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DIRECTOR, FBI	DATE: May 26, 1948
GUY HOTTEL, SAC, WASHINGTON FIELD	-
subject:	
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on May 2h, 19h8, Lt. JOHN RYA	· · · · · · · · · · · · · · · · · · ·
Police Department, furnished this office captioned as above which he stated was ERNEST McMURRAY, 724 Maryland Avenue, Ning to Lt. RYAN, McMURRAY stated that he street and Lt. RYAN did not interrogate circumstances under which the pamphlet in view of the nature of the pamphlet it is being furnished herewith that the Bureau may desire to return it through liaison channels.	brought to the Precinct by  Le, Washington, D. C. Accorde  to found the pamphlet on the  him regarding the exact  was found.  Different Department of the  information contained in the  to the Bureau and it is suggested
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Mr. Hendon\_\_\_\_\_\_ Mr. Pennington

Mr. Nease\_\_ Miss Gandy\_

Mr. Quinn Tamm\_

MEMORANDUM FOR

ATOMIC ENERGY
LIAISON SECTION
JUN 11 256 PM '48
F. B. L. IUSTICE

Mr. Tolson	
OFFICE OF DIRECTOR Mr. E. A. Tamm_ FEDERAL BUREAU OF INVESTIGATION Mr. Clegg	
UNITED STATES DEPARTMENT OF JUSTICE Mr. Glavin	
Mr. Ladd	
June 15, 1948 Mr. Nichols	
Mr. Rosen	
4:10 pm Mr. Tracy	
Mr. EganMr. Gurnea	
Mr. Harbo	
Mr. Jones	
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Mr. Pennington_	
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# UNITED STATES GOVERNMENT

THE DIRECTOR

DATE: June 30, 1948

JUL 13 1948

D. H. Ladd FROM

SUBJECT:

I took a call from Mr. Ugo Carusi by reference from your Office. He stated that he was calling in connection with the Displaced Persons Bill. He stated that the state of He stated that this Bill indicated that the President can designate the Agency which is to make the investigation abroad to Hair determine whether the displaced persons applying for admission to the United States are eligible for such admission under the Bill. He stated that he desired to know whether the FBI would desire to handle such investigations in Europe.

I advised Mr. Carusi that the Bureau had no personne abroad, and in view of the creation of CIA, had been barred from foreign intelligence work; that, therefore, the Bureau would not be interested in being designated as the Agency to handle these investigations.

In Mr. Carusi stated that in view thereof he thought that he would have the President designate the Commission as the Agency responsible and that the Commission would utilize CIC (Army) personnel to conduct the necessary inpestigations in Europe.

Mr. Carusi stated that he would want to talk to the Bureau at a later date with reference to the possibility of a security check of the names of the individuals, and I suggested that he might also consider the question of the submission of the fingerprints of any such displaced persons who were to be admitted to the United States. Mr. Carusi stated that he would contact the Bureau later with reference to such a conference.

In the event such a conference is held, it would be my recommendation that we advise Mr. Carusi that the Bureau felt that the names of those person's Coming to the United States should be furnished to the Bureau for a security check, and that the fingerprints of such persons should be submitted to the Bureau in order that there would be some record of these aliens being brought into the United States.

DML:FA

mited States Department of Mr. Clegg.... Nederal Bureau of Investigation Mashington 25, A. C. IN REPLY, PLEASE REFER TO July 2, 1948 FILE No. MEMORANDUM FOR THE DIRECTOR There is attached hereto which is of possible interest to The material was obtained from a very the Bureau. confidential source and should not be disseminated under any circumstances. Referral/Consult Respectfully, G. (A.) Nease Attachment 27 JUL 19 1648 ALL THEORESTION CONTAINED HRREIN IS UNCLASSIFIED - BA POSKS प्राप्त कि यार 51 OCT 111018

Mr. Tolson

Mr. Mr. Milhols

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Mr. Nease

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A

STANDARD FORM NO. 64 Office Memorandum · UNITED STATES DATE: June 19 TO : E. A. Tamm FROM: D. M. Ladd CIA REQUEST FOR BUREAU SPEAKER SUBJECT: Och level duty in a auti it With reference to the request of CIA for a Bureau speaker bluow T recommend that either Mr. K. R. McIntire or Mr. Lish Whitson be authorized to make a general talk on this matter and that they be advised to point out during the course of the talk that green griver DML:mn

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	Mr. Tolson
OFFICE OF DIRECTOR	Mr. E. A. Tamm_
FEDERAL BUREAU OF INVESTIGATION	Mr. Clegg
UNITED STATES DEPARTMENT OF JUSTICE	Mr. Glavin
June 28, 1948	Mr. Ladd Mr. Nichols
` ,	
	Mr. Rosen
In view of Admiral Hillenkoetter	Mr. Egan
appointment with the Director at	Mr. Gurnea
10:00AM, June 29th, attached is the background memorandum on the	
Admiral.	
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1	Mr. Mohr Mr. Pennington
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# Office Memorandum • United States Government

TO : Director, FRI

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July 20, 1948

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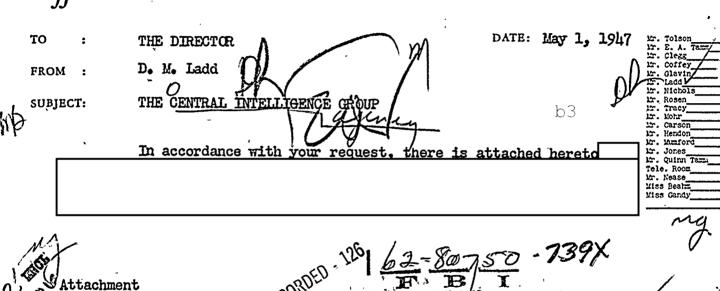
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# Office-Memorandum • United States Government



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STANDARD FORM

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### EXPLANATION OF THE PROVISIONS OF H. R. 5871

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(References are to Section, page, and line of H. R. 5871).

Section 1 (page 1, line 4) comprises definitions of certain terms used in the Act.

Section 2 (page 2, line 8) provides for a seal of office. Intelligence records contain information that is sometimes required for official use either in other Departments or as evidence in legal proceedings. Unless proper authentication of copies can be made, original documents would have to be produced.

Section 3(a) (page 2, line 13) provides for the extension to CIA of certain provisions of the Armed Services Procurement Act of 1947 (Public Law 413, 80th Congress). The following provisions of Section 2(c) of the Armed Services Procurement Act are requested which provide for negotiation on purchases and contracts for supplies without advertising if:

There is a national emergency, (Sec. 2(c)(1)); The public exigency will not admit a delay, (Sec. 2(c)(2));

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(5648)

**ENCLOSURE** 

The aggregate amount does not exceed \$1,000.00, (Sec. 2(c)(3);

For personal or professional services, (Sec. 2(c)(4));

For service to be rendered by universities, colleges or other educational institutions, (Sec. 2(c)(5));

Supplies or services are to be procured and used outside the United States, (Sec. 2(c)(6));

For supplies or services for which it is impracticable to secure competition, (Sec. 2(c) (10));

For supplies or services the nature of which should not be publicly disclosed, (Sec. 2(c)(12));

For supplies when the bid prices after advertising are not reasonable or have not been independently arrived at, (Sec. 2(c)(15)); and

For such procurement otherwise authorized by law, (Sec. 2(c)(17));

The remaining sections of Public Law 413, which it is requested be extended to CIA, set forth the rules for advertising, the type of contracts that can be made, provide for advance payments under certain circumstances, liquidating damages, and joint procurement.

