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OFFICE OF LEGISLATIVE COUNSEL

Thursday - 15 August 1963

25X1 I spoke to Mr. Gibb of Treasury today. He had received our memo comparing disability benefits under the GIA Act with those available under Civil Service and the FECA. He sald be anticipates trouble in two areas: (a) under our act there is no maximum monthly (tax free) benefit as exists under FECA (\$525). I said that while this is true we have not had an individual retired or disabled in the past five years whose annuity would have exceeded \$525 per month. (\$6300 per year) (b) people covered by our act might try to retire on "disability" rather than lengevity to secure the more favorable tax treatment. I said I thought this unlikely since they would have to prove total disability to qualify. We then ran through the general justification of the disability prevision in our act. He said IRS had been unable to find legislative history of 104 a, and that Mr. Surrey would probably want to be in touch with us 500a. Spoke to Mr. Harry Kemplar of the 25X1 Internal Revenue Service regarding the legislative history of section 104 of the internal Revenue Code of 1954. He said he had been given a copy of the memo we sent to Treasury on this subject, and though he has been unable to find much on the policy of this section he felt that our position was sound. I spelled out our justification in some detail and told him that I'd be willing to give him any assistance he required. He said he would write semething up by next Monday and would call me then. The Director met with Senator Fulbright 25X1 briefly to go over certain points in connection with the hearing tomorrow. The time and place were confirmed as ten o'clock in the rooms of the

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Joint Committee on Atomic Energy and it was confirmed that the session would be in executive and that there would be no attempt at reviewing the

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the transcript for subsequent public release. The Director raised the point of "C" clearances for members of the staff and Senator Fulbright said he would look into this. (This problem was later resolved through CIA Security Office and AEC by granting waivers for the purpose of the briefing to Carl Marcy, John Newhouse, Seth Tillman and William Darden.) The Director raised the point of sensitive sources and methods of intelligence. Senator Fulbright stated in effect the Director would have to be the best judge of this and would simply have to state, if the occasion arose, that the matter was so sensitive that it should not be discussed even in executive session. The Director requested the Chairman's support The Director if this type of matter arose and the Chairman promised it. also indicated that he hoped the numbers of transcripts would be limited and the Chairman agreed that only three, one for the Agency and two for the Committee, would be made. The Director suggested the possibility that since these would contain Restricted Data that the Chairman might consider having them stored within the JCAE facilities. The Chairman indicated he would consider this further.

arrangements had been made to grant "C" clearances for purposes of the hearing temorrow to him. Newhouse and Tillman. I also suggested the problem of clearances on the Ward and Paul reporter and facilities and indicated that we had discussed this matter with the JCAE who were agreeable to providing a cleared reporting capability. Marcy said this was agreeable with him. Conway was advised that we would accept the offer and he suggested that if we wanted overnight action that they use Alderson which have reported other AEC hearings and have arrangements for AEC couriers and AEC facilities within which to transcribe the hearings.

John V. Lindsay called and asked for the names of the four Subcommittees of the Congress who are concerned with the Agency. This information was provided.

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