

DIARY NOTES

DD/S

22 September 1955

1. With General Cabell and Ed Saunders, I participated with Mr. Dulles in a meeting with Mr. Brundage, Deputy Director of the Bureau of the Budget. The purpose of Mr. Brundage's visit was to solicit our cooperation in turning back to the Treasury unused funds from prior years. In our case, our money is shown as an expenditure when it is transferred from the Treasury. He said the President was very much interested in this and had suggested that every agency should be able to scrape up three per cent. Fortunately, we were in a good position on this and were able to advise him that we would turn back approximately [redacted] from lapsed appropriations. We then alerted Mr. Brundage to the fact that we were going to request a substantial increase in our budget for Fiscal Year 1957. He indicated that he knew that we were expanding rather than contracting, but I think he was somewhat surprised when we told him we were going to ask for [redacted] in our regular budget plus an additional [redacted] to bring our reserve back to the [redacted] level and that this would not include an additional \$49,000,000 for the new building. I asked Ed Saunders to prepare a detailed memorandum for the record of this meeting and send me a copy.

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2. Met with [redacted] Gates and [redacted] to discuss the [redacted] space problem. This was solved later in the day.

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3. [redacted] was over to cry a little about his personnel ceiling, and I think he feels he may have suffered by his conscientious effort to bring T/Os and ceilings together. I assured him this was not the case. He said there might be temporary periods when he would ask me for permission to exceed the total DD/I ceiling. I told him I had no authority to grant any permanent increase in the ceiling and I hoped that their controls would be so effective that temporary increases would not have to be requested. However, I did say that if he found this necessary, to bring his problem to me and I would see what I could do, emphasizing that any authorization I gave him would have to be a temporary one.

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4. Larry Houston and I met with Mr. Arthur Flemming, Director of ODM, to discuss the possibility of acceptance of a [redacted] which would result in at least partial payment of the outstanding [redacted] money. Mr. Flemming said that offhand he would doubt that he could handle this situation in the normal way, inasmuch as he was discouraging production by U. S. firms up to the amount for which he was already committed. However, he said that the Department of Agriculture, through the [redacted]

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Corporation, might be able to handle this as a part of their supplemental stockpile, which would not involve a similar public relations problem. He asked us to take this matter up with the [redacted] and, if necessary, to contact him again to pursue the matter further. Mr. Houston will follow up on this.

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5. Mr. Wolf was down from New York for his briefing prior to taking his trip to Europe. He saw [redacted] in Communications and General [redacted] in Logistics. We lunched in the dining room with the Director. Although Mr. Wolf had planned to limit his look-see at our facilities to those [redacted], after a chat with the Director, at which I was present, after lunch, he told me that he would like to call and chat with the Chiefs of Station [redacted]. I agreed to have advice [redacted] for him as to how he should go about contacting these individuals when he arrives there. (I have asked [redacted] to supply me with this information, but I must double check with Mr. Dulles on this matter.) Mr. Wolf raised the question of his expenses, emphasizing that he did not want to be paid for his services, since he would have to pay it all back in income tax anyway. I told him we would reimburse him for whatever expense he thought was reasonable. Since he was making the trip anyway, he believed that he would have no way of estimating what portion should be charged, but suggested \$500.00 for expenses in connection with his trip, including the day down here and at least one day when he gets back, to report. I agreed to this and said I would send a check [redacted]

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[redacted] with a note requesting that the check be deposited to Mr. Wolf's account for expenses incurred in connection with the trip. I am also to advise [redacted] that Mr. Wolf will be arriving [redacted] on or about 3 October and will get in touch with him [redacted].

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6. In connection with our insurance business, Mr. Wolf thought he might be helpful in looking into our hazardous duty problem. In this connection I said I would have Colonel Edwards do a limited check on Mr. Neville [redacted]. I agreed to discuss this further with Mr. Wolf when he returns from Europe.

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