

62-6320/A

On file OMB release instructions apply.

31 August 1962

Honorable David E. Bell
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Bell:

This is in response to your letter of 28 August concerning our recent increase in the Agency's supergrade authorization.

The question of timing as it might relate to the President's Federal Pay Adjustment Act was not considered a matter of substance when I wrote you my letter of 25 August. We have no intention of rushing through with mass promotions or any other precipitous action which would in any way create a situation inimical to the best interests of the overall Executive establishment. Our intention is to establish a grade or rank structure commensurate with those in other Government agencies, and the action we have taken is not intended to circumvent existing or proposed pay scales of individuals.

In any event, we would not be moving forward to any actual promotions for the next four to six weeks, by which time action on the President's pay reform legislation should be completed. Even then, this will be a gradual procedure over an extended period of time. I will be happy to discuss this matter with you and provide you the analyses on which the decision was made and whatever further briefings in detail you may desire.

Faithfully yours,

O/Comptr./RHF/ss
Retyped and rewritten O/DDCI:
MSC/lcv (31 Aug 62)

Distribution:

Orig & 1 - Adse

- 1 - ER
- 1 - DDCI
- 1 - D/Pers
- 1 - OP/SWD
- 1 - DD/S
- 1 - Comptr.

Marshall S. Carter
Lieutenant General, USA
Acting Director

430109



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

Honorable David E. Bell
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Bell:

This is in response to your letter of 28 August concerning our recent increase in the Agency's supergrade authorization.

You will recall that the last major adjustment in the Agency's supergrade structure was made in 1955. With the exception of some minor changes made in May of 1959, the level of supergrade authorizations has remained the same while the responsibilities of the Agency and accordingly of many specific positions therein have increased substantially.

By early 1961 it was clear that our supergrade authorization was inadequate. Recommendations for adjustments were developed just prior to Mr. McCone's appointment as Director of Central Intelligence. However, action was deferred pending his appointment. He immediately made a very careful study of the Agency's organizational structure, and a number of changes with which I believe you are familiar were made. We then re-examined our supergrade structure in the course of which the functions and responsibilities of each senior position were most carefully evaluated.

Incidental to this detailed evaluation, our study indicated that the ratio of supergrade personnel in the Agency compared unfavorably with other agencies in the international field.

We heartedly endorse the President's Federal Pay Adjustment Act. However, we have considered this matter carefully and believe that the action which we have taken is in no way inconsistent, nor do we understand how either the timing or substance of our action might affect it.

The decision to alter the supergrade authorization was made by the Director under authorities vested in him by Section 8 of the Central Intelligence Act of 1949, as amended. Both he and I have looked closely at the responsibilities assigned to senior Agency personnel and feel strongly that increases in our supergrade authorization are long overdue. We believe that there are few jobs elsewhere in government or industry where individuals carry the weight

- 2 -

of personal responsibility that they bear in the Central Intelligence Agency and where the consequences of error are so potentially disastrous to the nation. The increase in our supergrade authorization gives recognition to these responsibilities.

While we plan to make some promotions almost immediately, each proposed supergrade action will be acted upon by myself, and we anticipate that some considerable time will elapse before we actually fill the total number of positions authorized.

I shall, of course, be happy to discuss this matter further with you and arrange for further briefings in any detail you may desire.

Faithfully yours,

Marshall S. Carter
Lieutenant General, USA
Acting Director

SECRET

GROUP 1
AUTOMATIC
DOWNGRADING AND
DECLASSIFICATION

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D.C.

104-63-869

Executive Registry
102-63-20

AUG 28 1962

Lt. Gen. Marshall S. Carter, USA
Acting Director
Central Intelligence Agency
Washington 25, D. C.

Dear General Carter:

I have your letter of August 25 in which you advise that the Director of Central Intelligence has authorized super-grades for the Central Intelligence Agency.

This increase above your existing total of super-grades comes as a distinct shock, particularly as it is unaccompanied by any supporting data or analysis. Moreover your Agency has acted at a moment when the President's Federal Pay Adjustment Act is in the final stages of consideration by the Congress. The adjustments called for in this Act will radically alter the pay scale, not only of supergrades but GS-15s, and will relatively enhance the pay of Civil Service people as compared to military officers. Your action therefore appears questionable as a matter of timing as well as of substance.

I request that you defer further implementation of this action until the Bureau has had a chance to examine your analysis in the light of whatever legislation may be enacted by the Congress in response to the President's pay reform proposal.

