

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

OFFICE OF
THE DIRECTOR

December 26, 1963

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

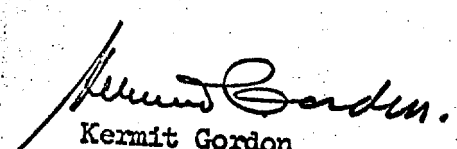
The President has asked me to transmit to you the attached directive concerning control of Federal employment. You will note that the President asks for prompt and personal action on your part, and that he plans to review each response personally.

The initial action required is an identification of new end-of-year employment targets for FY 1964 and 1965 below those allowed your agency by the President's decisions on the 1965 budget. If you have not yet been notified of that allowance, you will be advised immediately.

As guides to the preparation of your report to the President, I would suggest the following:

1. That the new targets for large agencies be broken down into subtargets for each of the major constituent parts of the agency.
2. That the targets differentiate between permanent and other employees.
3. That the new targets be achieved by methods which produce meaningful Government economies, rather than by devices of a merely statistical nature.
4. That this report be submitted to the President no later than January 10, 1963.

The form and content of the quarterly progress reports also required by the President will be the subject of a future memorandum.


Kermit Gordon
Director

Attachment
OMB Declassification/Release Instructions on File

December 24, 1963

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

Subject: Control of Federal Employment

The Budget which I will send to the Congress next month will not only halt the growth in Federal employment, but will actually make a small reduction from this year's level.

Even though nothing like this has happened in the last decade, I am still unconvinced that we are getting the maximum possible output per employee. I believe we can do better.

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The Budget Director will shortly notify you of the year-end maximum employment levels which result from my final budget decisions for both fiscal years 1964 and 1965.

Let me make it clear that these end-of-year figures are ceilings, not goals.

As soon as these figures reach you, I want you personally to re-examine your employment situations and to establish new end-of-year targets below these maximums. I want you to report these targets to me promptly. I will review them personally.

When I approve new targets for your agency, you will put them into effect and make strenuous efforts to achieve them through tighter management, redeployment of personnel, simplification of procedures, and stripping work to essentials.

I will expect you to make quarterly reports to me, beginning April 1, 1964, on what you have accomplished under this effort.

Finally, once I have given my approval to your new targets, they are not to be exceeded without my explicit approval.

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