role in Support of Presidential Trips Abroad - Memo received from DDCI which spells out in detail Agency policy and assignments of responsibility in this matter. I believe you are familiar with all points mentioned, but if you wish to see this restatement, see DD/S 63-0969.

Improving Cleanliness of the Building - [] briefed Mr. Lloyd on steps being taken to improve the condition of the building, in particular the corridor floors. The most serious problem is the tracking in of dirt during wet weather, particularly in the winter. George's suggestion was to install washable carpeting between the vestibule doors at all entrances. GSA will supply the carpeting and provide for its cleaning. Where this plan has been put into effect, it has been very successful in cutting down the amount of dirt tracked into the building.

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George also reported that GSA has had great success with laying carpeting in passenger elevators to absorb the dirt tracked in by employees and preventing its spread to the upper floors. This has worked very well in [] and Mr. Lloyd agreed that he should use the salvaged green or beige carpeting which we took out of our old offices for this purpose.

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Special Fitness Report - [] - Discussed with Colonel Edwards memo from Executive Secretary, USIB, which states that Mr. McCone wishes to be Rating Officer in evaluating the effectiveness of USIB Committee Chairman. Brief draft statement requested for his use concerning [] effectiveness as Chairman of the USIB Security Committee. Colonel Edwards will provide.

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CIA Alert System and On-Call Officials - See Memorandum for the Record, attached. DD/S 63-0989

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11 March

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Space Occupancy - At the morning Executive Committee Meeting today Mr. Kirkpatrick, who was presiding, reported that the Director had paid a visit to the Technical Services Division in the [redacted] last Friday. He later expressed concern about the poor working conditions and commented that he didn't think they were conducive to attracting or retaining the high-level scientists that he felt we needed. He asked that the question of better quarters for TSD be investigated and also asked for a summary of what other elements are still outside the headquarters building and who occupies them. Mr. Lloyd undertook to provide the latter information immediately and told Mr. Kirkpatrick that we were expecting to hear any day from Mr. Robert Daly, Commissioner of Public Buildings, regarding an appointment to have him come out here for lunch and discuss the over-all building problem. (On 13 March Mr. Lloyd gave Kirk a summary of Space Occupancy outside of Headquarters, prepared from figures provided by Logistics Services Division, which he said was what he needed. The Director is leaving tonight for ten days and this may not come up, but Kirk is ready if it does. Also advised Kirk that Mr. Daly will be here for lunch next Monday, 18 March, and he agreed to be host unless General Carter would also be able to be present.)

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Reorganization of Physical Security Division - [redacted] reviewed in draft form a proposed reorganization of the Physical Security set-up handed him by [redacted]. The proposal involves, for the greater part, the creation of additional branches within the Physical Security set-up accompanied by up-grading and increased personnel costs amounting to \$27,000 in FY 64. [redacted] felt (and so did [redacted]) that less than 50% of what Security had proposed was warranted, an impression shared by RBF and Mr. Lloyd. [redacted] discussed the proposal with the Director of Security, and he will revise the proposal and resubmit it later.

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Action Memorandum No. A-194 signed by Mr. Kirkpatrick requires a response to a recommendation contained in an IG survey of February 1962



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Psychiatric-Psychological Services - Dr. Tietjen recommended formation of a series of task forces to study Agency requirements for psychiatric-psychological services, to examine the following areas in the order listed:

- Phase I - 1. The JOT Program and OTR needs.
- 2. Support to Director of Personnel.
- 3. Support to other DD/S components.

Phase II - Support to DD/P.

- Phase III - 1. Support to DD/I.
- 2. Support to DD/R.
- 3. Support to DCI area.

The component under study will be expected to supply a task force chairman. OTR nominated [redacted] to chair Phase I - 1. (DD/S 63-0977)

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[redacted] entered on duty today as GS-9, Office of Logistics. He was referred originally by General Carter. [redacted] informed.

