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SPECIAL ASSISTANT TO THE SECRETARY OF STATE  
WASHINGTON

ASSISTANT SECRETARY  
FOR ADMINISTRATION  
MR. PEURIFOY

December 21, 1948

DEC 22 1948

DEPARTMENT OF STATE

MEMORANDUM

TO: A - Mr. Peurifoy

SUBJECT: Research and Intelligence Activities in the Foreign Service.

During fiscal years 1948 and 1949 the budget for the Foreign Service, as approved by the Bureau of the Budget and the Congress, has contained, as you know, a separately justified small program of Research and Intelligence activities. These activities were intended to augment in certain specialized categories the overt intelligence collection of the Foreign Service. (Foreign Service Serial 882 briefly describing these activities is attached.)

Because of administrative and fiscal determinations, it has not been possible to develop this program to anything approaching its authorized strength. Accordingly, we are faced with results which will fall far short of the needs of both the Department and the other federal agencies which, traditionally or by National Security Council directive, must rely upon the Department for all political and much economic intelligence from overt sources.

This is a problem which the Department must resolve. I am reluctantly now bringing it to your attention only after a year and a half of sincere effort by this office to work out the development of this program with the Office of the Foreign Service, and then only after OFS has finally declared that personnel and funds cannot be made available as planned and appropriated for the current year. I realize that OFS is under severe budget restrictions and am entirely sympathetic to any reasonable adjustment in the program which would help accommodate the difficulties. However, the Research and Intelligence program was established as a matter of Departmental policy, and when funds for the Foreign Service were being curtailed by the Bureau and the Congress, funds for the overseas intelligence function were left intact. Although the Department and OFS may vary the apportionment of appropriations after received, to cut this program by 50% raises a question of whether such action might not be construed as a misapplication of appropriated funds and a deviation from the intent of Congress and the Bureau of the Budget.

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The final unsuccessful efforts of R. to resolve this problem with the Office of the Foreign Service and the Director General are recorded in the attached documents:

November 26, 1948: "History of the Integration of Research and Intelligence Activities into the Foreign Service," from R.

December 6, 1948: Memorandum from Mr. Ravndal to Mr. Armstrong on the same subject.

The essence of these documents is believed to be in the fact that approximately half of the funds and positions provided for overseas Research and Intelligence activities in the fiscal year 1949 appropriation are being used for other purposes. OFS does not deny this fact, and the advantages of integration of the activities as outlined in Mr. Ravndal's reply could have been obtained without the integration of funds which is now stifling the growth of the program.

This office believes it to be in the interest of good administration for the funds to continue to be administered by OFS; however, in view of our experience over the past year it is clear that some positive safeguards must be established, so that the validity of the program cannot be challenged or its development precluded by personnel and administrative actions which OFS can take with respect to personnel and funds.

It is requested therefore that A reconsider the Foreign Service recruitment schedule for the remainder of the fiscal year with a view to making available to the Research and Intelligence program 1/ instead of 5 additional officer positions for Research and Intelligence activities. The positions may be either in the Reserve or in the Staff Corps, and such an allotment would still provide for 10 less than the 38 officers appropriated for in the budget. Moreover, this would still leave a substantial sum of the money for use by OFS for other purposes. I consider the number requested to be the absolute minimum to carry out our responsibilities this year.

I would appreciate an early opportunity to discuss this problem with you.

  
W. Park Armstrong, Jr.

Attachments

cc: FS-Mr. Ravndal

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DEPARTMENT OF STATE  
WASHINGTON

July 26, 1948

## RESEARCH AND INTELLIGENCE OVERSEAS PROGRAM

To

American Diplomatic and Consular Officers.

Sirs:

The Special Assistant to the Secretary for Research and Intelligence is responsible for advising and assisting the Secretary of State in the field of foreign intelligence and for formulating and executing a Departmental program for providing the foreign intelligence required by him in the conduct of foreign affairs and the safeguarding of the national security. This responsibility includes the development and implementation of a coordinated program of overt intelligence for the Department, including the procurement of the requisite information and materials, and the production of the intelligence studies and spot intelligence pertinent to the formulation and execution of foreign policy. By direction of the National Security Council, the Department, through the Special Assistant and his organization, is also responsible for providing the Central Intelligence Agency and other Government intelligence agencies with appropriate political, economic, sociological, and cultural intelligence.