Section 3(b) (page 2, line 19) defines "Agency head" as the Director, Deputy Director, or Executive Director of the CIA in the same manner as it is defined in Section 9 of Public Law 413 where "agency head" is construed to mean the Secretary, Under Secretary, or any Assistant Secretary of the Armed Services.

Section 3(c) (page 2, line 23) provides for the delegation of procurement authorities by the Agency head to other responsible officials of the Agency, in a manner similar to the provisions of Section 10 of Public Law 413.

Section 3(d) (page 3, line 8) provides that certain procurement authorities contained in Public Law 413 shall be exercised only by the Agency head and shall not be delegable.

It should be noted that authority is sought only for those procurement authorities in Public Law 413 which are essential to the supplying of the peculiar needs of an intelligence service. Not all of the authorities of Public Law 413 have been requested. Of those requested special emphasis should be laid on the provision which raises the normal exemption from advertising provisions from \$100.00 to \$1,000.00. The lower limitation has caused the major procurement problems for CIA in the past. A variety of minor items not available through normal procurement channels is required for support of CIA activities. The bulk of this type of procurement falls below \$1,000.00 in the aggregate, but in large part exceeds \$100.00.

of great importance to CIA is the exception from advertising for supplies or services which should not be publicly disclosed. Certain items are secret in nature or in the use to which put, and consequently advertising should not be used in their procurement. Furthermore, in contrast to normal Government procurement, some CIA equipment should not be standardized but should be diversified in order to insure the security of individuals and establishments of the Agency.

Section 4 (page 3, line 20) permits the Director to provide for special instruction or training for Agency personnel. It further provides for the payment of tuition and expenses for Agency personnel on such assignments. This language is substantially that of Sections 573(b) and 705 of the Foreign Service Act of 1946.

Section 5 (page 4, line 8) provides for travel, allowances and related expenses for Agency personnel assigned to permanent duty stations outside the United States. As it is considered desirable that employment in CIA be regarded as a career service, it is felt that the Agency has a problem similar to that faced by the Foreign Service in the assignment of personnel to duty abroad. Section 5, therefore, provides authorities,

similar to those granted in the Foreign Service Act of 1946, which are believed necessary to the development of an intelligence career staff! The language of Section 5 is taken verbatim from the appropriate sections of the Foreign Service Act of 1946, and these sections are designated in parentheses in this explanation.

Section 5(A)(1)(a) (page 4, line 12) provides for the payment of travel expenses for employees, including travel to and from the United States on statutory leave, which expense otherwise must be borne by the employee. (Section 911(1), Foreign Service Act).

Section 5(A)(1)(b) (page 4, line 17) provides for travel expenses of the employee's family accompanying him on authorized travel, including travel for statutory home leave. (Section 911(2), Foreign Service Act).

Section 5(A)(1)(c) (page 4, line 23) provides for payment of transporting an employee's household belongings from post to post and to his home on termination. (Section 911(3), Foreign Service Act).

Section 5(A)(1)(d) (page 5, line 3) is a recognition of the practical situation occurring in times of emergency which forces the employee to be absent from his official station or to store his belongings elsewhere, through no

fault of his own, resulting solely from the performance of his assigned duties. (Section 911(4), Foreign Service Act).

Section 5(A)(1)(e) (page 5, line 9) recognizes the difficulty in obtaining quarters immediately upon arrival at a foreign station, by providing for storage of belongings up to three months. (Section 911(5), Foreign Service Act).

Section 5(A)(1)(f) (page 5, line 15) recognizes the financial burden which an employee may suffer if it becomes necessary to move his family and household effects temporarily away from his post due to dangerous conditions. (Section 911(7), Foreign Service Act).

Section 5(A)(2) (page 5, line 25) authorizes the granting of statutory leave in the United States after two years' foreign service. It allows the employee, while in this country on leave, to be assigned to temporary duty in the United States for special purposes or recrientation prior to returning to Foreign Service.

(Sections 951(b) and 933(b), Foreign Service Act).

Section 5(A)(3) (page 6, line 15) provides for payment of shipping expense for private automobiles. (Section 913, Foreign Service Act).

Section 5(A)(4) (page 6, line 22) provides for the health of employees overseas by permitting the payment of travel expenses to the nearest adequate facilities when local medical facilities are inadequate, for the establishment of a first aid station and a nurse at a post where the number of personnel warrants such a station, payment for cost of treatment of illness or injury incurred in line of duty overseas, and for physical examinations and payment of the cost of administering inoculations or vaccinations. (Sections 941, 942(a) and (b) and 943, Foreign Service Act).

Section 5(B) (page 8, line 1) provides for allowances similar to those given to Foreign Service officers and employees, including living quarters allowance, cost-of-living allowances, extraordinary expenses and others.

These allowances are controlled by regulations prescribed by the President. Exception is sought from 5 U.S.C. 70, which prohibits allowances of this type unless authorized by law. (Sections 901(1) and 901(2), Foreign Service Act).

Section 6(a) (page 8, line 11) provides for the annual financing of CIA operations without impairing security.

Section 6(b) (page 8, line 24) excepts the Agency

from the provisions of law which prohibit exchange of funds by any disbursing officer other than exchange of gold, silver, U. S. Notes and National Bank Notes.

Section 6(c) (page 9, line 1) provides for the assignment of personnel of other Government agencies to CIA and the reimbursement of those agencies for such services.

Section 6(e) (page 9, line 11) seeks exemption from limitations which permit no more than 25% of the first year's rental for leased property to be spent on permanent improvements and a further limitation of 15% of the fair market value as the rental which may be paid. These exemptions are sought to enable the Agency to expend required funds for security and special installations of leased premises, with a particular eye to the fact that these premises must on occasion be selected for certain technical uses which would make it impossible to consider several alternate sites or utilize general facilities for which there is competition. These limitations have in the past so hampered CIA on improvements to leased facilities as

to qualify the security of some installations.

Section 6(f) (page 9, line 19) seeks exemption from 5 U.S.C. 654 which requires the annual publication of a book entitled the "Official Register of the United States". This book contains full lists of all persons occupying administrative and supervisory positions in the Government, including their official title and station, their legal residence and annual compensation. The publication of this information would represent a serious breach of the security of the Agency.

