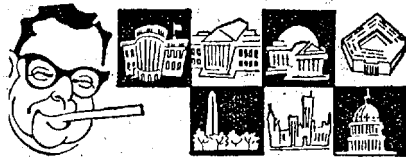


Washington Economy Wave



THE big word in Washington this year is "economy." In order to impress Congress and the American people, as well as take one of the main issues away from the Republicans, President Johnson has ordered everybody in the Federal Government to make every possible cut in expenditures. No one has been exempted from the economy wave, and now that the ball has started rolling it may be very hard to stop.

It could even reach into the confines of the White House itself.

We hate to project what might happen, but we will. It's May, 1964, and the President has just been informed that his thrift program has saved the Government \$2 billion. He is very pleased and he says to his Administrative Assistant:

"Get me Secretary McNamara on the phone."

"Yes, sir. Do you have a dime?"

"What for?" the President wants to know.

"As an economy measure we've installed pay telephones in your office. We felt it would make everyone realize you meant business."

President Johnson grumbles and hands his assistant a dime.

Limousine Taken Away

"Bob, this is the President. I was wondering if you could come over and see me right away. It's very important. What's that? You'll be over in an hour? Can't you get over any sooner? You have to take two buses

from the Pentagon? I know we took your car away from you, Bob. Now calm down. Why don't you take a taxi? I'll okay it with Doug Dillon. Don't worry, Bob, you won't get in any trouble. I'll explain to him it had to do with the Berlin crisis."

The President hangs up and turns to McGeorge Bundy.

"Any word from Khrushchev in answer to my telegram concerning Laos?"

"No, sir."

"That's the third telegram he hasn't answered. What do you make of it?"

"Well, sir, I think one of the problems is that we keep sending the telegrams collect."

"The Laos problem is as much his problem as mine," the President says. "If he's sincere about a settlement in Laos, he should pay for the telegrams."

TV State Dinner

As they are talking, Mrs. Johnson storms in. "I just heard you're having a state dinner for Gen. de Gaulle and 600 people tonight."

"Yes, dear."

"Did you know the cook has been laid off? And all the footmen?"

The President looks as his assistant, who says, "It's all taken care of, sir. We're sending out to a Chinese restaurant for 600 meals. The Comptroller says we can save \$650 without a White House cook."

"But who is going to serve the food?" Mrs. Johnson demands.

"It comes in individual cartons, Mrs. Johnson," the assistant says. "And there won't be any dishes to wash once the dinner is over."

Mrs. Johnson slams the door.

The President says, "Get me Pierre Salinger."

Salinger Cuts Lawn

"He's cutting the White House lawn, sir. And I must say he's doing as good a job as the gardener. It's been quite a saving."

"Is everything ready for my trip to the ranch?"

"Yes sir. There was only one question. Did you want to fly American Airlines or TWA?"

"You mean my plane—?"

"Yes sir. It was sold to General Motors."

The President takes a dime out of his pocket and calls Ted Sorensen. "Ted, I'd like you to whip up a new speech for me. Something along the lines of we've got to spend money in order to make money. And don't mention anything about economy, please. I know you don't have a typewriter. Write it in longhand and I'll have it typed over here."

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WHITE HOUSE AND BOB DIRECTIVES

TABLE OF CONTENTS

1. Memo dated November 30, 1963 to Heads of Departments and Agencies signed by President Johnson re economy.
2. Memo dated December 7, 1963 to Mr. McCone from Director, BOB, re report to President on cost reduction.
3. Memo dated December 11, 1963 to Heads of Departments and Agencies re President's statement to Cabinet members on his decision to tighten management and hold down employment in the Federal Government, signed by Director, BOB.
4. Memo for the Record dated 16 December signed by DDCI re telephone conversation between Mr. McCone and Director, BOB on CIA Budget.
5. Memo dated 24 December 1963 to Heads of Departments and Agencies signed by President Johnson re "Control of Federal Employment".
6. Memo dated 26 December 1963 to Heads of Departments and Agencies transmitting President's memo on control of Federal Employment.

THE WHITE HOUSE

Washington

November 30, 1963

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

I have pledged that the Executive Branch will be administered with the utmost thrift and frugality; that the Government will get a dollar's value for a dollar spent; and that the Government will set an example of prudence and economy.

