

CIA Draws \$350 Million Per Year, But Answers To No One In Spending

By JOHN SCALI

WASHINGTON (AP)—A money-conscious Congress bestows an estimated 350 million dollars a year on an agency so secret only a handful of the highest officials know how the money is spent.

The hush-hush expenditures are charged off to the high cost of spying.

And the supersecret outfit is the Central Intelligence Agency.

The CIA operates a vast American espionage network in an atomic-space age when the mere scrap of information could mean the difference between survival and annihilation.

So rigid is the secrecy that when brickbats fly, in Congress grumbles over failures, real or imaginary, the CIA takes it in silence. It says simply:

"We never alibi. We never explain."

To alibi or explain might reveal a source and endanger the undercover legion of men and women who gather their information throughout the world.

The CIA is unique among American governmental agencies.

Its estimated budget of 350 million dollars is little better than a reasonably good guess. No one outside the highest official circles can say for sure.

But, if the estimate is correct, it is 130 million dollars more than the State Department spends on

its 282 diplomatic outposts around the world.

Only a handful of top executives in the government know exactly how many people work for the CIA.

The State Department has about 16,000 American employees. It has been estimated that the CIA has almost as many. But, again, an outsider cannot say for sure.

The Soviet Union is believed to be spending six times as much as the CIA on espionage. And up to 45,000 Soviet agents are said to be directly engaged in spying.

Comparisons drawn between CIA and State are particularly apt. Each is run by a man named Dulles.

CIA Director Allen Welsh Dulles, 65, brother of Secretary of State John Foster Dulles, is a heavy-set man with a bushy white walrus-type mustache. He tells friends his sole ambition in government is to stay on as intelligence chief until he dies. He's headed the CIA for 3 1/2 of its nearly 11 years of existence.

Allen Dulles' job is unique in at least one respect. He can write a check for a million dollars without telling even the government accounting office exactly why he is spending the money.

Most congressmen, who watch financial matters like a detective eyeing a pickpocket, have only a vague idea of how much the CIA spends and what it spends it for. Yet each year the agency's budget is appropriated promptly.

The exact figure is known to six senators and representatives who form the special subcommittee that handles CIA finances. They alone of Congress see the agency's detailed budget.

Why spend so much on espionage?

Like everything else, the cost of spying has shot up like the Sputniks and missiles that make it urgently necessary.

Only a small percentage of CIA funds goes to pay the salaries of its thousands of men and women employees, Stateside and overseas.

A big chunk goes for maintenance of its Washington nerve center housed in 35 buildings. Headquarters is a gray, forbidding quadrangle of three-story buildings on a hilltop in the capital's "Foggy Bottom" area.

Armed guards perch at each building entrance. Privileged visitors are escorted through the buildings to keep appointments.

The essence of CIA intelligence reports winds up each morning on President Eisenhower's desk. It

covers the high spots of the previous 24 hours in the world's trouble spots.

The report comes to the President as a terse 500-word summary, written in short, punchy sentences. It can be digested by a busy President in about two minutes.

The streamlined, more sprightly written report has replaced a lengthier summary previously given to the President. The change was made shortly after the Soviet Union beat the United States to the satellite punch.

That's only a coincidence, says Allen Dulles, whom the Soviets call "America's master spy."

But administration foes say it's more than that. They say the administration did not heed previous CIA warnings so the agency now is resorting to simple ABC language in its reports.

What kind of record has the CIA compiled in forecasting cold war events?

A newsman going to the source invariably runs into the tight secrecy surrounding the heart of the operation.

But from other sources, including congressional, it is possible to estimate the CIA record on nine important world developments of the past three years.

The scoreboard:

Soviet satellites—Excellent. The CIA warned for a year that the Soviet Union was capable of launching its first Sputnik in 1957.

Missiles—Good. But the agency was conservative in forecasting the size and thrust of Soviet rockets.

Anti-Nixon riots in Latin America—Very good. But the CIA apparently failed to foresee the dangerous disorganization of the new Venezuelan police force.

Indonesian revolt—Excellent.

Bulgarian-Khrushchev reshuffle—Very good. The CIA not only forecast this three months earlier but it fingered Frol Kozlov as a fast-rising Kremlin newcomer.

Hungarian revolt—Fair. The CIA reported signs of mounting unrest in Hungary but even it was surprised when the people actually revolted.

Suez war—Good. The CIA predicted British and French troops would invade Egypt a few days before they did.

Suez Canal seizure—Not good. The CIA failed to estimate fully Nasser's reaction to the withdrawal of a proposed U. S. loan for construction of the Aswan dam.



HEADS supersecret outfit—Allen Welsh Dulles, 65, director of the Central Intelligence Agency, the government's supersecret outfit, is shown at his desk in his Washington office. A money-conscious Congress bestows an estimated 350 million dollars a year on the CIA yet only a handful of the highest officials know how the money is spent. Allen Dulles is the brother of Secretary of State John Foster Dulles. (AP Wirephoto)

Mid-East Troublemakers Get Notice US Ready To Use Arms

WASHINGTON (UPI)—Mid-east troublemakers were on notice today the United States is prepared to take swift military action in Lebanon if the United Nations is unable to preserve the independence of that revolt-torn country.

American officials emphasized the hope that presence of U.N. observers will help restore order and prevent the infiltration of leaders and arms for the rebels from neighboring Syria, a part of the United Arab Republic (UAR). But they made it clear the United States, with its powerful Sixth Fleet cruising the eastern Mediterranean, will not sit idly by and watch the tides of chaos engulf the government of pro-Western Lebanese President Camille Chamoun.