The proviso of Section 6(f) (page 10, line 7) seeks exemption from the provision which requires the Director of the Bureau of the Budget to report the Agency's personnel ceilings quarterly to the Congress. While this section in no way alters the requirement that the Director of the Bureau of the Budget fix the Agency's quarterly personnel ceilings, it does prevent their publication. It has long been felt that knowledge of Agency personnel figures would enable the intelligence agencies of foreign powers successfully to estimate the size and scope of CIA operations.

Section 7(a) (page 10, line 14) establishes a point of reference to which the administrative and fiscal officers

of CIA and other appropriate officers of the Government may look to determine what expenditures are authorized in the course of supporting the activities of the Agency.

Section 7(b) (page 11, line 21) enables the spending of a portion of the money made available to the Agency for confidential purposes, to be accounted for solely by certification of the Director.

Section 8 (page 12, line 9) provides for the separability of the provisions of this Act.

Section 9 (page 12, line 15) provides the short title for the Act.



### United States Department of Instice Rederal Bureau of Investigation New York - New York ,

IN REPLY, PLEASE REFER TO

July 22, 1948.

Director, FBI.

Attn: Assistant Director D. M. Ladd

Dear Sir:

Pursuant to my telephone conversation today with Assistant Director D. M. Ladd, there is transmitted to the Bureau herewith copies of two articles which appeared in the New York Times on July 20 and July 22, 1948, captioned "Intelligence - 1" and "Intelligence - II",

these articles being concerned with the Central Intelligence Agency.

Very truly your

SAC

Enclosures-2

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### Intelligence—l

### One of Weakest Links in Our Security. Survey Shows—Omissions, Duplications

#### By HANSON JV BALDWIN

America's first line of defense in restal and the National Security the atomic age—a world-wide in-Council. telligence service—is today one of the survey, a continuing one the weakest links in our national which will end with a report by

security.
This is the conclusion of this correspondent after a careful survey of our intelligence activities, and it is a conclusion with which most of our informed authorities emphatically agree.

The evidences are legion. Friction has been pronounced between yarious intelligence agencies of Fovernment—notably between the dew post-war Central Intelligence gency and the State Department: fotween the CIA (Central Intelli-tence Agency) and the Federal Bureau of Investigation, and between the CIA and the Atomic En-

ergy Commission.

There is unnecessary duplication and overlapping; at the same time, there are serious omissions of in-telligence, and there is consider-able expensive "empire-building." Worst of all, many of the person-nel being utilized to evaluate intel-ligence reports are definitely sec-ond-rate, able to earn more money in Washington in Federal employ-ment than they could earn on col-lege campuses or in other civilian occupations.

Know Little of Soviet Strength The result today is a marked depreciation in the quantity and quality of our intelligence as compared to the war years. Our knowledge of Russian strength is admittedly fragmentary, and many of the estimates by different Government agencies are conflicting. ernment agencies are conflictingso widely divergent in some cases that they are impossible to reconcile. Our information about Russian atomic energy activities is notable for its scarcity.

These facts, a growing sense of frustration and discouragement among some intelligence personnel, These facts, a growing sense of frustration and discouragement among some intelligence personnel, which has led to the resignations the CIA, who were being studied from CIA and Army G-2 of some of the best civilian personnel, and several intelligence fiascos since the war, climaxed by Bogotá, have fire" against the Dulles group in brought about an investigative an attempt to discredit it prought about an investigative survey of the whole intelligence structure of Government, it was learned.

Allen W. Dulles, who occupied a prominent role in Switzerland with the Office of Strategic Services during the war; William H. Jackintelligence officer, and Mathias F. Correa, former OSS official, gence organization and its operations at the request of the White House, Secretary of Defense For-

The survey, a continuing one which will end with a report by next January, is studying not only the Central Intelligence Agency, but also the inter-relationship of but also the inter-relationship of this agency with the intelligence activities of the State, Army, Air Force, and Navy Departments and the FBI. As a result of the study some changes already have been made, and others—perhaps of a sweeping nature—are predicted. Considerable shifts of personnely particularly in the Central Intelligence Agency, have occurred, or are occurring, although some of are occurring, although some of them pre-dated the Dulles commission's appointment.

#### Changes Going On in CIA

Apparently as a direct result of the Dulles inquiry some strange "finaglings" have been going on in the Central Intelligence Agency. Last year, coincident with the transfer of its director, the office of collection and dissemination, one of six principal offices in the agency. was abolished Today if agency, was abolished. Today it has been restored under another head and is bigger than ever.

After the Dulles survey started a considerable section of the office of administration and manage-ment, a lopsidedly large and overstaffed office which was supposed to shuffle paper work for the benefit of the operating forces but had become in some ways the tail that wagged the dog, was seemingly "eliminated." But the elimination, it has now developed, merely involved the paper shift of a large number of personnel to the newly reconstituted office of collection and dissemination, with no net reduction in employee duction in employes.

At the same time some of those

an attempt to discredit it.

Mr. Dulles' survey, in other words, already has struck sparks, but if it is to achieve its purpose it must inevitably lead—in the opinion of those who have studied our intelligence agencies closely to major personnel changes in our son, New York lawyer and wartime intelligence agencies, to some reintelligence officer, and Mathias organizational and perhaps func-F. Correa, former OSS official, tional modifications, and to insist-have been surveying our intelli- ence upon better cooperation between all intelligence agencies.

[This is the first of a series of

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### Intelligence—II

### Older Agencies Resent a Successor, And Try to Restrict Scope of Action

#### By HANSON W. BALDWIN

Intelligence agencies is in a major rate and of considerable impordegree responsible for the current tance. The full scope of the upstudy, headed by Alien W. Dulles, rising, and particularly the extension of the Government's intelligence

organizations.

organizations.
Friction is not new to Washington, but the newly-established Central Intelligence Agency, successor to the Central Intelligence Group and to the wartime Office of Strategic Services, has had more than its share. A new agency always has trouble in establishing itself in politically-jealous and power-conscious Washington, and this has been especially true in the case of CIA, which "inherited" some of the Office of Strategic Services' wartime feuds, and which found itself a "nouveau riche" in the field of intelligence amongst old established agencies. old established agencies. Some gross mistakes of its own

Some gross mistakes of its own and a much too rapid expansion by CIA which led to "empire-building" and retention of some incompetent personnel fed the flames of controversy, but major friction has resulted because of the attempts of the older agencies to retain at their powers and prerogatives and to retrict and confine and reduce CIA's scope of action.

#### Catalogue of Friction

Appries catalogue of this friction

Catalogue of Friction

Apbrief catalogue of this friction

Yeveals its seriousness:

1. CIA and G-2 were locked in
a bitter feud until some months
ago; today relations are more correct but not cord. The issue, in
part, was whether or not CIA
should take over collection of secret intelligence as well as its
evaluation. CIA won out and theoretically, at least, controls all
espionage agents operating for
this country overseas, but there is
still reason to believe that G-2
continues to operate its own
agents, although it denies this.