Sincerely yours,

David E. Bee

Director

8/30/62
1 copy to DD/S

SECRET

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	X	SECRET
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Executive Director Room 7D-59 HQ	31 Aug	LBK
2	A/DCI		
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	

Remarks:

The attached reply to Mr. Bell is a combined effort of the Comptroller and the DD/S. 25X1
 Last evening Mr. [] had a discussion with Bob Amory, which I believe would be worthwhile for me to relay to you and General Carter at your convenience. Perhaps you and General Carter could spare a few minutes today for me to tell you about this. The essence of it is, however, that Mr. Bell is very upset about our not discussing the increase in supergrades before we took action and, according to Amory, has given him a mandate to only apportion sufficient funds to fund an authorization of [] supergrade positions. [] 25X1

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
Acting Comptroller - 6E-69 HQ	8/31/62

Two Register

62-6320/A

31 August 1962

Honorable David E. Bell ✓
Director
Bureau of the Budget
Washington 25, D. C.

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O/Comptr. /RHF/ss
Retyped and rewritten O/DDCI:
MSC/lcv (31 Aug 62)

(Signed) Marshall S. Carter

Distribution:

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- 1 - Comptr.

Marshall S. Carter
Lieutenant General, USA
Acting Director

B/Budget

Approved for automatic downgrading and

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	X	SECRET
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APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
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Acting Comptroller - 6E-69 HQ		8/31/62	
UNCLASSIFIED	CONFIDENTIAL	X	SECRET

FORM NO. 2-61 237 Use previous editions

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CENTRAL INTELLIGENCE AGENCY

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OFFICE OF THE DIRECTOR

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Bureau of the Budget
Washington 25, D. C.

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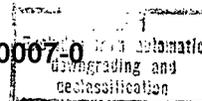
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- 2 -

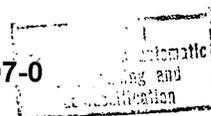
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Marshall S. Carter
Lieutenant General, USA
Acting Director



SECRET

GROUP 1
EXEMPT FROM AUTOMATIC
DOWNGRADING AND
DECLASSIFICATION

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D.C.

Executive Registry
62-6320

AUG 28 1962

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Acting Director
Central Intelligence Agency
Washington 25, D. C.

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Sincerely yours,

David E. Bee

Director

10/1/62
10/1/62

SECRET

DDIS 62-4164

62-6129

23 AUG 1962

Honorable David E. Bell
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Bell:

A comprehensive review and classification of key positions in the Central Intelligence Agency has recently been completed and, on the basis of the findings and conclusions of this study, the Director of Central Intelligence has approved a supergrade authorization of [] for the Agency.

The reclassifications involved were determined on the basis of the authority and responsibilities of the senior officials of the Agency. Careful consideration was also given to the grades of comparable positions in other Federal agencies and departments with due regard for the similarities and differences in mission and structure of these agencies and departments. Our earlier study made in 1955 resulted in the establishment of [] supergrade positions in the Agency. This number was later increased by twenty positions and the Director of the Bureau of the Budget was notified by letter dated 14 May 1959 that a supergrade ceiling of [] positions had been established.

As a result of our current review, the Director has concluded that an increase in the supergrade ceiling of the Agency is both equitable and necessary if the Agency is to fulfill its responsibilities. Accordingly, he has approved a ceiling of [] as indicated above.

CONCUR:

Faithfully yours,

25X1

[]
Deputy Director (Support)

(Signed) Marshall S. Carter

25X1

[]
Comptroller

Marshall S. Carter
Lieutenant General, USA
Deputy Director
ACTING

- Dist: O&I - Addressee
- 1 - ER
- 1 - DDCI
- 1 - D/Pers
- 1 - OP/SWD (w/h)
- 1 - Comptroller

Originator []
Director of Personnel

STAT

STAT

STAT

25X1

GROUP 1
downgrading and
declassification

23 AUG 1962
43010

Review of Budget

DDIS 42-4164

62-6129

25 AUG 1962

Honorable David E. Bell
Director
Bureau of the Budget
Washington 25, D. C.

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CONCUR:

Faithfully yours,

[]
Deputy Director (Support)

(Signed) Marshall S. Carter

[]
Comptroller

Marshall S. Carter
Lieutenant General, USA
Deputy Director
ACTING

- Dist: O&I - Addressee
- 1 - ER
- 1 - DDCI
- 1 - D/Pers
- 1 - OP/SWD (w/h)
- 1 - Comptroller

Originator
[]
Director of Personnel

SECRET

GROUP 1
downgrading and
declassification

43010

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Bureau of Budget

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