

CONFIDENTIAL

28 May 1958

MEMORANDUM FOR THE RECORD

FROM: Chief, Budget Division

SUBJECT: Construction [redacted]

1. A meeting was held on Monday, 26 May 1958, at which time Messrs. Macy and Ecker of the Budget Division were briefed by Mr. Lloyd and the undersigned concerning the construction of a building, 40' X 80' [redacted] at an estimated cost of \$80,000, as a laboratory and workshop for [redacted] activities. Questions raised by the Bureau of the Budget representatives involved primarily the following:

- a. The need for a separate building in view of the CIA building at Langley;
- b. The need for a shop installation separate from the TSS installation;
- c. The reasons why provision had not been made for the construction of the building in the budget for Fiscal Year 1959; and
- d. The character of the operations and their relationship to the activities of NSA.

Mr. Lloyd outlined that during the current year programming of funds it had been determined that this could be financed from within available Agency funds. Mr. Ecker pointed out that the Agency had stated that, to the maximum extent possible, the amounts released from the Reserve for Contingencies would be absorbed and that if funds were diverted for this purpose the absorption would be reduced by that amount. During the course of the discussions the recommendations of the Baker Committee were discussed and it was agreed that further information concerning these recommendations would be obtained. The title of the land on which the [redacted] was constructed and the right of the use of the land was also discussed in some detail. Mr. Macy stated that an attempt would be made to get a copy of the Baker recommendations and that he would call Mr. Lloyd on the subject.

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SUBJECT: Construction [redacted] FI Staff

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2. On Tuesday, 27 May 1958, [redacted] met

with Mr. Ecker and the undersigned concerning the above problem. [redacted] had extracts of the Baker Committee recommendations which were shown to Mr. Ecker and these recommendations were discussed in some detail. A set of detailed plans and specifications was obtained from the Office of Logistics and the general layout of the building and the character of the building were described in considerable detail. During the course of the discussions, security, the urgent need for the space, the considerations that resulted in proposing a separate building (from the large Langley CIA building), the timing of the proposal, the relationship between TSS and Division D activities, and other related problem questions were discussed. Mr. Ecker stated that he would discuss the problem with Mr. Macy and would advise the Agency on the decision reached.

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3. Subsequently Mr. Ecker called Mr. Lloyd and informed him that the Bureau would interpose no objection to the proposed construction but added that the approval was granted very reluctantly. In essence it appeared that we had not convinced the Bureau that the proposed construction was completely justified but that they believed that the Agency's judgement should be accepted on this recommendation due to the apparent urgency and sensitivity of the activity involved.

[redacted]

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