2. Prime antagonists today are
the State Department and CIA, or
at least personalities in both agencles. CIA representatives overseas
have been in virtually all cases attached to American Embassies
and have usually used State Department communications facilities. Differences of opinion as to
the exact power of the Ambassador over the CIA representative
and other issues finally crystallized into open "name-calling" affer the unexpected rebellion flared
at the Bogota conference in April.

The full intelligence story of the
Expecta conference never has been
told, and probably never can be.
Rear Admiral Roscoe H. Hillenkoetter, director of the Central Inelligence Agency, produced—at the
quickly dropped Congressional investigation—messages which were
halled in some quarters as proof of
our foreknowledge of the revolt.

A careful reading of these messages, however, indicated that they
were virtually unevaluated and undigested intelligence; most of them
read like clippings from The Daily
Worker and were so generalized

Friction between Government tained in some of them was, accusive participation of the Bogotá police in it, were not anticipated, however. The incident clearly revealed some weaknesses in collection of intelligence, greater weak-

tion of intelligence, greater weaknesses in evaluation and the
creaky nature of the mechanism
for exchange and transmission of
information between the State Department and the CIA overseas
and in this country.

Improvements in the latter
weakness have been made, due in
large measure to the Dulles inquiry, but the State Department
is still hostile, not to the concept
of the CIA, but to the present or
ganization staffed as it is, and
feels that many of its reports and
evaluations merely duplicate its
bwn.

evaluations merely duplicate its bwn.

3. Friction between the CIA and the Federal Bureau of Investigation really began fourteen months ago when, under a Presidential directive, the CIA took over the intelligence functions that the FBI had expressed in Latin America during the war. The turnover of responsibility in various offices that had been established in Latin America followed no common pattern but generally was a good example of lack of teamwork.

In some Latin-American offices FBI agents offered full cooperation to their CIA successors and delayed their departure to permit a period of overlap and a gradual and orderly turnover. But in a number of instances the CIA agents arrived in the morning to find the FBI files burned and the FBI agents booked for departure that afternoon. The excuse given was that some of the CIA agents assigned to Latin America were not sufficiently "security-conscious."

Shift on Loyalty Checks

Shift on Loyalty Checks

the State Department and CIA, or at least personalities in both agencies. CIA representatives overseas have been in virtually all cases at tached to American Embassies and have usually used State Department communications facilities. Differences of opinion as to the exact power of the Ambassad or over the CIA representative and other issues finally crystallized into open "name-calling" after the unexpected rebellion flared at the Bogota conference in April. The full intelligence story of the Rear Admiral Roscoe H. Hillen-koetter, director of the Central Inelligence Agency; produced—at the quickly dropped Congressional investigation—messages which were halled in some quarters as proof of our foreknowledge of the revolt.

A careful reading of these messages, however, indicated that they were virtually unevaluated and undigested intelligence; most of them reud like clippings from The Dally Worker and were so generalized that they could scarcely be interpreted as accurate forecasts of the revolt.

It was learned, however, that the messages produced for Congress and published were not, by any means, the only indications gleaned of the Colombian situation. Other messages—at least one of them forecasting the participation of some of the Bogotá police and the Communist use of mobile sound trucks to incite revolt—were received, and the factual advance—information con-

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NEW YORK TIMES 7/22/48

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TANDARD FORM NO. 64-

# Office Memorandum • United States Government

TO : The Director

FROM : D. M. Ladd

SUBJECT: Senate Bill #2688

Reference is made to the attached Senate Bill #2688 introduced by Senator Saltonstall on May 17, 1948, which is cited as the Central Intelligence Agency Act of 1948. This Bill was almost identical with a Bill previously introduced by Senator Gurney on May 13, 1948, as reflected in my memorandum of March 16, 1948. The Bill purports to cover expenditures by the Central Intelligence Agency and does not change their fundamental

position as set forth in the Armed Forces Merger Bill. In the Armed Forces Merger Bill they are, of course, set up as an independent agency and their functions are detailed, but they are subject to control of the National Security Council. The provisions of Senate Bill #2688 are briefly as follows:

#### Seal of Office

It is provided that seals shall be used and "judicial notice taken thereof."

#### Procurement Authorities

CIA is authorized to exercise specified authorities granted in the Armed Services Procurement Act of 1947.

### Education and Training

This Section provides that the Agency may assign officers or employees for training, instruction, etc. with any group, private or public, and may pay tuition and expenses in connection therewith.

### Travel, Allowances, and Related Expenses

With reference to employees of the Agency assigned to permanent duty stations outside the United States, the CTA may:

(1) Pay travel expenses.

(2) Pay travel expenses of members of family both in proceeding and returning from duty and in connection with authorized home leave.

(3) Pay cost of transporting furniture, etc.

(4) Pay cost of storing furniture, etc. of employee who is absent under orders from usual post of duty.

(5) Pay cost of storing furniture, etc. of employee when he first arrives at a new post of duty for a period not to exceed three months.

(6) Pay travel expenses and transportation costs, incidental, to removal of members of family or furniture and household goods from a past where tregause of disturbed conditions there is danger.

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DATE 5-24-99 - BY LOZATUSEP/

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DATE: May 19, 1948

#### Memorandum for the Director

(7) Pay for leave in United States after two years continuous service abroad.

(8) Pay transportation cost of automobile.

(9) In the event of illness or injury abroad where medical facilities are inadequate, pay travel expenses of employee without regard to government travel
regulations to locality where there are suitable medical facilities. Under
this provision, it is set forth that a First Aid Station may be provided at a
post where necessary. Cost of hospitalization at a post may be paid. Periodic
physical examinations may be provided for.

(10) The Director of CIA is authorized to grant employees allowances in accordance with the provisions of the Foreign Service Act of 1946 notwithstanding any other

law.

#### General Authorities

CIA is authorized by this Bill to transfer and receive from other government agencies any sums approved by the Bureau of Budget or to exchange funds. It is also authorized to reimburse other government agencies for services of personnel assigned to CIA; authorize couriers to carry firearms; make alterations, improvements, and repairs on premises rented by the Agency; and to pay rent without regard to limitations on expenditures contained in the Act of June 30, 1932.

It is provided that the Director of CTA shall be responsible for protecting intelligence sources and methods and is, therefore, exempted from provisions of the law which requires publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency. Also the Bureau of Budget is not to make a report to Congress in like matters.

#### Appropriations

It is stated that notwithstanding any other provisions of the law, sums made available to the Agency may be expended "for purposes necessary to carry out its functions." Functions set forth are personal, services, rent, transportation of the remains of officers who died abroad, rental of news services, purchase or rental of photographic, cryptographic machines, radio equipment, aircraft, vessels, printing and binding, and firearms. It is also stated that subject to policy established by the Director, expenses of travel and other expenses incidental to attendance at professional, technical, scientific, and other similar meetings may be paid. Other matters which are specifically set forth are association/library dues, payment of claims under the Federal Tort Claims Act, repair, rental, and operation of buildings, utilities, etc.