While the Department's intelligence organization is, of course, principally dependent upon the traditional political and economic reporting activities of the Foreign Service, it has been recognized that certain special services are necessary in order to enable the intelligence organization effectively to meet its various departmental and interdepartmental obligations. To that end, implementation of specialized aspects of these responsibilities has for the last two years been carried out, to a very limited extent, in certain Foreign Service establishments, by specially assigned Foreign Service Reserve and Staff officers. In 1949, the Foreign Service budget provides for a continuation of these activities, but under arrangements whereby the specialized intelligence functions are now fully integrated into the regular Foreign Service program. It is intended that, within budgetary limitations, they will be expanded during fiscal year 1949. This circular is designed to acquaint Foreign Service posts with these specialized functions as follows:

(a) Intelligence research and analysis relating to long-term problems of interest to the Department in the formulation of foreign policy. Such intelligence projects usually require full time detailed studies on well

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defined subjects for periods usually not exceeding two years. Only those studies of a high priority in relation to current and anticipated foreign policy problems will be undertaken. These overt studies differ from day-to-day political or economic reporting in their depth and long-range nature, being of a type for which Foreign Service posts cannot normally spare the time or personnel. The officers assigned to these projects will be research specialists experienced in the problem or the area of assignment and will possess appropriate language knowledge. Examples of such intelligence research projects now under way in the field are the basic study of the economic and political development of Pakistan and the project to produce a comprehensive report on the social groups and political parties in post-war Poland.

(b) Publications procurement. In order to fulfill the needs of the Department and its obligations to the Central Intelligence Agency, the Library of Congress, the Library of the Department of Agriculture, the Department of Commerce, and other government agencies in Washington for thorough coverage of foreign publications, including illustrations, for intelligence and other purposes, specially trained officers have been and will be assigned on an area basis. Assignments will be made to missions and consulates in areas or countries where either the great volume or inaccessibility of pertinent newspapers, periodicals and books makes necessary the full time of a specialist. These officers will have specialized experience and training in the publishing field, knowledge of publications sources and of the publications and intelligence needs of the Department and other agencies. They will also provide publications services to their posts of assignment and will provide guidance and advice concerning the publications procurement to other Foreign Service establishments within their areas of responsibility. Publications Procurement Officers are now located at: Cairo, covering North Africa and the eastern Mediterranean countries; Rome, covering Italy, Trieste, and Greece; Madrid, covering Spain and Portugal; Paris, covering France, Belgium and the Netherlands; London, covering the United Kingdom, Norway, Sweden and Finland; Moscow, (temporary assignment). The area assignments involved will require that the officer assigned be in travel status for 30-40% of each year.

In response to instructions already outstanding, various types of publications are now being received. Care should be taken to avoid duplication and overlapping in submitting material requested.

(c) Map procurement. In order to fulfill the needs of the Department and its obligations to the Central Intelligence Agency, the Army Map Service, the U.S. Geological Survey, the Library of Congress, and other government map collecting agencies in Washington for thorough map coverage for intelligence and other purposes, officers specially trained in cartography and geography, map sources, and the map and mapping intelligence and information needs of the Department and other agencies have been and will be assigned on an area basis. Assignments will be made to missions and consulates in areas

or countries

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or countries where either the great volume or inaccessibility of pertinent maps makes necessary the full time of a specialist. Map Procurement Officers (Geographers) will also perform research on mapping activities and facilities of the countries of their assignment and prepare reports thereon. Map officers are now located at: London, covering the United Kingdom and northern Europe; Buenos Aires, covering all of the American Republic; Bern, covering western and southern Europe; Vienna, covering central and eastern Europe. The area assignments involved will require that the officer assigned be in travel status for 50-60% of each year.