To carry out this pledge, I intend:

- To examine agency budget requests with the determination to hold the 1965 Budget to the barest minimum consistent with the efficient discharge of our domestic and foreign responsibilities.
- To give you my full support in your efforts to achieve administrative or legislative changes which will eliminate unnecessary procedures, curtail or drop programs of low utility, institute consolidations or other organizational economies, and effect savings in procurement.
- To support salary scales for civil servants, military personnel, and policy officials which will enable you to retain and recruit talented, energetic, and imaginative employees.
- To accord increased recognition to those governmental units and individuals that make notable advances in providing efficient service at lower cost.

To assist me in carrying out my pledge, I ask you:

- To assume personal day-to-day responsibility for making your agency a model of good management and economical administration.

- To press ahead vigorously with your program for manpower control and utilization which you developed in response to President Kennedy's directive of October 11, 1962.
- To hold agency employment at or below the personnel targets established in response to President Kennedy's statement to the Cabinet of September 23, 1963.
- To make clear to your staff that each Government employee is responsible, not only for doing his assigned job to the best of his ability, but also for devising and proposing ways to improve his performance.
- To seek the advice of Committees of the Congress, and of private organizations and individuals, in finding ways to do the public business more economically.
- To submit to me promptly a report of major cost reduction actions taken during the past year, and a statement of the steps which you propose to take in the next year to tighten your operations and effect savings.

The Federal Government has reason to be proud of its many recent achievements in management improvement. But we cannot rest on past accomplishments. There are as many savings to be made in the future as have ever been made in the past. The citizen's faith in free government is strongly influenced by the extent of his confidence that public servants are alert and efficient in conserving the Nation's resources entrusted to their care. For this reason, we must work hard to reduce the costs of Government, not only for the sake of the savings to be made, but also in the interest of vindicating the people's confidence in the institutions of democracy.

signed Lyndon B. Johnson



On December 11 General Carter sent this to
Mr. Kirkpatrick: "Noted - you had to
understand paper will be for my signature to
DCI who, then, will forward with 'brief
personal letter' to Pres ??

63 9084

EXECUTIVE OFFICE OF THE PRESIDENT
Approved For Release 2002/08/28 : CIA-RDP80B01676R001500040001-3
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

OFFICE OF
THE DIRECTOR

DEC 7 1963

Honorable John A. McCone
Director of Central Intelligence
Washington, D. C.

Dear Mr. McCone: *John:*

A number of inquiries have come to me concerning the appropriate procedure for responding to the President's memorandum of November 30, 1963, in which he asked each agency head for a report on cost reductions achieved in calendar 1963 and planned for 1964.

I believe that the President expects a personal response from each agency head, rather than an institutional type of submission. At the same time, I think it would be desirable to maintain a certain degree of consistency in the content and presentation of the material, so that it can be analyzed meaningfully by the President and his staff.

Hence I thought you might find it useful if I were to suggest the general points that might be covered, leaving the rest to your judgment.

I suggest that your report might well begin with a brief personal letter from you to the President, giving your own perspective and judgment as to (1) what has been accomplished during the past calendar year, (2) what the potential is, as you see it, for solid improvements in the coming year, and (3) what it will take in the way of administrative decisions or legislation if the full potential for savings is to be achieved.

For the remainder of the report, I would suggest that you deal with the following topical categories to the extent that they are applicable, and add to them where they do not cover all of the significant types of actions being taken in your agency. In each category, it would be well to explain concisely what the problem is and the kind of action being taken, together with the best estimates available concerning savings already realized (in dollars or manpower or both), targets set for the coming calendar year, and a description of projects planned. Where

legislative relief or authorization is needed, this should be indicated. The categories I would suggest are these:

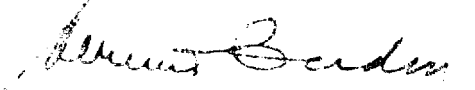
- (1) Reorganizations and consolidations
- (2) Simplifications of systems and procedures
- (3) Conversions to high-speed data handling equipment
- (4) Management surveys
- (5) Improvements in forward planning
- (6) User charges
- (7) Employee incentives
- (8) Manpower economies, including productivity standards
- (9) Procurement and purchasing methods
- (10) Property management, including acquisition and disposal

The foregoing categories relate essentially to management practices. The President's memorandum, in addition, speaks of eliminating or curtailing programs of low utility. I believe that the President would be particularly gratified to have your comments on this question--either as a part of this report or as a separate communication.

You will note that the President has asked that your report be submitted to him promptly. I believe that a reasonable construction of this request would suggest that your report be sent to the President in December or early January.

If I can be of assistance in any way, please let me know.