The final provision of the Act is that the sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of government funds; and for objects of a confidential, extraordinary, or emergency nature, such expenditures may be accounted for solely on the certificate of the Director.

Memorandum for the Director

#### Comment

These provisions in large part are similar to those provided for the Foreign Service of the State Department. However, the provisions do extend the power and authority of the Central Intelligence Agency to an unprecedented extent in that it exempts it from provisions of federal laws relating to expenditures and prevents the Bureau of Budget from making a report to Congress concerning the organization, personnel, etc. of the Agency. As noted above, however, the basic law regarding CIA, which of course is set up as an independent agency, remains in effect.

Attachment

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alendar No. 1340

**80TH CONGRESS** 2D Session

## S. 2688

[Report No. 1302]

#### IN THE SENATE OF THE UNITED STATES

May 17 (legislative day, May 10), 1948

Mr. SALTONSTALL, from the Committee on Armed Services, reported the following bill; which was read twice and ordered to be placed on the calendar

## A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

- Be it enacted by the Senate and House of Representa-1
- tives of the United States of America in Congress assembled, 2
- 3 DEFINITIONS
- SECTION 1. That when used in this Act, the term-4
- (a) "Agency" means the Central Intelligence Agency;
- (b) "Director" means the Director of Central Intelli-6
- 7 gence;
- (c) "Government agency" means any executive depart-8
- council, independent establishment, commission,
- corporation wholly or partly owned by the United States

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- 1 which is an instrumentality of the United States, board,
- 2 bureau, division, service, office, officer, authority, administra-
- 3 tion, or other establishment, in the executive branch of the
- 4 Government; and
- 5 (d) "Continental United States" means the States and
- 6 the District of Columbia.
  - 7 SEAL OF OFFICE
- 8 SEC. 2. The Director of Central Intelligence shall cause
- 9 a seal of office to be made for the Central Intelligence Agency,
- 10 of such design as the President shall approve, and judicial
- 11 notice shall be taken thereof.
- 12 PROCUREMENT AUTHORITIES
- 13 Sec. 3. (a) In the performance of its functions the
- 14 Central Intelligence Agency is authorized to exercise the
- authorities contained in sections 2 (c) (1), (2), (3), (4),
- 16 (5), (6), (10), (12), (15), (17), and sections 3, 4, 5,
- 17 6, and 10 of the Armed Services Procurement Act of 1947
- 18 (Public Law 413, Eightieth Congress, second session).
- 19 (b) In the exercise of the authorities granted in sub-
- 20 section (a) of this section, the term "Agency head" shall
- 21 mean the Director, the Deputy Director, or the Executive
- .22 Director of the Agency.
- (c) The determinations and decisions provided in sub-
- 24 :ection (a) of this section to be made by the Agency head
- 25 nay be made with respect to individual purchases and con-



tracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (d) - 2 of this section, the Agency head is authorized to delegate his powers provided in this section, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officials of 6 the Agency. (d) The power of the Agency head to make the de-8 terminations or decisions specified in paragraphs (12) and (15) of section 2 (c) and section 5 (a) of the Armed 10 Services Procurement Act of 1947 shall not be delegable: 11 Each determination or decision required by paragraphs (12) 12and (15) of section 2 (c), by section 4 or by section 5 (a) 13of the Armed Services Procurement Act of 1947, shall be based upon written findings made by the official making 15 16 such determinations, which findings shall be final and shall be available within the Agency for a period of at least six 17 years following the date of the determination. 18 EDUCATION AND TRAINING 19. SEC. 4. (a) Any officer or employee of the Agency 20 may be assigned or detailed for special instruction, research, 21 or training, at or with domestic or foreign public or private 22institutions; trade, labor, agricultural, or scientific associa-23tions; courses or training programs under the National Mili-24tary Establishment; or commercial firms. 25

1.	(b) The Agency shall, under such regulations as the
2	Director may prescribe, pay the tuition and other expenses of
3	officers and employees of the Agency assigned or detailed
4	in accordance with provisions of subsection (a) of this
<b>5</b> .	section, in addition to the pay and allowances to which
6.	such officers and employees may be otherwise entitled.
7	TRAVEL, ALLOWANCES, AND RELATED EXPENSES:
8,	Sec. 5: (A) Under such regulations as the Director
9,	may prescribe, the Agency, with respect to its officers and
lO,	employees assigned to permanent-duty stations outside the
1.	continental United States, its territories and possessions,
2	shall—
13.	(1) (a) pay the travel expenses of officers and
Ļ <b>4</b>	employees of the Agency, including expenses incurred
<b>15</b>	while traveling pursuant to orders issued by the Di-
<b>16</b> ,	rector in accordance with the provisions of section
17.	5 (A) (2) with regard to the granting of home leave
<b>.</b>	(b) pay the travel expenses of the members of
[9	the family of an officer or employee of the Agency when
20.	proceeding to or returning from his post of duty; accom-
21	panying; him on authorized home leave; or otherwise
22.	traveling in accordance with authority granted pursuant
23.	to: the terms of this or any other Act;
24.	(c) pay the cost of transporting the furniture and

household and personal effects of an officer or employee

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- of the Agency to his successive posts of duty and, on the termination of his services, to the place where he will reside;
  - (d) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use his furniture and household and personal effects;
  - (e) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;
  - (f) pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to

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- such other post as may in the meantime have become
- 2 the post to which such officer or employee has been
- 3 assigned.
- 4 (2) Order to the continental United States on leave
- 5 provided for in 5 United States Code 30, 30a, 30b, or as
- 6 such sections may hereafter be amended, every officer and
- 7 employee of the Agency who is a citizen of the United States,
- 8 upon completion of two years' continuous service abroad, or
- 9 as soon as possible thereafter: Provided, That such officer
- 10 or employee has accrued to his credit at the time of such
- 11 order annual leave sufficient to carry him in a pay status
- while in the United States for at least a thirty-day period.
- 13 (a) While in the continental United States on leave,
- 14 the service of any officer or employee shall be available for
- 15 work or duties in the Agency or elsewhere, but the time of
- 16 such work or duties shall not be counted as leave.
- 17 . (b) Where an officer or employee on leave returns
- 18 to the continental United States, leave of absence granted
- 19 shall be exclusive of the time actually and necessarily
- 20 occupied in going to and from the continental United States,
- 21 and such time as may be necessarily occupied in awaiting
- 22 transportation.
- 23 (3) Notwithstanding the provisions of any other law,
- 24 transport for or on behalf of an officer or employee of the
- 25 Agency, a privately owned automobile in any case where