Every effort will be made to employ the existing facilities of the Foreign Service for the research and procurement purposes outlined in paragraphs (a), (b), and (c) above. When the Department has determined that a research project or assignment is necessary, the post or posts involved will be given full information as to the work required and the officer qualifications which will be needed. The post will be requested to indicate:

- (a) Whether it is possible to perform the work with its present complement.
- (b) What work, if any, would have to be sacrificed in order to perform the work involved.
- (c) If an officer in the post complement is available, what his special qualifications, not a matter of Departmental record, are for performing the required work.

Based upon the reply from the post, the Department will determine whether it will be necessary to assign an additional officer to the post.

Under full integration of the overseas program of the Special Assistant for Research and Intelligence, which takes effect on July 1, the Foreign Service will implement the program in the same manner that it services the regular programs of other offices of the Department and other Federal departments and agencies. The specialized officers now in the field and those to be assigned to Foreign Service posts in the future in implementation of the program are expected to undertake whatever assignments are made to them by the principal officers of the posts to which they are assigned. Their selection because of special technical qualifications and their assignment abroad to carry out specified projects suggests, however, that under normal conditions their services will be best employed in the expeditious completion of the projects which in the Department's view justify their assignments to the field.

Through coordination within the Department and between the Department and the field, efforts are being made to obviate duplication of purpose and functions and submission of material by the various officers assigned to Foreign Service posts for specialized research and intelligence activities. The responsibility of the principal officer at each mission in this respect remains, nevertheless, and he should coordinate activities and utilize

the personnel

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the personnel assigned with a view to reducing to a minimum duplication and overlapping within his organization.

Very truly yours,

For the Secretary of State:

H. P. MARTIN

Director, Office of  
Foreign Affairs

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SPECIAL ASSISTANT TO THE SECRETARY  
FOR RESEARCH & INTELLIGENCE  
R

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INT 7611

November 26, 1948

History of the Integration of Research and Intelligence  
Activities into the Foreign Service

It is evident from the memorandum of OFS, Mr. Martin, dated November 15, 1948, Subject: Foreign Service Recruitment Schedule for Balance of Fiscal Year 1949, that the present arrangements with OFS for handling research and intelligence activities abroad are not satisfactory.

In May 1948, R entered into an integration agreement with OFS for the following reasons:

1. OFS was desirous of having such an agreement.
2. Integration appeared to be administratively feasible.
3. The establishment of intelligence activities as regular Foreign Service functions would be advantageous if the Foreign Service cooperated in developing and maintaining the program as approved by the Department, the Bureau of the Budget, and Congress.
4. R recognized the financial difficulties under which the Foreign Service was laboring, and agreed that there might be some lapses which could be applied to the general Foreign Service deficit.

Essential elements of the integration agreement which required sacrifices by R were:

1. Agreement that instead of 38 officer positions budgeted, the fiscal year 1949 program would contain the following provisions extracted from Attachment B of the integration agreement:

"4. The projects now in progress /20/ plus the four mentioned in paragraph 2 above will be considered the minimum program which is to be supported during fiscal year 1949 /totals 24/.

"5. OFS will proceed immediately with the review of the other projects included in the work program as submitted by R in order to determine which should be added to the minimum program so as to establish the basic 1949 program."

2. R would

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2. R would relinquish all control of funds for clerical assistants and would make no nominations for such positions.

3. All Foreign Service travel funds under the control of P would be integrated with the over-all Foreign Service travel funds and would have to be requested especially for officers under the program.

4. The agreement passed to PP primary responsibility for recruitment of Intelligence Research personnel.

P has made every effort to fulfill its part of the agreement, and officers of OPS can confirm this. The record of OPS may be summarized as follows:

1. Application to research and intelligence activities by the Foreign Service of funds provided by Congress:

	<u>Officer Positions</u>	<u>Funds for officers Salaries</u>
1949 budget request	38	\$235,220 (Budget request was \$450,000 including clerks, travel, etc.)
After applying pro rata Congressional reductional	35	216,650
Current status	18	109,640

As presently allocated, this leaves a net figure of \$107,000 out of \$216,650, which OPS has diverted to other purposes, or close to 50%.

