

14 February 1949

MEMORANDUM

Points of difference between S. 2688, of the 80th Congress, and the proposed CIA bill:

1. The phrase "Executive Director" on page 2, lines 21 and 22 of S. 2688, has been changed to read "Executive" to conform to the change in that official's title within the Agency.

2. Section 5(A)(1)(c) has been amended at page 5, lines 2 and 3 of S. 2688, by striking out the phrase after the word "services" in line 2, and by adding "to his residence at time of appointment or to a point not more distant, or upon retirement to the place where he will reside;". While it was felt perfectly proper to conform to the language of the Foreign Service Act of 1946, which provides for the transporting of the effects of a career employee to his final place of residence upon retirement from the service, nevertheless, it was considered excessive to offer this same privilege of selection of residence to an employee who is terminated or resigns from our service. Therefore, we have limited ourselves merely to returning his possessions to his residence at the time of appointment.

3. A new Section 5(A)(2) has been added. The old Section 5(A)(2), commencing on page 6, line 4, has been renumbered 5(A)(3), and the remaining sub-sections of Section 5(A) have been renumbered accordingly. This new Section 5(A)(2) is included in order to provide a means for obligating funds applicable to the fiscal year when authorizations are issued and arrangements made for the transfer of employees, their dependents and household effects. Thus, current funds are properly set aside, and the need for using funds applicable to subsequent fiscal years for which budgetary provisions cannot or have not been made is avoided.

4. Section 5(A)(2) of S. 2688, now renumbered 5(A)(3), is amended on page 6, line 7 by the striking out of

81st CONGRESS
1st SESSION

H. R. 2663

[Report No. 160]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 1949

Mr. SASSCER introduced the following bill; which was referred to the Committee on Armed Services

FEBRUARY 24, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 DEFINITIONS

4 SECTION 1. That when used in this Act, the term—

5 (a) "Agency" means the Central Intelligence Agency;

6 (b) "Director" means the Director of Central
7 Intelligence;

8 (c) "Government agency" means any executive depart-
9 ment, commission, council, independent establishment, cor-
10 poration wholly or partly owned by the United States which
11 is an instrumentality of the United States, board, bureau,

Appendix #1

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NATIONAL WAR AGENCY APPROPRIATION ACT, 1945

CHAPTER 301--PUBLIC LAW 372
(H. R. 4879)

TITLE I

Executive Office of the President

* * *

Office of Strategic Services

Salaries and expenses: For all expenses necessary to enable the Office of Strategic Services to carry out its functions and activities, including salaries of a Director at \$10,000 per annum, one assistant director and one deputy director at \$9000 per annum each; procurement of necessary services, supplies and equipment without regard to section 3709, Revised Statutes; travel expenses, including expenses outside the United States without regard to the Standardized Government Travel Regulations and the Subsistence Expense Act of 1926, as amended (5 U.S.C. 821-833), and any general provision for the fiscal year 1945 to the contrary; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in the dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for the ordinary expenses of such interment; rental of news-reporting services; purchase of or subscription to commercial and trade reports; the rendering of such gratuitous services and the disposition, free or otherwise, of such materials as the Director deems advisable; purchase or rental and operation of photographic, reproduction, duplicating and printing machines, equipment, and devices and radio-receiving and radio-sending equipment and devices; maintenance, operation, repair, and hire of motor-propelled or horse-drawn passenger-carrying vehicles and vessels of all kinds; printing and binding; exchange of funds without regard to section 365, Revised Statutes (31 U.S.C. 543); purchase and free distribution of firearms, guard uniforms, special clothing, and other personal equipment; the cost of a compartment or such other accommodations as may be authorized by the Director for security when authorized personnel are required to transport secret documents or hand baggage containing highly technical and valuable equipment; \$57,000,000, of which amount such sums as may be authorized by the Director of the Bureau of the Budget may be transferred to other departments or agencies of the Government, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities for which this appropriation is made: Provided, That \$37,000,000 of this appropriation may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service, and \$35,000,000 of such \$37,000,000 may be expended for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director of the Office of Strategic Services and every such certificate shall be deemed a sufficient voucher for the amount therein certified. (The above is found on page 531 of U.S.C. Congressional Service, 78th Congress, 2nd Session, 1944.)

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The new Senate Bill differed from the House version (H.R. 5871) in the following particulars:

1. Section 6(a) of the Senate Bill read: "Transfer to and receive from other Government agencies such sums as may have been approved by the Bureau of the Budget and appropriated . . ."

2. Section 7(a)(1) of the Senate Bill includes the phrase "personal services without regard to limitations on types of persons to be employed" instead of the phrase "employment of aliens" as the Committee thought, for reasons of security, that the word "aliens" should not appear in the law although it was the intent of the Committee that CIA employ aliens where necessary.

3. Section 7(b) which formerly read: "of the sums made available to the Agency such amounts as may be appropriated by the Bureau of the Budget may be expended . . ." has been amended to read: "the sums made available to the Agency may be expended . . ."

Senate Report #1302 states on page 3: ". . . and that such funds may be expended without regard to the provisions of law applicable to Government funds." This was a change from the original draft of the report which read: ". . . and that a portion of such funds . . ." The Chief Clerk of the Committee Staff informed CIA that the phrase "a portion" was deliberately struck out because it is the intent of the Committee that CIA should have complete control over the expenditures of its funds, vouchered and unvouchered.

- (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

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