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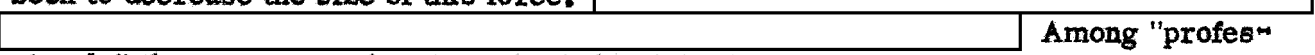
The Honorable Maurice H. Stans
Director
Bureau of the Budget
Washington 25, D.C.

Dear Mr. Stans:

I have carefully considered the comments contained in your letter of 18 August 1960 and your suggestion that further consideration be given to the President's request for a three per cent personnel reduction during this Fiscal Year.

Our European activities are under continuing review and from time to time some reductions in personnel have been effected. I agree that some further reductions are in order, not because our requirements have lessened appreciably, but because demands in other areas make such action necessary. Any such reductions which can be effected will be used to partially offset essential increases in the "awakening areas" such as Africa. As you are aware, we are constantly involved in personnel shifts among areas of the world in response to ever-changing operational emphasis and target accessibility.

The number of personnel officially assigned to the Plans Area in Washington has been a matter of continuing study and analysis. Our general objective for some time has been to decrease the size of this force.



Among "professionals" the greater number is in the field while the greater proportion of "clericals" is located at headquarters. An official assignment roster must be examined in some detail before a conclusion is drawn that a given number is too many or too few. For example, a special project currently requires the full time of more than [] officers and support personnel, [] of whom are officially assigned to the country desk at headquarters. However, nearly half of this force is actually working outside of the Washington area.

To further illustrate, our current program to expand our field assets []

[] will be costly in both manpower and money since headquarters support for such assets is considerably greater than for field assets enjoying []

The tabulation of Plans Area personnel as of 30 June 1960, which we discussed at lunch last month,

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shows that the Area Divisions, whose main responsibilities are overseas operations, have a

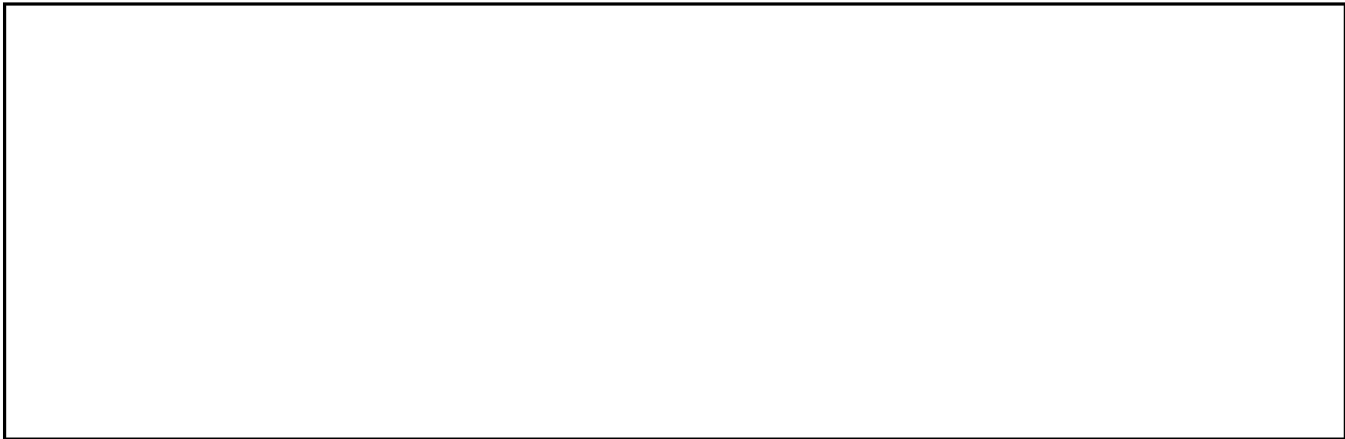
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The other components of the Plans Area have functions which can be carried out more effectively at headquarters and, therefore, the greater preponderance of their personnel are assigned to headquarters.

Our proposed Separation Compensation Program, as we pointed out to your representatives during our recent discussions, is designed to accomplish adjustments in the age, mobility, and occupational skills of Agency employees and is not intended to be used to effect a permanent reduction in personnel. The Program has received all the required approvals with the exception of one congressional committee. If and when this approval is received the plan will be put into effect, but that at best will be quite late in the Fiscal Year.

Improved coordination of the Government's photographic intelligence efforts is highly desirable. This Agency has expended a great deal of effort in this regard during the past four years and has achieved considerable success in several areas. For example, Photographic Intelligence Officers of the Central Intelligence Agency, the Army, and the Navy, and at times the Air Force, work side by side in our Photographic Intelligence Center producing joint photographic intelligence reports. Weekly interagency meetings are held to consolidate requirements and avoid duplication of effort whenever possible. However, the immediate reason for increasing the strength of the Center is to provide the necessary manpower for the exploitation of photography already on hand for which task the Center is presently undermanned; the expected acquisition of additional photographic material from a new and more sophisticated collection media will make the manpower situation completely inadequate. Improved coordination may provide some measure of relief, but it cannot be expected to eliminate the present requirements for personnel increases. Recommendations from the Joint Study Group for improving efficiency will be most welcome.