2. Officer positions proposed by the Foreign Service for the remainder of the fiscal year, for research and intelligence activities, including the five provided in the recruitment schedule, may be projected as follows:

1949 budget - 38  
May 1948 - 24 (minimum guaranteed in integration agreement of May 17)

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August - 20  
October - 20  
November - 19 (18 on duty; 1 authorized in recruitment schedule of November 4)  
December - 20 (no terminations; 1 new position scheduled)  
January - 19 (2 terminations and 1 new position scheduled)  
February - 18 (1 termination scheduled)  
March - 18 (1 termination and 1 new position scheduled)  
April - 18 (no changes)  
May - 19 (1 new position scheduled)  
June - 19 (no changes)

In other words, present plans of the Foreign Service do not fulfill the minimum commitment provided in the integration agreement.

3. During August 1948, no results by way of appointments had been achieved under the procedures provided in the integration agreement (and, to date, none have been made). The matter was discussed at length with Mr. Thompson, FSP, and Mr. Martin, OFS. As a result, Mr. Martin addressed to this office a memorandum dated August 18, Subject: Personnel Deficiencies in Field Execution of Research and Intelligence Program, which stated in part:

"I realize that the allocation of 26 American and six alien positions for Research and Intelligence field activities out of a total requested 60 positions is more than a pro rata cut when compared with other programs.

"OFS is sympathetically disposed to making adjustments upwards in the personnel allocated to your programs. I am sure that you will understand that no such adjustments can be made until the reductions of FS personnel necessary to bring us within the ceiling of 10,660 positions are made. Our target date for reaching this ceiling is October 1, 1948. As soon as this ceiling has been reached the possibility of readjustments between programs on the basis of relative priorities will exist. Furthermore, those special projects which are the subject of recent airgrams to the field will be carried out either by existing staffs or by the assignment of additional personnel if they are accorded sufficiently high priority."

4. The following statement is quoted from the Minutes of the Appointments and Assignments Board meeting of July 27, 1948:

"In answer

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"In answer to a question from Mr. Van Blarcom, the Chairman /Mr. Ackerson/ explained that Young's salary would be paid out of Regular Foreign Service funds. He explained that this additional appointment was not inconsistent with the general policy of minimizing the number of new appointments since this and one more appointment to the Reserve Corps were being made in accordance with the plan to integrate the research program budget-wise. He pointed out that the net result of the plan would be to increase the amount of regular Foreign Service funds available."

5. While the budget has provided travel funds in balance with the research and intelligence personnel provisions, R has found it almost impossible to obtain from the integrated funds under the control of the Foreign Service even a bare minimum of travel for Map and Publications Procurement officers who have large areas of responsibility.

R has carefully reviewed its requirements for research and intelligence activities in the field in the light of OFS financial difficulties; and in view of commitments and responsibilities to the Department and to the national intelligence program, the absolute minimum additional requirements for the remainder of 1949 are:

<u>No. of Recruitment Positions</u>	<u>Type of Position</u>
2	Map procurement
4	Publications procurement
8	Intelligence research
14	

The 14 positions listed above instead of the 5 provided in the recruitment schedule must be made available on a scheduled basis with at least 5 provided in the next two months.

Given the 14 additional positions, the program will at no time exceed 28 officer positions, which is only four more than the minimum 24 guaranteed by OFS in the integration agreement. A total of 28 would be 73% of the budgeted officer positions. While the total of 24 Reserve officer positions provided in the Foreign Service recruitment schedule for all activities is insufficient to include all of the 14 requested above, Staff officer positions could be created out of the 501 Staff positions in Annex A of the recruitment schedule, or a portion of the funds allocated to Staff positions could be used to increase the total number of Reserve positions in Annex B.

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OFFICE MEMORANDUM . . . . . UNITED STATES GOVERNMENT

CONFIDENTIAL

TO : R - Mr. Armstrong

DATE: December 6, 1948

FROM : FS - Christian M. Rayndal

SUBJECT : Integration of Research and Intelligence Activities in  
the Foreign Service

The following comments, in general and in detail, are presented on the paper handed to me on November 26 by Messrs. McCluney and Freund:

General

OFS favored and worked for integration of the R and I overseas program into the Foreign Service for the following reasons:

1. It believed that a separate block allotment of funds for specialized activities, such as this program, was unsound and that separate administration of funds by R involved the danger of lack of coordination and balance with the regular personnel and post complement procedures by which the regular budget is administered.
2. OFS was convinced of the merits of the program, and wanted to see it become one of the regular activities of Foreign Service. It believed, however, that orderly development of the program and its recognition as a permanent activity by all concerned would be more likely to occur under integration.
3. OFS desired to act administratively for R and the agencies R serves in the same manner that OFS services the field needs of other offices of the Department and other U.S. agencies.