Sincerely,



Director



Approved For Release 2002/08/28 : CIA-RDP80B01676R001500040001-3

M/Record - 12 December - O/Exec Director

Orig. to DCI, copy to DDCI.

Copies to: DD/P, DD/I, DD/S, DD/S&T, OGC, IG and
O/Budget, PA & Manpower, with note, "This
is for your information. The Budget Office
will be in touch with you as to the response
that will be made."

Approved For Release 2002/08/28 : CIA-RDP80B01676R001500040001-3

BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

December 11, 1963

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

PERSONAL AND URGENT

Enclosed is a copy of a statement which the President made this afternoon to the Cabinet. The President's statement makes abundantly clear his decision to tighten management and hold down employment in the Federal Government.

Cabinet members were asked at the meeting to make a personal and searching review of their 1965 budgets, and to find further reductions in expenditures and personnel beyond those already made in the budget review process.

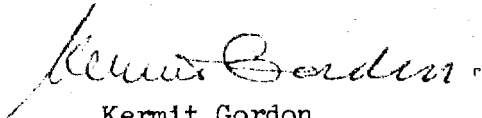
The purpose of this memorandum is to direct the President's request to all agency heads.

At the President's direction, I ask:

(1) That you undertake immediately a personal reexamination of the appropriation, expenditure, and employment figures contained in the most recent tentative allowance which you have received from the Bureau of the Budget. (Bureau officials will be in touch by telephone with those few agencies which have not yet received tentative allowances.)

(2) That you identify those further reductions in appropriations, expenditures, and personnel (stated separately for end-of-year employment in permanent and in other positions) which can be achieved through tighter management, better personnel utilization, postponement of program expansions, curtailment of programs which are not of the highest urgency, and other steps appropriate to a time of severe budgetary stringency.

(3) That you notify me in writing of the nature and amount of these reductions by 6:00 p.m., Friday, December 13, so that the President may proceed without delay in his personal review of each agency's submission.


Kermit Gordon
Director

Enclosure

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT OF THE PRESIDENT TO
THE CABINET

In my memorandum of November 30, I asked each of you

"To press ahead vigorously with your program for manpower control and utilization which you developed in response to President Kennedy's directive of October 11, 1962.

"To hold agency employment at or below the personnel targets established in response to President Kennedy's statement to the Cabinet of September 23, 1963."

You and I know we can hold the line on employment without causing real damage.

I am depending on you personally to deal with this problem.

Nine out of ten Government employees do a full day's work for a day's pay -- but I want that tenth man to measure up also.

We need to:

- Cut out excessive paperwork because it breeds overstaffing.
- Measure workloads carefully.
- Strip down overly elaborate organizations.

In short, I want you to give as much attention to management as you do to your programs.

For fiscal year 1965, the Budget Director must have your full support in carrying out my directive to hold down Government employment. The 1965 Budget total for year-end civilian employment must be held below the levels in the 1964 and 1963 budgets. This can be done.

Your budgets should reflect economies from better management and higher productivity resulting from improved methods, procedures, organization, and employee incentive. A good manager can do all of this.

I intend to disapprove any budget request for more personnel except where the facts leave me no choice.

This means that I will grant increases only when they are absolutely necessary to meet fixed commitments; to properly carry out new legislation, and to do work of the highest national priority.

MORE

Federal employment has, by your efforts, been held well below the growth rate of our population and our economy.

Regular civilian employment grew only by 686 persons from October 31, 1962, to the same date in 1963.

If it had followed the trend of State and local government it would have risen by 106,000.

But these facts do not justify a continued upcreep in Federal employment.

They do not justify us in having ten thousand, or one thousand, or even one hundred more employees than we need.

#####



123-9285

16 December 1963

MEMORANDUM FOR THE RECORD

1. Mr. McCone telephoned me from his home at 1:35 to tell me that he had just completed a telephone conversation with Mr. Gordon, Director, Bureau of the Budget. Mr. McCone said that he had informed Gordon that the Agency would accept the compromise figure for the FY 1965 Budget, provided that we were not obliged to accept the partitioning and segregation proposed. The Director was referring specifically to the denial of FMSAC and other changes proposed by Amory. The Director pointed out that within this compromise budget figure we were going to live on the personnel ceiling proposed by the Bureau of the Budget and as accepted in Mr. McCone's letter of the 13th. Mr. Gordon asked what our legal restrictions were on reprogramming within the Budget, and Mr. McCone replied that there were none. Mr. Gordon agreed that we would not have to accept Bureau of the Budget partitioning and segregation but that if we did any really extensive reprogramming, we would, of course, let him know. The Director stated his confirmation.