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Security Violations - DD/S - February showed a total of 7, as follows:

- ADPS - 3
- Medical Staff - 1
- Commo - 1
- Training - 2

Letter to DCI from GSA Administrator - Mr. Boutin sent Mr. McCone a very gracious acknowledgment of the DCI's letter which thanked GSA for expediting completion of [redacted] (DD/S 63-0979)

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(Sally has for you a note expressing reaction to a similar letter)
[redacted]

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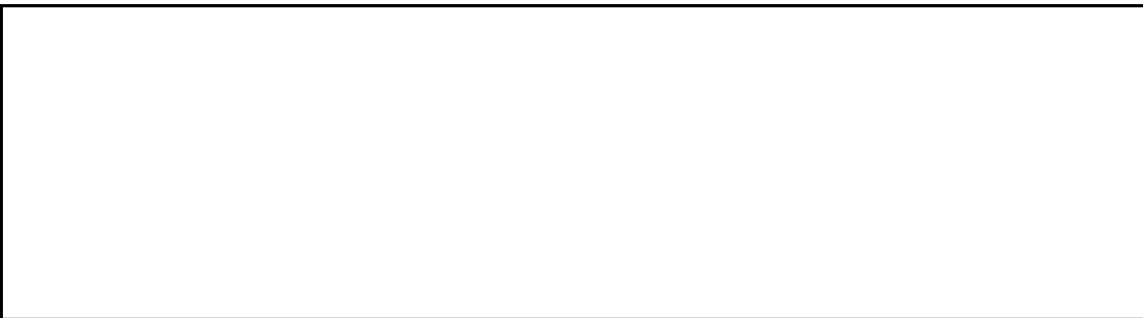
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12 March

25X1A9A Comptroller General Recommendations Concerning Computers - Received and sent to [] a voluminous study prepared by the Office of the Comptroller General on the question of whether Government agencies should lease or purchase computer facilities. Conclusion: If it is expected that a given computer configuration will meet an Agency's needs for five years or more, it is better to buy than to lease.

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13 March

25X1A9A Briefing on Logistics Operations - A meeting was held in the Comptroller's office today for the purpose of briefing Messrs. Bross, [] 25X1A9A on certain aspects of Logistics operations. Present in addition to the foregoing were Messrs. [] Lloyd, [] 25X1A9A The session was largely a briefing session and no significant action is to be taken as a result of the meeting. It did serve to validate and put to bed such often discussed subjects as stock funds, costing, issue experience, stock levels, obsolescence, reimbursement, requirements and related matters.

Financial Policy and Budget Committee - At the weekly meeting of the Financial Policy and Budget Committee the Comptroller presented the following points:

25X1A1A a. The DCI has decided to proceed with the maximum CIA budget including the [] The decision appears to have been based somewhat upon the present composition of the two Congressional committees concerned.

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c. Mr. Bross was perturbed because Mr. Amory had defaulted on his promise of [redacted] This money, of course, has already been spent through reprogramming from other sources and the Agency will be hard put to absorb the deficit. In addition, the turndown included other overceiling items amounting to [redacted] One of the items amounted to [redacted] for acquisition of land surrounding the Langley building. The Bureau of the Budget says this must come out of year-end savings. In this connection [redacted] informed [redacted] that the General Accounting Office had examined the legality of funding the land acquisition from surplus Langley construction funds and has ruled that this cannot be done. ~~The money is therefore on its way back to the U.S. Treasury.~~ The Committee agreed that a quick, hard look at all programs and obligations would be taken, and that Mr. Bross would go back to Mr. Amory with a reclamation in two or three weeks.

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OTR Move from Building - [redacted] is in contact with OTR regarding their contemplated move out of the building. Bob considers it necessary to keep the JOT Program in the building for reasons of recruitment and processing which necessitate frequent contacts. In a discussion with Bill [redacted] pointed out that the only requirements upon OTR are to relinquish 20,000 sq. ft. of floor space and retain its classroom space at Langley. This can be done only if the Office of the DTR, along with the Plans and Policy Staff, the Support Staff, etc. move out of the building. [redacted] will keep an eye on this with the objective of retaining the JOT Program in the Langley Building.

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14 March

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Mid-Career Training - [] reviewed comments from the Deputy Directors on the Mid-Career Training notice and recommended publication substantially in its present form. Most of the recommendations fought the problem of the elite corps and the mandatory six-weeks program.

Automation of Security Index - [] reviewed with the ADP Staff two alternatives for handling the large card punching job for the Security Office. For reasons of security and economy it has been agreed by all concerned that this job should be done in-house rather than on outside contract. The Office of Personnel will provide individuals from the Clerical Pool who will, in addition to accomplishing a useful function, receive key punch training needed to fill existing jobs throughout the Agency. Accordingly, the ADP Staff will transfer \$75 thousand of its funds to the Office of Personnel to provide salary payments for this effort. Individuals will be rotated through these assignments so as not to interfere with Agency clerical needs or cause dissatisfaction by keeping the employees on these jobs too long.

