

MEMORANDUM TO: The Director

Attached is a letter from Mr. Keyserling in answer to your letter of October 27 in regard to Mr. Keyserling in the last paragraph expresses a desire to discuss the matter with you.

If he calls, may we arrange an appointment?

Certainly

(JL)

NOTED BY DCI
11/5- *lec*

2 November 1951
(DATE)

NSC review(s) completed.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

2-3330

November 1, 1951

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General Walter B. Smith
Director, Central Intelligence Agency
2430 "E" St., N. W.
Washington, D. C.

Dear General Smith:

STAT I appreciate your letter of October 27 regarding Dr. [redacted] of the staff of the Council of Economic Advisers in connection with a vacancy in the Board of National Estimates of the Central Intelligence Agency.

STAT You may be assured that I appreciate the high responsibility and essentiality of this work, as well as the difficulty of finding appropriate people for it, and that I share the high opinion which you have formed of [redacted]. Unhappily, while there is general appreciation of the vital importance of the work of the Council of Economic Advisers as a sort of general economic staff to the President in these times, there is a general lack of realization of the extremely small staff with which we conduct our operations. Our total annual budget, including non-personnel as well as personnel expenditures, is in the neighborhood of \$300,000. Our total staff, including the three members of the Council, and including clerical as well as professional employees, is generally in the neighborhood of 40. The top economists on our staff generally number less than 10. These are carefully selected, and the years which they have spent with us give them a fitness for our type of work - which, in a real sense, is unique - which economists drawn from the outside do not have no matter how high their professional standing or general abilities. The simple reason for this is that economists elsewhere are not thrown up against the kind of problems with which we have to deal.

It follows that, when we lose one or two of our top economists, we lose from 10 to 20 percent of our entire top staff, under current conditions which makes true replacement well nigh impossible. The problem is further complicated because, for reasons entirely beyond my comprehension, staff economists in a number of other agencies of the Government are classified two or even three grades higher than our top staff economists, although it is perfectly apparent that they cannot possibly have more difficult, challenging, or important work to do.

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I do not want you to interpret this letter as a negative response to your request. I have already told [] that as a matter of general principle, even in these times, I would not stand in the way of any staff member here who felt that he would like to do work elsewhere, and certainly not when that work elsewhere is also of importance to our current national efforts and involves a classification two or three grades higher than we can offer. However, as I have said to [] I want to have a little talk with you about this matter before taking decisive action, and I will get in touch with you shortly so that we can do this at our mutual convenience.

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With kindest regards,

Very sincerely yours,


Leon H. Keyserling
Chairman

TO	FROM	DATE		SUBJECT	FIELD
Leon Keyserling	DCI	10/27/51	CONF	I have reason to believe that [redacted] who is presently on your staff is ideally trained and experienced for the work of the Board of National Estimates.	DCI/H STAT