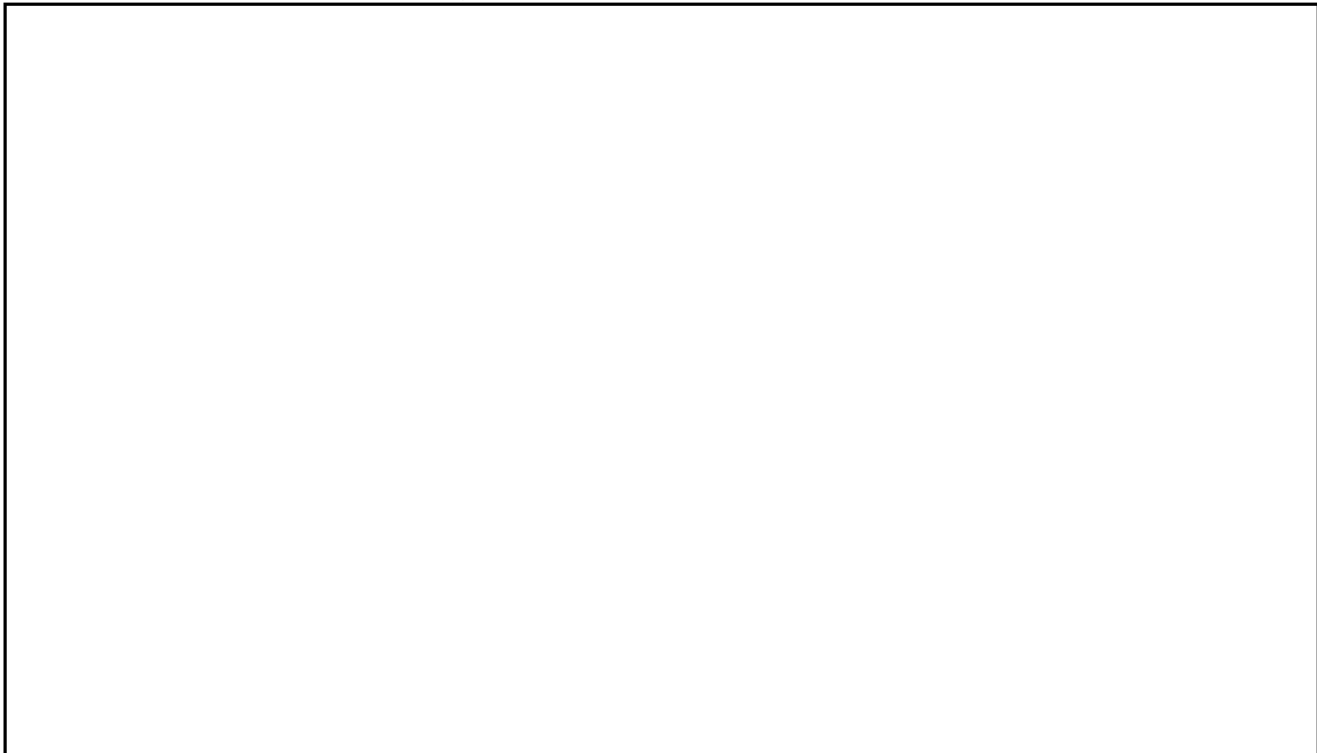
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The several situations existing in the world today which are so volatile, so susceptible to eruption and disruption, make the current and potential tasks of this Agency such that I would be most reluctant to commit myself to a definite reduction of personnel, either by number or location. I believe that there is going to be more work for us in the decade of the sixties than there was in the fifties. Our opponents will be using their growing strength in the economic and industrial fields to penetrate the uncommitted nations of the world through offers of aid and trade. In our support of the Intelligence Community there is no question but that we will have to do everything we have done in the past and more, and that we will have to do it infinitely more expeditiously than ever before.

Your reconsideration of the apportionment request for funds to pay the additional costs arising from the pay Act will be appreciated.

DD/S:LKW:laq

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Sincerely,

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Allen W. Dulles
Director

CONCUR:

L. K. White
Deputy Director
(Support)

27 September 1960

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MEMORANDUM FOR: Mr. Dulles

Attached hereto is a proposed reply to Maury Stans' letter of 18 August 1960 in which he raised several questions about our inability to make an additional three per cent personnel reduction. Both DD/P and DD/I have supplied the substance of the reply which concerns their areas of responsibility.

I apologize for the length of the proposed reply but believe that it is necessary in order to deal with the specific points which Mr. Stans has raised.

Recommend signature. *- over -*



L. K. White

29 Sep 60
(DATE)

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cc: DDCL, DD/P, DD/I, IG

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