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Office Respects to [] - Mr. Lloyd visited the funeral establishment and talked with [] and sent a letter of condolence. The office sent flowers, "From Colonel White's office."

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JOT Processing - [] reported informally that processing of additional JOT candidates for the July Class must stop unless Medical Staff can speed up its examinations. About 170 cases are in the pipeline now, and 60 more files are available. Action on the 60 will be suspended. This report was followed by a meeting of [] Emmett Echols, [] and [] with Mr. Lloyd. Mr. Lloyd undertook to explore the problem with Dr. Tietjen.

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15 March

[] Memo from DDCI to Deputy Directors announced Agency participation in this exercise; appointed Kirkpatrick as Exercise Director for CIA; and requested that each Deputy Director appoint a representative to work with Kirk. [] nominated by Mr. Lloyd. First activity will be a series of conferences at the Pentagon during 19-22 March.

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On-Call Personnel - At the morning meeting on 15 March, the question was raised by [] OCI, as to whether on-call officers should notify the Watch Office whenever they were going off duty. General Carter stated that this is entirely unnecessary and laid down the following general rules which help to clarify this somewhat fuzzy subject -- "If you aren't in your office you are presumed to be at home unless you have notified the Watch Office to the contrary. When you are out of touch with your home (playing golf, walking the dog, etc.) it is not necessary to notify the Watch Office if there is someone at your home who can answer the phone and, if necessary, get word to you or at least say when you are expected to return. If there is no one to answer the phone, you should notify the Watch Office. The main point is to have someone be able to report your whereabouts. We don't want to have unanswered telephones ringing in empty houses."

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Briefing Training for Senior Officers - At Kirkpatrick's request [] is studying, with various members of OTR, the feasibility of training in briefing techniques for senior officers who have to participate frequently in briefings but who lack effectiveness. Very tentative discussions going on at present.

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18 March

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Demands for R&S Auditorium - As a result of increased demands for space not now available it has been concluded by the Director of Logistics and Mr. Lloyd that Personnel's request for the R&S Auditorium as a recreational facility should be denied until a more relaxed space situation exists. George [] assumes that R&S space will be required to relocate OTR.

Active Duty Training for [] is scheduled to take the Amphibious Orientation Course at Little Creek, Virginia, 13-27 May, as his annual military tour unless pressing Agency business at that time makes it desirable to postpone the duty.

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Employee Death - [] GS-9, Medical Staff, died last evening following an automobile accident [] He entered on duty August 1962, was 33 years old.

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Discussion of Space with GSA - Messrs. Lloyd, Kirkpatrick, [] and [] lunched with Mr. Daly of GSA today, and Mr. Daly agreed that he would get his planners working on our over-all space problem and put them in touch with our space planners in CIA. Among the possibilities discussed were the following:

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a. A 20-year lease at some convenient location such as Rosslyn Circle on a half million sq. ft. of space. This discussion also included consideration of additional space in Arlington Towers and the feasibility of space outside of the Washington area for certain elements of CIA.

b. The construction of an annex to Langley Headquarters large enough to house all Washington elements. This discussion included consideration of site hardening for nuclear protection.

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White House Policy on Using Older Workers in the Federal Service - Received a copy of a Presidential memorandum to Heads of Depts. and Agencies directing that Federal appointing officers shall take positive steps to insure that older persons receive fair and full consideration for employment and advancement in the Federal service. Recipients are requested to review their policies and practices regarding maximum age limits and to take steps to insure that such limits are established only when absolutely necessary. This memo was transmitted via the Executive Director who added the following: "You should come up with a statement on how this affects our present hiring and retirement policies with recommendations for any modifications required." Forwarded to D/Pers for action. (DD/S 63-1094)

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Fine Arts Commission - [] brought down a notice for publication, already approved by General Carter, establishing a Fine Arts Commission, to be advisory to the Executive Director, to consider ways of improving the esthetic appearance of the building. Deputy Directors are to nominate members who have an interest in and qualifications for such matters.

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Improvement of Lighting, West Parking Lot - In a memo of 12 March (DD/S 631015) [] forwarded an estimated cost of approximately \$12,000 to bring West Lot illumination up to the level of the North and South lots. He considered this high and stated that he had asked RECD to refigure the job on a less expensive scale. Mr. Lloyd forwarded this to Kirkpatrick who replied, "I don't consider this too much to spend for employee safety. Let's get something done soonest." [] thereupon went to Budget Division and got an opinion from [] that this is properly payable from the building construction fund, and that funds are available. An authorization to OL to proceed will get the work started. Mr. Lloyd will take up with []

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19 March

Senior Staff Meeting - Notes on this morning's meeting are attached.

