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(CLASSIFICATION)

03-4193

**OFFICE OF THE DIRECTOR**

83' M9 31 0 Action Memorandum No. A-326

Date 12 December 1963

TO : Deputy Director/Intelligence  
Deputy Director/Plans

SUBJECT : Fiscal Year 1965 Budget Levels

REFERENCE:

1. Would you have undertaken on a priority basis an examination of the consequences of reduced levels of operation on the assumption (1) that FY '65 allocations will not exceed those in the FY '64 Congressional request, and (2) that FY '65 allocations will not exceed FY '63 obligation levels.

2. For your information the DD/S has already instituted such an action within his offices and I will be examining directly with the DD/S&T the consequences of cutbacks in his area. In making these studies I would suggest that consideration be given to not only the priorities within your directorate but also overall priorities as far as the Agency and the total U. S. intelligence effort is concerned. I would also suggest that if there are areas in which your components are engaged and in which other agencies are also engaged, you forward suggestions as to whether you believe that your activities should cease or those of other agencies. In making this examination I would strongly recommend that all units bear in mind that in examining manpower controls henceforth we will be looking not only at the utilization of staff employees but also at the utilization of contract personnel or individuals in any way compensated by the Agency through subsidiaries or proprietaries.

3. It is requested that these studies be completed by not later than 20 December. We will be contacting your office at that time to set up meetings to review Agency requirements for economy.

SUSPENSE DATE:

EXECUTIVE REGISTRY FILE

DEC 15 1963

*Economy*

(signed) Lyman B. Kirkpatrick

LBK:drm

Lyman B. Kirkpatrick

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