2. Mr. McCone pointed out that this budget for '65 does not allow for expansion of many of our planned operations and specifically does not include communications requirements for the State Department as expanded by the Orrick Committee. He said he would continue whatever service he was presently performing but that was all. The Director pointed out that when he had met with Gordon, Staats and Bell previously that Gordon had denied the validity of actions taken by the Orrick Committee, and that, based on this denial, Mr. McCone had eliminated these requirements from his budget, both as to funds and the increased personnel needed to implement it. The Director pointed out that while he had not yet received his '64 authorization from the Appropriations Subcommittee, it was indicated that approximately [redacted] for communications would be deleted from our '64 Budget, and that he expected a further letter from the Hill in this regard.

STAT

3. Gordon said he would have to talk to Staats and would call the Director back. The Director told him to get in touch either with me or Mr. Kirkpatrick since Mr. McCone would be out of town for the rest of the week.

4. The Director asked me if this position was all right and I said absolutely. I also pointed out that because of the communications problem the Budget may well come back and say they will allow us additional money and personnel to take care of that. Mr. McCone said that this will be fine as far as he is concerned and asked me to pick it up from there.

5. I told Mr. McCone that on the basis of this conversation, we would proceed as originally planned for FMSAC, and Mr. McCone said, "Yes, by all means."



Marshall S. Carter
Lieutenant General, USA
Deputy Director

STAT

- ✓ Orig - DDCI (Noted and ret'd by Ex Dir)
1 - DDCI Budget Book
1 - ER
1 - Mr. John Clarke



WASHINGTON

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.

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.

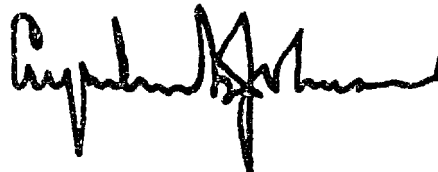
Let me make it clear that these end-of-year figures are ceilings, not goals.

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.





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

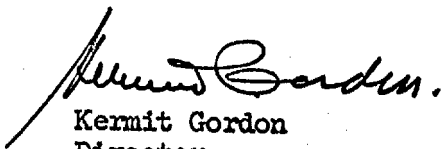
The President has asked me to transmit to you the attached directive concerning control of Federal employment. You will note that the President asks for prompt and personal action on your part, and that he plans to review each response personally.

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

Internal Agency
Directives

INTERNAL AGENCY DIRECTIVES

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1. Excerpts from Minutes of the Morning Meetings regarding the President's Memorandum on Government Economy.
 2. dated 4 December 1963, subject: Cost Consciousness.
 3. Memorandum dated 4 December 1963 to General Carter from DCI on President's memorandum on economy.
 4. Action Memo No. 319 dated 6 December 1963, subject: President's Memorandum on Government Economy.
 5. Action Memo No. 320 dated 6 December 1963, subject: On-Duty Strength: Entrance on Duty of New Employees.
 6. Action Memo No. 321 dated 6 December 1963, subject: Reduction of Demands on Agency Support.
 7. Action Memo No. 326 dated 12 December 1963, subject: Fiscal Year 1965 Budget Levels.
 8. Action Memo No. 327 dated 12 December 1963, subject: Messages to the Field on Economy Measures.
 9. Dispatch to All Chiefs of Stations and Bases dated 12 December 1963 from Chief, KUBARK re President's Memorandum on Government Economy.
 10. Action Memo No. 328 dated 12 December 1963, subject: Reduction of Personnel Ceiling (To DD/I, Attn: NPIC)
 11. Action Memo No. 329 dated 12 December 1963, subject: Reduction of Personnel Ceiling (To DD/S)
 12. Action Memo No. 331 dated 12 December 1963, subject: Economy Measures (to DD/P)
 13. Action Memo No. 332 dated 13 December 1963, subject: Economy Measures (to DD/S&T)
 14. Action Memo No. 333 dated 13 December 1963, subject: Economy Measures (to DD/I)