Bi-Weekly Report on Construction [] - A request has been approved to replace certain deteriorated items of kitchen equipment when [] facilities are moved. [] will procure the equipment from [] funds at an estimated cost of \$10,370. RECD engineers are continuing to make weekly visits to the site. As of 12 March the [] facility was 69% complete.

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Candidates for Career Education Awards - We ended up with one candidate for the Career Education Award Program of NIPA, Mr. [] of Logistics. DD/P had a good candidate but he ran into a cover problem and was withdrawn. DD/I had a prospect but decided to send him out to study Economics as a straight external training assignment. Neither DD/R nor the DCI Area could produce anyone.

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Notices - Publications Requested by Executive Director - Kirkpatrick, via [] requested that we publish ^{the} notice on "Academic Library and Counseling Service" (scholarship information) and on "Mid-Career Training". The Deputy Directors submitted comments on the latter, but Kirk and General Carter both felt that these were points to be considered later as the program develops rather than in relation to this notice. The notice on scholarship information was drafted before your departure but it was held up for further discussion by Kirkpatrick's office. Action is being taken to publish.

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Demolition of Temporary Buildings - See Memorandum of Conversation, attached - DD/S 63-1134.

20 March

Professionalism of CIA - [] brought in for review by RBF and Mr. Lloyd a 20-page paper on this subject which represents a synthesis of all the materials submitted over the past few months by the various components. It bore a covering memo from [] to Kirkpatrick which expressed Mr. McCone's great - even enthusiastic - satisfaction with the material, and requested that the paper be expanded. DCI expects to make much use of it and expressed the hope that it might become eventually a sort of Agency brochure. There is no clear guidance as to specific topics which he wishes to have expanded, nor were any deadlines set. It appears, however, that DD/S will be expected to supply some additional paragraphs on the educational attainments of Agency professionals, language capabilities, training, and more examples of unusual support requirements engendered by Agency operations. RBF has started discussions with various members of the components concerned and will follow up.

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21 March

Exercise [] has returned from participation in the planning of the JCS Exercise [] Enumerated below are salient features applicable to the Agency:

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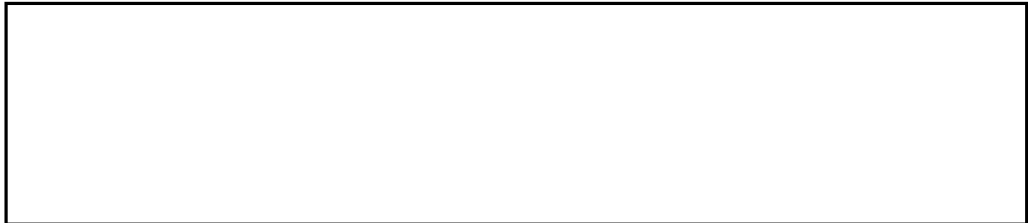
a. The revised operations order, Scenario, message inputs and related instructions will be received by CIA around April 15. The exercise begins on October 7 and terminates October 11. The schedule of activities between April 15 and October 7 permits ample time to accomplish Agency planning.

b. This is the first time CIA has participated in a JCS exercise to this degree. All planning has been designed to permit the Agency to walk rather than run, i. e. :

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(1) Our field stations will not be involved at all.



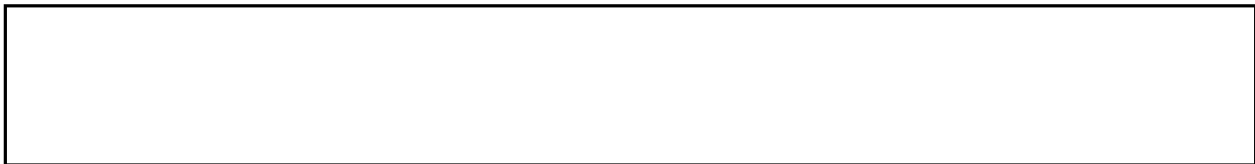
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(3) The Defense Communications Agency plans to give normal traffic a priority over exercise traffic.

c. The exercise will not implement the Command Relationships Agreement, i. e. , no CIA field station will be activated.

d. All military participants and the State Department have their own message inputs which they will inject on a planned schedule. CIA will inject no messages of its own. Instead, messages reflecting CIA involvement will be injected by the State Department and military components as simulated information or drop-off copies received from CIA.

e. The controls which have been established on message inputs will allow CIA to participate as much or as little internally as it desires without seriously involving or complicating military and State Department exercise actions.