Disclosure of the firm American position came after Secretary of State John Foster Dulles told a news conference Tuesday there were "possible contingencies" in which U.S. Marines would be sent into Lebanon apart from any U.N. action.

Dulles said he was "aware of the fact" that the Sixth Fleet has elements close to Lebanon with Marines aboard who could "if need be, respond to appropriate invitations."

Later in the day Dulles went to the Pentagon where he conferred with Defense Secretary Neil H. McElroy.

Authoritative sources, interpreting Dulles' remarks, said he intended to serve notice on UAR President Gamal Abdel Nasser and any others aiding the Lebanese rebels that the United States

would act to preserve the integrity of Lebanon if it became apparent U.N. efforts were doomed to failure.

Officials said any American action would have to be based on a direct appeal from Chamoun, accompanied by evidence the U.N. could not act fast enough to salvage the situation.

Given these conditions, the "contingencies" under which the United States would act would include (1) the necessity to rescue imperiled American nationals and/or (2) the need to prevent final domination of Lebanon by leftists.

Labor Bill Backers Hope For Victory

WASHINGTON (UPI)—Backers of the Senate's "moderate" labor reform bill hoped today its overwhelming 80-1 victory in the Senate would spur a reluctant House to act on the measure this year.

The bill, aimed at ending labor-management abuses turned up by the Senate Backers Committee, was sent to the House Tuesday night after five days of debate with the blessing of Democratic leaders, the administration and Senate GOP leader William F. Knowland who had sought a stiffer measure.

House Democratic leaders had no immediate comment. They were expected to confer soon with Rep. Graham Barden (D-N.C.), chairman of the House Labor Committee who has been reluctant to act on any labor legislation in an election year.

Barden told United Press International he had not read the Senate bill and "could guess the weather with as much accuracy" as the outlook for the measure in his committee.

Rep. Ralph W. Gwinn (R-N.Y.), senior GOP member of the committee and advocate of a much tougher union-control bill, predicted the committee will not act on broad labor reform legislation.

"Not that I wouldn't like to see a good, honest labor bill but we just don't have the votes," he said.

Shakeup

MANILA (AP)—Informed sources in the Foreign Office say Brig. Gen. Carlos P. Romulo soon will give up his post as Philippine ambassador in Washington to concentrate on representing his country at the United Nations.

He reportedly will be replaced in Washington by former Sen. Francisco Delgado, once the Philippine commonwealth commissioner to Washington and U.S. Philippine war damage commissioner.

The changes are said to be part of a major shakeup in the Philippine diplomatic service.

Hoffa Trial Nearing End

NEW YORK (UPI)—The retrial of Teamster President James R. Hoffa and two co-defendants on wiretap conspiracy charges neared an end today.

Final witnesses for the defense were expected to complete their testimony today. Following summations by both prosecution and defense, the case could go to the jury Friday or early next week.

Hoffa along with Owen Brennan, president of Detroit Teamster Local 337 and Bernard Spindel, a wire-tap specialist, are accused of illegally tapping telephone lines at the Detroit headquarters of the Teamsters' Union.

The government has charged that Hoffa was in Detroit on July 10, 1953 with Brennan to receive a demonstration of the wire-tap equipment by Spindel. Hoffa has denied the allegation claiming that he was in Seattle at the time attending a Teamster convention.

Atom Workers Under Watch

OAK RIDGE, Tenn. (UPI)—Five of eight atomic plant workers exposed to excessive radiation are being held in a hospital for observation.

Plant and Atomic Energy Commission officials said they are launching an investigation into the incident which was the first of its kind in the plant's 14 years of operation.

Officials said the accident occurred when a workman in the uranium recovery room of the huge plant dumped a container of enriched uranium into a larger drum.

A nuclear reaction took place which raised the radiation level in the plant.

Officials would not release names of those exposed, but said they are receiving the best of medical attention by leading specialists in the field of radiation medicine.

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Rain Forecast Over Nation

By THE ASSOCIATED PRESS

A fashion note from the weather man: keep your umbrellas and raincoats handy today.

Wet weather — ranging from booming thunderstorms to pre-summer showers — was forecast for most of the nation.

An umbrella might have been handy, but hardly practical in such a spot as Bandera County, Tex. yesterday. The 24-hour rainfall there was measured at 20 inches.

Utopia, a small town on the Sabinal River, got a big storm that dumped 11 inches on the community and washed out telephone lines.

Storm-wary Texans got so edgy near Dallas that they reported clearly seeing a tornado funnel. But the Weather Bureau said it was a mirage caused by a cloud fragment dangling in front of the setting sun.

Forecasters said two major areas expected to be free of wet weather today are sections of the Pacific Coast and the Atlantic Coastal strip.



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Greek Movie House Burned

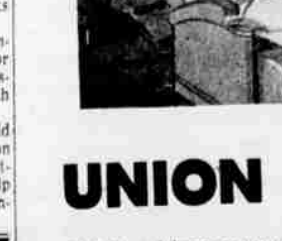
NICOSIA, Cyprus (AP)—Another Greek property was burned today and the British government again blamed Turkish Cypriots opposing union of the island colony with Greece.

The blaze in the Greek-owned Pallas movie house was the fourth fire attack on Greek holdings in Nicosia in 24 hours. Damage to the movie house was estimated at 1,000 pounds (\$2,600).

So far, however, there was no resumption of the Turkish riot attacks last week in which 15 Greeks and 2 Turks were killed.

Britain yesterday postponed announcement of her new plan for the future of Cyprus until Thursday at the request of the North Atlantic Council.

Prime Minister Macmillan told the House of Commons in London that the NATO group had requested the delay "to see what help they can give in the work of conciliation."



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