OFS considers that the procedures developed under the integration agreement are sound and satisfactory in that they:

- (a) provide for regular consultation with the posts and geographic offices concerned on the specific projects;
- (b) permit continuing review of the priority of the demands of the program against F.S. funds as compared with those of other programs and activities;
- (c) have developed possibilities that some program activities can be performed by personnel already on the rolls;
- (d) are gradually stimulating field recognition of the merits of the program;
- (e) permit flexibility in the use of the F.S. budget among programs.

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OFS has not been able to implement the program as fully as it expected when integration took place and in this respect the results have been unsatisfactory, but OFS submits that the cause (restricted funds) has been beyond its control.

Integration Agreement (pages 1-2 of your paper)

OFS undertook, in the integration agreement of May 17, 1948, to support the projects then in progress and for which personnel were then in the field, plus four additional specific projects, as stated in your paper. There were 19 officers in the field at that time and their projects have been maintained by OFS. The 20th position, to which you refer, is evidently the research project at Saigon which had been approved in the Department but was later postponed at EUR's request.

Of the four additional projects two have been implemented: Milan (research) and London (publications). The Helsinki research project was eventually dropped because of the chief of mission's refusal to approve it. The Shanghai publications project would have been implemented if the candidate proposed by R had not been eventually rejected for security reasons.

OFS's performance on the specific projects has thus, I believe, been satisfactory on a strict construction of provisions 1, 2 and 4 of Attachment B of the Integration Agreement. Of the 23 projects which OFS was committed to support, 21 were implemented. Failure to comply with respect to the other two, and the Saigon project, is explained above.

OFS has continually endeavored, however, to interpret the agreement liberally and thus to consider the minimum program 24 officer positions, without particular reference to the projects concerned in the agreement. Justification for non-performance of this responsibility to R are discussed below.

1949 Financial Situation (page 2)

Implementation of the R and I program was subjected to severe handicaps immediately upon integration. It was unfortunate, for the program, that it had not been farther advanced by the end of fiscal 1948, when R relinquished administrative control of the separate funds. There appear to be a number of reasons why R had not more nearly approached its goal of some 28 officers in the field. Among them may be mentioned the difficulty of finding qualified personnel for the projects; the lack of clarity in project definition and purposes resulting in the belief in OFS and other agencies vitally interested in F.S. personnel utilization that duplication of effort and improper emphasis on one program might exist. In any case only 19 officers were in the field by July 1 while OFS recognized its commitment to support a basic program of some 24.

In June OFS was forced to give serious consideration to the development of a drastically revised financial plan for 1949. The facts that had to be

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faced were that, although Congress enforced a cut-back of some five percent below the 1948 budget, the Foreign Service was compelled to carry out the same responsibilities and programs within a budget further restricted by several factors which were not budgeted for. R indicates that it is aware of the financial problems of the Foreign Service, but I would like to emphasize these factors, the serious effect of which R may not realize. In addition to the appropriation cut, other unforeseen burdens were: administrative support for the expanded USIE program; the extended security and alien employee replacement programs; inflated travel and communications costs; increased personnel costs; German currency reform. These and other less costly factors totalled an effective reduction in funds of \$7,500,000.

This situation compelled OFS: to cease recruitment until about October 1 when attrition would bring the personnel total down to the ceiling the available funds would support; to operate the F.S. on an emergency basis with recourse to such uneconomic expedients as closing posts and issuing no travel orders other than those required by separations; and to require the further backlogging of visa, citizenship and other consular cases. Having no leeway in the disposal of funds, OFS could not send personnel to the field to service any program. There could be no replacement of agricultural reporting or visa issuing officers, for example, much less expansion.