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22 March

25X1A6A

25X1C4A

COS Residence, [redacted] - Mr. Lloyd signed an authorization to purchase a suitable residence, at a price up to \$60,000. The [redacted] [redacted] has located a suitable property, has determined that purchase is feasible, and will take action.

25X1C4A

SECRET

~~SECRET~~

20

25 March

Test of Emergency Power Facilities - The test scheduled for Sunday, 24 March, went off well and without incident. VEPCO power was cut off at 0833 and emergency power came on at 0856. Emergency power was cut off at 1405 and VEPCO came on at 1408. Essential services were maintained without interruption. A full report is being prepared.

Comments on Herter Report - General Carter forwarded the March 1963 issue of the Foreign Service Journal which contains critiques of the Herter Report. He considered its observations very valid. (Journal attached)

26 March

25X1A

JMWAVE Vehicles - [] has received figures from the Office of Logistics which appear to settle the issue of leased vehicles vs. government owned and operated vehicles. Insurance rates at JMWAVE have recently been increased to \$165 per vehicle per year. The current cost per mile operation of the JMWAVE leased vehicles amounts to 10.4¢ per mile. This compares with 7.2¢ per mile for government owned vehicles operated in the Headquarters area and 8.2¢ per mile for vehicles [] installations (the increase of 1¢ per mile is due to insurance and license fees). Since JMWAVE vehicles operate 2 million miles per year, the 2¢ per mile difference between 8.2¢ and 10.4¢ cost the Agency \$40,000 per year. There are hidden administrative costs associated with the operation of an automotive fleet which would pare the \$40,000 cost down to a negligible figure. It would appear from these calculations that the convenience and security offered by leased vehicular operation offer a decided advantage in the case of JMWAVE, but no significant advantage for normal CIA use [] and it is believed that present practices in this regard should not be changed. Incidentally, [] from the Office of Logistics quoted Ted Shackley as saying that JMWAVE is expected to continue at least three or four more years. If this is the case, we ought to review all allowances, rental and otherwise against this prediction.

25X1A

25X1A

25X1A

Commo Requirements - DD/S 63-1147 contains a list of Commo requirements not included completely within FY 63 and FY 64 budgets. This is due to the discontinued manufacture of certain teletype equipment and certain increases not included in the budget. Additional dollar requirements amount to 1.4 million in FY 63 and .8 million in FY 64. This problem has been transmitted to the Comptroller for resolution.

~~SECRET~~

~~SECRET~~

25X1A9A

Semi-Annual Report - The Semi-Annual Report to the President's Foreign Intelligence Advisory Board is currently scheduled for the reporting period ending March 31. However, [] has been needing [] in Mr. Kirkpatrick's office in an attempt to cease submitting the report. The DCI signed and sent out the last report over five months after it was due, and no one seems to think that the report serves a useful purpose. Mr. Kirkpatrick is now pressing for permission to eliminate this report and [] will keep in touch with the situation in order to avoid hasty preparation.

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25X1A9A

25X1A9A

Budget Items - At a Budget Division meeting attended by all Support area Budget Officers the following items were discussed with the indicated results:

a. Invitee Travel - It was agreed that operating offices will budget for this and that the O/Pers will administer and control the expenditures.

b. External Training - No decisive agreement was reached and this will be put out later to the Budget Officers. [] recommended that external training be budgeted by the operating offices, based upon their requirements, and administered by OTR.

25X1A9A

25X1A9A

c. The Personnel Clerical Pool ceiling has long since been accepted as a fiction and [] pressed for elimination of this ceiling. The Budget Division promised to "take this up."

d. It was agreed that the Office of Security would include in their FY 64 budget presentation as an over-ceiling item the five positions which were inadvertently dropped from calculations by the Budget Division two or three years ago.

e. It was agreed that the Office of Personnel would present as an over-ceiling item its ceiling position and financial requirements in excess of the FY 64 Congressional level. This derives from the fact that existing rates of spending and personnel ceilings within the Office of Personnel are considerably in excess of the FY 64 Congressional level.

27 March

Art Lundahl Award - Mr. Lloyd reported that the National Civil Service League Awards Dinner went well. A list of CIA attendants is attached.

~~SECRET~~