- the Agency head shall determine that water, rail, or air transportation of the automobile is necessary, or expedient for any part or of all the distance between points of origin and destination.
- .5 (a) In the event of illness or injury requiring the hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of 8 vicious habits, intemperance, or misconduct on his part, 9 incurred while on assignment abroad, in a locality where 10 there does not exist a suitable hospital or clinic, pay the 11 travel expenses of such officer or employee by whatever 12 means he shall deem appropriate and without regard to 13 the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U. S. C. 15 73b), to the nearest locality where a suitable hospital or 16 clinic exists and on his recovery pay for the travel expenses 1.7 of his return to his post of duty. If the officer or employee 18 is too ill to travel unattended, the Director may also pay the travel expenses of an attendant;
  - (b) Establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station;
  - (c) In the event of illness or injury requiring hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of vicious habits,

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- 1 intemperance; or misconduct on his part, incurred in the
- 2 line of duty while such person is assigned abroad, pay for
- 3 the cost of the treatment of such illness or injury at a suit-
- 4 able hospital or clinic.
- 5 (d) Provide for the periodic physical examination of
- 6 officers and employees of the Agency and for the cost of
- 7 administering inoculations or vaccinations to such officers or
- 8 employees.
- .9 (B) In accordance with such regulations as the Presi-
- 10 dent may prescribe and notwithstanding the provisions of
- 11 section 1765 of the Revised Statutes (5 U.S. C. 70), the
- 12 Director is authorized to grant to any officer or employee of
- 13 the Agency who is a citizen of the United States allowances
- 14 in accordance with the provisions of sections 901 (1) and
- 15 901 (2) of the Foreign Service Act of 1946.
- 16 GENERAL AUTHORITIES
- SEC. 6. In the performance of its functions, the Central
- 18 Intelligence Agency is authorized to—
- (a) transfer to and receive from other Government
- agencies such sums as may have been approved by the
- Bureau of the Budget and appropriated, for the perform-
- ance of any of the functions or activities authorized
- under sections 102 and 303 of the National Security Act
- of 1947 (Public Law 253, Eightieth Congress), and any
- other Government agency is authorized to transfer to or



- receive from the Agency such sums without regard to
  any provisions of law limiting or prohibiting transfers
  between appropriations. Sums transferred to the
  Agency in accordance with this paragraph may be expended for the purposes and under the authority of this
  Act without regard to limitations of appropriations from
  which transferred;
  - (b) exchange funds without regard to section 3651 Revised Statutes (31 U. S. C. 543);
  - (c) reimburse other Government agencies for services of personnel assigned to the Agency, and such other Government agencies are hereby authorized, without regard to provisions of law to the contrary, so to assign or detail any officer or employee for duty with the Agency;
  - (d) authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;
  - (e) make alterations, improvements, and repairs on premises rented by the Agency and pay rent therefor without regard to limitations on expenditures contained in the Act of June 30, 1932, as amended: *Provided*, That in each case the Director shall certify that exception from such limitations is necessary to the successful per-

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1	formance of the Agency's functions or to the security of
2	its activities;
3	(f) in the interests of the security of the foreign
4	· intelligence activities of the United States and in order
5	further to implement the proviso of section 102 (d) (3)
· <b>6</b>	of the National Security Act of 1947 (Public Law 253),
7	Eightieth Congress, first session) that the Director of
. <sup>•</sup> 8	Central Intelligence shall be responsible for protecting
9	intelligence sources and methods from unauthorized dis-
<b>10</b>	closure, the Agency shall be exempted from the provi-
11	sions of sections 1 and 2, chapter 795, of the Act of
12	August 28, 1935 (49 Stat. 956, 957; 5 U.S. C. A.
13	.654), and the provisions of any other law which require
14	the publication or disclosure of the organization, func-
15	tions, names, official titles, salaries, or numbers of per-
16	sonnel employed by the Agency: Provided, That in
17	furtherance of this section, the Director of the Bureau
18	of the Budget shall make no reports to the Congress in
19	connection with the Agency under section 607, title VI,
20	chapter 212, of the Act of June 30, 1945, as amended
21	(5 U. S. C. A. 947 (b)).
<b>22</b>	APPRÓPRIATIONS
23	SEC. 7. (a) Notwithstanding any other provisions of

law, sums made available to the Agency by appropriation



#### 11

1 or otherwise may be expended for purposes necessary to
2 carry out its functions, including—

3 (1) personal services, including personal services without regard to limitations on types of persons to be 4 employed, and rent at the seat of government and else-5 where; preparation and transportation of the remains of 6 7 officers and employees who die abroad or in transit, 8 while in performance of their official duties, to their 9 former homes in this country or to a place not more 10 distant for interment. and for ordinary expenses of such interment; penalty mail; health-service program 11 12 as authorized by law (5 U.S. C. 150); rental of news-13. reporting services; purchase or rental and operation of 14 photographic, reproduction, cryptographic, duplication 15 and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and de-16 17. vices, including telegraph and teletype equipment; 18 purchase, maintenance, operation, repair, and hire of passenger motor vehicles and aircraft, and vessels of 19 20 all kinds) printing and binding; purchase, maintenance, 21 and cleaning of firearms; subject to policies established 22 by the Director, expenses of travel in connection with, 23 and expenses incident to attendance at meetings of 24 professional, technical, scientific, and other similar or-

ganizations when such attendance would be of benefit 1  $\mathbf{2}$ in the conduct of the work of the Agency; association 3 and library dues; payment of claims pursuant to section 403 of the Federal Tort Claims Act of 1946 (60 Stat. 4 843; 28 U.S. C. 921); repair, rental, operation, and 5 maintenance of buildings, utilities, facilities, and ap-٠6 7 purtenances. (b) The sums made available to the Agency may be N 8 9 expended without regard to the provisions of law and regu-10 lations relating to the expenditure of Government funds; and 11 for objects of a confidential, extraordinary or emergency 12 nature, such expenditures to be accounted for solely on the 13 certificate of the Director and every such certificate shall be 14 deemed a sufficient voucher for the amount therein certified. 15 SEPARABILITY OF PROVISIONS 16 SEC. 8. If any provision of this Act, or the application 17 of such provision to any person or circumstances, is held 18 invalid, the remainder of this Act or the application of such 19 provision to persons or circumstances other than those as 20 to which it is held invalid, shall not be affected thereby. 21 SHORT TITLE 22 SEC. 9. This Act may be cited as the "Central In-23telligence Agency Act of 1948".

Calendar No. 1340

80rh CONGRESS 20 Session

S. 2688

[Report No. 1302]

## A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

#### By Mr. SALTONSTALL

May 17 (legislative day, May 10), 1948 Read twice and ordered to be placed on the calendar

Office Memorandum UNITED STATES GOVERNMENT DATE: New York, N.Y. Director, FBI July 23, 19 Attention: Assistant Director D.M. Ladd. SAC. New York SUBJECT: There is attached clipping of article appearing in the New York Times of July 23, 1948, entitled "INTELLIGENCE -- III", by Hanson W. Baldwin. G. I. R. -2 ALL INFORMATION CONTAINED DELL ES:MT HEREIN IS UNCLASSIFIED DATE 5-24-19 BY LOUIS! Enclosure. INDEXED - 4 67 AllG 1 6'918 33

## Intelligence—III

#### Errors in Collecting Data Held Exceeded by Evaluation Weakness

#### By HANSON W. BALDWIN

Several intelligence fiascos since service loyalties and service inter-the war, major service differences ests. The men who are making ations too much influenced by officers. prejudice have hampered and are analysis of the world situation.

intelligence · "catastrophies"-have occurred in Rumania, Hungary,

Finland and elsewhere.

