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Personnel 118

12 September 1952

~~CONFIDENTIAL~~

MEMORANDUM FOR THE RECORD:

1. Mr. Wolf, Deputy Director (Administration), and the undersigned met with Mr. Lyle S. Garlock, Deputy Comptroller for Budget, Office of Secretary of Defense, relative to the matter of CIA reimbursing the Department of Defense for military personnel assigned to this Agency. Mr. Wolf outlined the history and background of this subject from the point of view of CIA. He pointed out that CIA's position is as follows:

- a. CIA will reimburse Defense for general officers assigned to it.
- b. CIA will reimburse for the services of any particular officer requested by name.
- c. CIA will reimburse for any officers on duty with the Agency when promoted to general officer.
- d. CIA will explore the possibility of reimbursement for all officers who are assigned to duty in Washington.
- e. CIA will request legislation which will exempt officers of the Department of Defense assigned to this Agency from the provisions of the Davis Amendment.

2. After a general discussion on reimbursement of military personnel assigned to the Agency, Mr. Garlock expressed his personal views on this subject which, if adopted, would require the Agency to reimburse for all military personnel assigned to the Agency for strictly intelligence operations and the support thereof, and that the Department of Defense would not require reimbursement for military personnel assigned to the Agency for the purpose of carrying out the directives of the National Security Council.

3. The undersigned was given the assignment of preparing a report in two parts:

First, showing the number of military personnel and estimating the cost of reimbursement for those assigned or to be assigned to duty in Washington and those assigned or to be assigned overseas.

Second, showing separately the number and estimated cost of reimbursement for military personnel assigned or to be assigned to intelligence activities and for OPC-type activities in Washington and abroad.

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E. R. SAUNDERS

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MEMORANDUM FOR: GENERAL SMITH

1. The Davis Amendment referred to in the attached (a) places a ceiling on the number of officers at different grades in each Service; (b) states that Military personnel assigned to other agencies are exempt from this ceiling, provided the Department of Defense is reimbursed for their services.

2. If you approve the request contained in paragraph 4, I will have DD/A prepare an appropriate reply. It is to be noted that Gen. [REDACTED] is the only General officer who falls in this category since the National Security Act specifically provides that CIA will make up the difference between your pay (if any) as a General officer and DCI.

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JSE

18 August 1952
(DATE)

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FORM NO. 10.101 JAN 1952

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Mr. Wolf,

The following met with you and [REDACTED]

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