However, in recognition of the unusual, but not unique, condition of the R and I program on July 1, Mr. Martin informed R on August 18 of OFS's sympathetic interest in improving R's situation in comparison with other programs after October 1.

1949 Recruitment Schedule (page 4)

The supportable F.S. personnel ceiling was reached in October. FSF and FP then conferred on the establishment of a recruitment schedule for the balance of fiscal 1949. It was conservatively estimated that attrition during the period would permit the recruitment of 24 Reserve officers and 501 Staff personnel. Because of the critical lack of clerical personnel in the field, a lack which was all too apparent in fiscal 1948 and which is now aggravated, OFS was forced to conclude that the 501 Staff positions would have to be filled as shown on Annex A to Mr. Martin's memorandum of November 15. This conclusion is, I think, adequately justified in the memorandum of November 15 which was attached to Mr. Martin's memorandum. The decision meant, of course, that programs of great importance to other areas of the Department, such as COM, C, and E, as well as to agencies outside the Department could not be assisted by allocations from the available Staff Corps positions.

OFS had the responsibility of determining how the projected 24 Reserve Corps positions could be allocated to all of these programs. Annex B to the November 15 memorandum was the result. In consideration of this schedule it must be borne in mind that attrition since July 1 has adversely affected, and from now until June 30 will continue to reduce, the implementation of all activities by the Foreign Service. This will be substantiated below. OFS recognizes that some of the R and I projects are or will be completed,

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but the attrition of the R and I program is not proportionately greater than that suffered by others. Taking into consideration the needs of all programs and recognizing the special factors bearing on the R and I program, OFS allotted 5 of the available 24 positions to the program. If pro rata replacements alone were to be made, R and I would not have been allocated as many as five. In attempting to live up to its commitments to R, however, and in recognition of the slow start of the program, OFS gave R's needs additional weight in preparing the schedule. The result was OFS's best estimate of the relative priority of all programs which it is responsible for implementing.

Acting for OFS with respect to R's very real problems under integration, FSP made every effort to find means to grant R more than five positions. FSP believes that R's needs, as they have been developed and proved through the post-integration procedures, are serious ones. The possible allocation of Staff Corps positions to the program was carefully reconsidered. It was found that the clerical and administrative personnel emergency was so grave that it would have to be met first in order to permit the F.S. to operate at all. By any standard of judgment there were no program needs which outweighed the lack of support personnel. Without whom the productivity of officers engaged in program activities was already seriously hampered. The eventual breakdown of essential services at many posts was threatened unless the 501 available Staff positions were entirely devoted to filling clerical and administrative vacancies. It became immediately clear also that the breakdown of the principles on which the FSS schedule was based would throw other FSS positions open to special pleading by other agencies. We also had to face the undeniable fact that presentation of R and I program Staff appointments to the Appointments and Assignments Board would give other agency representatives grounds for questioning the entire Staff recruitment schedule. To increase the five Reserve positions by additions from the 24 would bring us up against the same barrier. We have a good case for the five positions (more than are allotted to any other one program) in view of all of the factors bearing upon the R and I program as discussed here, but OFS maintains that the allocation of five is the maximum possible under the circumstances. If events should prove that more than 24 Reserve positions will be available during fiscal 1949, R's position may be improved. In the meantime you are assured that the recruitment schedule will be reviewed each month and that R's needs will be taken into account if more positions are available.

#### Effect of Post Complement Reductions

Officers of R have often pointed out that R and the agencies to which it is responsible are primarily dependent on the regular reporting of the Foreign Service. I believe that you will therefore be interested in seeing how the enforced reduction in post complements has affected the reporting activities of the F.S. My purpose in presenting these data is to demonstrate

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to you that all areas of the Department and all interested agencies are affected by our budgetary difficulties. I think you will be forced to admit that the allocation of additional F.S. funds to the K and I program, over that represented by the five positions, would mean a further proportionate reduction in the funds available for regular political and economic reporting. I am sure you will recognize that you have a direct interest in the continuation of such reporting.

The tables below show the man-years spent on political and economic reporting as of April 1 and October 1, 1948 at representative missions. The reductions are almost entirely attributable to the enforced post complement reductions put into effect on July 1. Under economic reporting are included reports on agriculture, labor, civil aviation, petroleum, et cetera. The political reporting figures include biographic reporting. The data are for officers only.