The Rumanian case of last fall offered an almost opera bouffe.example of how intelligence should not be gathered; the episode might well have been "graustarkian" had it not resulted in tragedy and in considerable embarrassment to the United States Government.

Two young and exuberant army officers attached to the Central Intelligence Agency as carry-overs from the old Office of Strategic Services organization made con-tacts almost openly with anti-Com-munist and opposition leaders in Rumania, urged the formation of it is to mean much, partly because an anti-Communist group in that of past CIA mistakes, partly becountry and recorded their efforts, cause of some inferior CIA perthe names of the conspirators and seven the minutes of the "secret" ness of the CIA and its history meetings held—apparently in order of frictions and duplications. to impress their superiors with their industry.

"Duck Soup" for Soviet MVD

Naturally such naive attempts were "duck soup" for the Russian were "duck soup" for the Russian was a mistake constantly made during wartime, the confusion of hastily, but their native associates soon landed in fail. The Russians "intentions." The Russians, for soon landed in fail. The Russians "intentions." The Russians, for utilized the information, including the seized documents, with considerable embarrassment to this Government at the trial of Dr. Lilly the constant of the trial of Dr. Lilly the constant ernment at the trial of Dr. Juliu though this seems a dubious esti-Maniu and his associates which mate—and the military services subsequently resulted in Dr. may be perfectly correct in so esti-

old OSS days and inherited willy-nilly by the Central Intelligence This is the function of the CL Agency were responsible for much to couple the political judgments loose work which resulted in easy of the State Department with the

in our estimates of Russian strength and intelligence evaluArmy officers, not as intelligence

The result is a distorted picture still hampering a sound intelligence of Russian strength. The Navy till hampering a sound intelligence probably exaggerates the numbers of modern Russian submarines;

The fiascos—they might be called the Air Force's estimates of Russian combat planes are not wholly accepted by G-2, and at least one well informed British air officer believes the A-2 estimate of Russian long-range bombers is far too

#### CIA Tries to Reconcile Data.

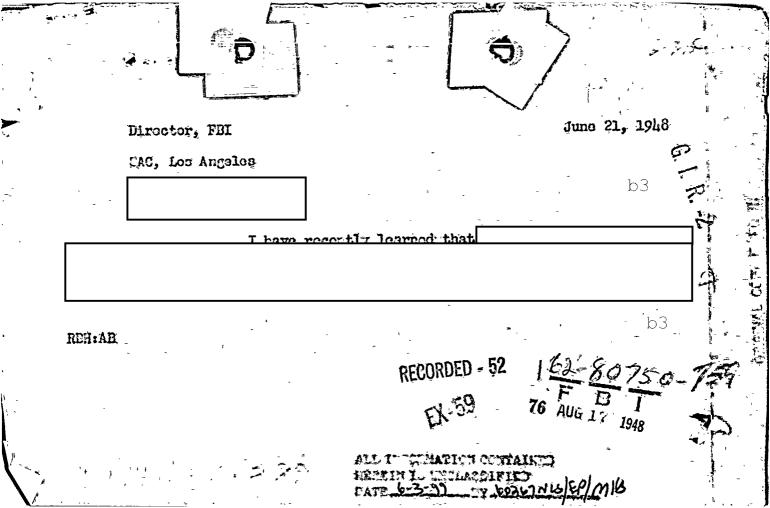
The CIA is attempting to reconcile these divergent estimates with the aid of service information and its own sources, and the resultant compromise estimate is, in this writer's opinion, more accurateor at least, less in error—than that of any one of the services. Yet the CIA estimate cannot yet command the respect it must have, if Rumania, urged the formation of it is to mean much, partly because

Another mistake now currently being made-exemplified in the February and March crisis when the CIA was right but General Clay and the Army were wrong— Subsequently resulted in Dr. may be perfectly correct in so es-Maniu's imprisonment for life. It imating, for this involves a mili-The details of the Hungarian and Finnish fiascos have understand-ably been guarded with consider-rope must imply political as well able secrecy, but apparently as military judgment, and the "rings" of agents established in the

This is the function of the CIA, detection and ultimate elimination military judgments of the services Perhaps more dangerous today than the heritage of the mistakes of the past, and even more glaringly weak than our system of collection of intelligence, is our done this and present a definitive whole view. Too often it has not done this at least the services and to supplement them with data gathered by itself and other Government agencies and to evaluate all this and present a definitive whole view. Too often it has not

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 5-26-99 BY GOLVINISEP MIS

**ENCLOSURE** NEW YORK TIMES 7/23/48 19 AUG 4 1948



THE ATTORNEY GENERAL August 18, 1948 Attention: Lr. Hugh A. Fisher Special Assistant to the Attorney General John Edgar Hoover - Director, Federal Bureau of Investigation b3 n 62-80750-763 RECORDED - 91 b3 This naterial has been furnished the Federal Bureau of Investigation through regular liaison channels and is being forwarded to you for whatever action you may deem necessary. Attachment SENT FEOU D TECLASSIPIED T THE OH 1 AUG 261948 /= @

b3

#### Los Angeles, California July 7, 1948

Director, FBI

RE: JOHN D. NOBLE Former Special Agent

Dear Sir:

Remylet 6-21-48. I now learn that

The Bureau is requested to advise

Very truly yours,

JCE:AB

R. B. HOOD, SAC.

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DATE 6 3 99 BY 60267 NUMBER MY

# OLIVER UNITED FILLERS INC.

2900 GLASCOCK ST.
OAKLAND 1, CALIFORNIA
GABLE ADDRESS "OLIUNIFILT"

August 6, 1948

Federal Bureau of Investigation Washington, D. C.

Gentlemen:

gence Agency is a bona fide agency of the U. S. Government. Their representative identified the agency as located at 2430 E Street, N. W., Washington. He said it was the combined intelligence division of the Army, Navy and State Department, and desires information from time to time relating to foreign

Will you kindly advise us whether or not the Central Intelli-

Thank you.

countries.

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P. A. Hoyt

Executive President

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Yours

1948

PAH/VS

X REGISTRALIA.

62-80750-766

Wr. P. A. Hoyt

Executive Vice President

Oliver United Filters, Incorporated
2900 Glascock Street

Oakland 1, California

Dear Mr. Hoyt:

Iour letter of August 6, 1948, has been received. In response to your inquiry, the Central Intelligence Agency was established on September 20, 1947, pursuant to section 102 of the Mational Security Act of 1947, (Public Law 253, 80th Congress). The Director of the Central Intelligence is the head of the Agency, which is under the direction of the National Security Council. I am taking the liberty of forwarding a copy of your communication to the Director, Central Intelligence Agency, 2430 E Street, Northwest, Washington 25, D. C.