Political Reporting - Man-Years

Post	April 1, 1948	October 1, 1948
Bogota	1.5	1.2
Santiago	2.3	1.8
Bern	3.9	3.3
Buenos Aires	2.9	2.5
Ottawa	2.3	1.6

Economic Reporting

Buenos Aires	17.7	14.0
Mexico City	16.5	15.1
Santiago	9.3	7.3
Habana	11.0	10.3
London	21.0	20.4
Ottawa	9.4	8.4
Paris	25.1	22.3
Bern	8.6	6.5

Travel funds (page 4)

The use of F.S. travel funds in fiscal 1949 has been even more severely restricted than other allotments. Until recently "normal" post-to-post transfers and assignments to the field, which are necessary for the most efficient operation of the Service, had to be reduced to the vanishing point because of: sharply increased travel costs; transfers required by health and other personnel emergencies; the return to the U.S. of terminated officers and employees. OFS had to freeze travel except for the most critical emergencies. In spite of these difficulties OFS found travel money for the

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assignment of two new K and I project officers to the field and for the inter-post transfer of two others. OFS was committed to these actions by the integration agreement but it was not easy to proceed with them. It is true that the usefulness of one of the transfers (Miss Robinson from Bern to Pretoria) to the performance of her area responsibilities was greatly reduced by OFS's failure to provide for stops en route, but the overall scarcity of funds for this purpose made this course necessary.

Local travel. The cost of local travel within the area of assignment has increased and no additional funds could be provided. The movement of R and I program officers in their areas has been severely restricted, but by the same measure as the local travel of other officers. There is a crying need for all reporting officers to move away from their bases of operations and the quality of all reporting has suffered and will continue to suffer until the mobility of reporting officers can be increased.

#### Benefits of Integration

OFS considers that certain important gains, beneficial to the efficient operation of the Service and of long-range advantage to all programs including R and I, have resulted from integration:

1. The procedures require painstaking review, in the Department and at posts concerned, of clearly defined projects. This process appears slow and cumbersome, but will in the end result in a minimum of duplication and more economical expenditure of funds. Concrete examples are: the two proposed research projects at Paris and Brussels which, as the result of consultation within the Department and with the missions, have been reduced to one project supported by all interested parties; the combination of the proposed two map and publications procurement positions at New Delhi into one.
2. The posts which have been consulted have been made more aware of the intelligence requirements of the Department with respect to their areas.
3. Consultation with the posts on two research projects (Madrid and New Delhi) have developed the definite possibility that they will be performed by the existing reporting complements.
4. Clerical assistance for program officers is to be provided from the regular clerical complements.
5. R's program, as developed under integration, has provided a firm basis for budget estimates, which should in the long run be welcomed by the Budget Bureau and Congress.
6. The field has been made aware through the circular instruction of July 26 of the plans and purposes of the program.

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R-OFS Cooperation

OFS has welcomed the opportunity presented by integration to handle the administrative problems of the R and I program. It acknowledges that R has been sympathetic with the overall financial difficulties of the Service and has cooperated to the fullest extent in our efforts to make integration work. OFS realizes that from R's point of view performance under integration may seem unsatisfactory as compared with the prospects for its program with separate funds. The program has not expanded and by comparison procedures have been cumbersome and advantages have not been clear.

I have tried in this memorandum to demonstrate the difficulties faced by OFS in the administration of a dwindling budget from which the needs of all offices of the Department and other Government agencies must in some way be met. Under the circumstances OFS believes that its performance under integration has been good. It also considers that integration is to the long-range advantage of the R and I program.

OFS is by no means satisfied with the present procedures for resolving the competing claims of all programs on the time and energies of F.S. personnel. Efforts are being made by FSP to develop procedures for the establishment and continuing review of staffing patterns for field posts. By means of such procedures it is intended that the relative weight to be given the various programs can be more accurately determined within a budget of any size. Such procedures will, of course, be designed to satisfy the needs of the R and I program as compared with other demands on the utilization of F.S. personnel.

OFS:FSP:ASBrown/mb

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