Sincerely yours,

John Edgar Hoover Director

WN: KPH

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Mr. Rosen
Wr. Tracy
Mr. Gurnea
Mr. Gurnea
Mr. Gurnea
Mr. Harbo
Mr. Nohr
Mr. Pennington
Mr. Quinn Tamm
Tele, Room
Mr. Nohse
Mr. Sease
Miss Gandy

62 SEP 151948 306

### Office Memora UNITED U

GOVERNMENT

TO

THE DIRECTOR

FROM

D. M. Ladd

SUBJECT:

DATE: August 19 1948

Mr. Eberstadt of the Hoover Commission called at my office on Thursday afternoon, August 19, 1948, in company with Ur. Jenks and Ur. Bross. Ur. Eberstadt stated that a number of hearings had been held with reference to CIA, that the Committee was anxious to determine information as to the over-all plan of the CIA, that is, whether the plan was workable, whether it was working, etc. They stated that numerous top people had appeared before the Commission, including General Eisenhower, John Foster Dulles and others, that they were desirous of having you personally appear before the Commission on September 9, that no stenographic notes were taken and at the final report, there would be no notation as to the source of any information which might be furnished, that they could assure that the meeting would be completely "off the record", that the Committee was formed of some of the top businessmen in the

I advised Mr. Eberstadt that you were out of the city that you were in a travel status and that I did not know whether you would be back in Washington by this date. advised these gentlemen that the Bureau had little information concerning the operation of CIA inasmuch as the Bureau received very little information from them. Eberstadt stated that the Bureau had turned over its physical facilities to CIA in South America and as a result of that should know something about the over-all operation of this department.

He stressed the fact that he did not want you to come over merely because you felt that you had to, that only in the event you felt that you followed add, something to the inquiry.

He asked that when I next contacted you that you be decision at EX4160, extension 273031 SEP 3 1948

INDEXEST: The inquiry.

I

Mr. Eberstadt called and asked for an appointment to see me with reference to CIA. He left the impression that he was interested in asking about CIA, however, when he called at my office, he was not interested in any discussion concerning it but merely determining whether you would personally appear

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DML 2dad

CC-247	Mr. Tolson
	Mr. E. A. Tamm_
	Mr. Clegg
	Mr. Glavin
	Mr. Ladd
•	Mr. Nichols
	Mr. Rosen
	Mr. Tracy
	Mr. Egan
	Mr. Gurnes
	Mr. Harbo
	Mr. Mohr
	Mr. Pennington
	Mr. Quinn Tamm_
	Mr. Nease
•	Miss Gandy

MEMORANDUM FOR

Mr. Tolson\_\_\_\_\_\_\_
Mr. E. A. Tamm\_\_\_\_\_
Mr. Clegg\_\_\_\_\_\_
Mr. Glavin\_\_\_\_\_
Mr. Ladd\_\_\_\_\_
Mr. Nichols\_\_\_\_\_
Mr. Rosen\_\_\_\_\_\_
Mr. Tracy\_\_\_\_\_
Mr. Egan\_\_\_\_\_
Mr. Gurnea\_\_\_\_\_
Mr. Harbo\_\_\_\_\_
Mr. Mohr\_\_\_\_\_
Mr. Pennington\_\_\_\_
Mr. Quinn Tamm\_\_\_

Mr. Nease\_\_\_\_\_ Miss Gandy\_\_\_

MEMORANDUM FOR

THIS MEMORANDUM IS FOR ADMINISTRATIVE PURPOSES TO BE DESTROYED AFTER ACTION IS TAKEN AND NOT SENT TO FILES

OFFICE OF DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

TO OFFICIAL INDICATES BELOW BY CHECK MARK	
Mr. Tolson (Whadd Mr. Clegg () Cale Mr. Glavin () Mr. Ladd () Mr. Nichols () Mr. Rosen () Mr. Tracy () Mr. Gurnea () Mr. Harbo () Mr. Mohr () Mr. Nease () Mr. Mease () Mr. Nease () Miss Gandy () Mr. Nease () Mr. N	
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Date 6-4-11 By 60367212) Eq/MK	<i>'</i> 3



#### EXECUTIVE BRANCH OF THE GOVERNMENT



1626 K STREET NW. WASHINGTON 25, D.C.

September 1, 1948

MA

Mr. D. Milton Ladd Assistant Director Federal Bureau of Investigation Washington 25, D. C.

Dear Mr. Ladd:

C.I.A.

I have been reflecting on our conversation and it poses quite a problem for our Committee. If the report indicates that the Committee had failed to seek the views of the FBI on the organization and operation of CIA, the Committee members would justly be charged with serious oversight. If, on the other hand, the report states that on requesting the FBI to express their views on the CIA the Committee was advised that the FBI were not sufficiently informed on CIA to have any views on the subject, I think some eyebrows might be raised. Neither of these alternatives seem desirable to the Committee.

I, therefore, feel that it would be advantageous if we could discuss matters a bit further, particularly with Mr. Hoover when he returns. Our Committee consideration of this subject is scheduled for September 9 and I hope very much we can have had such a talk sometime in advance of the meeting.

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Mr. Tolson	Sincerely yours,
Mr. Clegg	7/32 V 4
Mr. Glavin	TENSON.
Mr. Nichols	F. Eberstadt
Mr. Rosen	Chairman, Committee on the
Mr. Egan	National Security Organization
Mr. Harbo	
Mr. Mohr	1 2-80750-778
ldr. Quinn Tamm	
Mr. Nosso	31 SEP 10'1948
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a9 SEP	211948 10 Day 6-4-39 10267 Mrs Expans

STANDARD FORM NO. 64 Office Memorandum • united states government THE DIRECTOR DATE: September D. M. Ladd FROM : SUBJECT: I talked with Mr. Eberstedt at 11:25 AM this I advised him that I had called your attention to his letter of September 1 wherein he was seeking further information concerning the Bureau's views on the organization and operation of CIA. I advised him that I had talked this matter over with you, that you were not going to be back in the city at the time of the contemplated meeting.

Further, that you were of the same views as had been previously related to Ur. Eberstedt, namely that the FBI is now out of the foreign intelligence field, that it has very little contact with CIA and sees very little of its work and therefore, does not feel that it is in a position to make any comment concerning the organization or operations of CIA.

I advised Mr. Eberstedt that I had informed you of his views of having no comment from the FBIsbut that in view of all of the above factors, it was not believed that anything could be had by an appearance before the Committee. Mr. Eberstedt thanked me for this information and stated that if this was the Bureau's position that of course the Committee would accept that.

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31 SEP 10 1948

RECEIXED





Date 10/12/05

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	Date	

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