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15. Action Memo No. 334 dated 13 December 1963, subject: Economy Measures (to DD/S)
16. re
Cable Traffic.
17. Action Memo No. 335 dated 16 December 1963, subject: Referral to the Executive Director-Comptroller of Certain Categories of Requests for Support.
18. Action Memo No. 330 dated 18 December 1963, subject: Personnel Ceilings (To DD/S)
19. Action Memo No. 338 dated 20 December 1963, subject: Manpower Levels and Controls (To DD/P)
20. Action Memo No. 339 dated 20 December 1963, subject: On-Duty Strength Controls (to D/Pers)
21. Action Memo No. 340 dated 20 December 1963, subject: Manpower Levels and Controls (to DD/S)
22. Action Memo No. 341 dated 20 December 1963, subject: Manpower Levels and Controls (to DD/I)
23. Action Memo No. 342 dated 20 December 1963, subject: Printing (to DD/I)
24. Action Memo No. 343 dated 23 December 1963, Subject: Manpower Levels and Controls (to DD/S&T)

25X1

SECRET

SECRET
EVERY DAY

EXCERPTS FROM MINUTES OF THE MORNING MEETINGS

1. 3 December 1963: DCI spoke to the meeting of the utmost seriousness which he attached to conducting the Agency's affairs with attention to economy. He asked that a directive be issued that one of the qualifications for people at the level of chiefs of station, their equivalent, and above, should be due attention to economy and that this element should be reflected in their fitness reports. He referred specifically to the question of communications which is to be the subject of a separate meeting later today. He asked that all components restudy their needs and requirements and suggested that the Fiscal Year 1964 level was a desirable goal but not necessarily the best we could do, and that it was possible that we would have to move back to the Fiscal Year 1963 budget levels in money and manpower. He mentioned the President's personal concern with this problem, including the outflow of gold. The DCI also asked John Bross to study the question of duplication throughout the Community with particular reference to NSA and DIA.
2. 4 December 1963: Bross noted that he planned to meet with Gilpatric with regard to [REDACTED] DCI directed Bross to attend the USIB meeting in connection with the President's letter on economy.
3. 4 December 1963: DCI directed attention to the President's letter of 30 November on economy. He plans to hold an executive session of USIB today with principals, John Bross, and all committee chairmen on this subject.
4. There was a discussion of the Agency budget, the need for economy and the need for guidance from the DCI before taking specific action. (5 December 1963 meeting)
5. 6 December 1963: Executive Director discussed the current need for economy.
6. 11 December 1963: Mr. Kirkpatrick mentioned that an early response would be prepared to the Director of the Budget on good management and economy. DCI directed that a thorough going study by the end of December or the first of January was in order and should include specific justifications for all personnel overseas, all personnel in headquarters and Agency staffs, and a thorough going study of the situation in NPIC and in Commo. The DCI reviewed again the need for control to prevent expansion of the Agency in people and budget, and cited Secretary of Defense's achievement in reducing the number of civilian employees in the Department of Defense.

SECRET

SECRET
EVERY DAY

25X1

**SECRET
EYES ONLY**

EXCERPTS FROM MINUTES OF THE MORNING MEETINGS (cont'd)

7. DCI discussed the second message from the President about the need for economy and directed the DDCI, the Executive Director, and the deputies to study the personnel and money situation from the point of view of several levels. (12 December 1963 meeting)
8. 12 December 1963: The DCI mentioned a letter which he plans to send to Secretary McNamara about economy in the Intelligence Community. This he wishes to discuss with Bross and DDCI.

SECRET

**SECRET
EYES ONLY**

0001

S-E-C-R-E-T

This Notice Expires 1 March 1964

PERSONNEL

[Redacted]

4 December 1963

25X1

COST CONSCIOUSNESS

1. Agency regulations specify that all employees with supervisory responsibilities must be rated on their ability to supervise. "Cost consciousness" and effectiveness in the "use of personnel, space, equipment, and funds" are among the managerial and supervisory responsibilities which are listed for consideration in the preparation of Fitness Reports.

2. Effective immediately, evaluation of these factors is mandatory for all employees who have responsibilities for managing Agency assets. Each Fitness Report shall include an evaluation of the employee's effectiveness in performing his duties with maximum economy or an explanation of why such evaluation is not applicable.

[Redacted Signature]

25X1

Marshall S. Carter
Lieutenant General, USA
Deputy Director of Central Intelligence

DISTRIBUTION: AB

S-E-C-R-E-T

GROUP 1
Excluded from automatic
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declassification

Executive Registry
63-8978

4 December 1963

MEMORANDUM FOR: General Carter

I wish to direct your particular attention to the attached message received from the President. The views contained therein are consistent with my own statements at staff meetings in recent days.

I request the President's message be given most serious consideration. The deputy directors and other appropriate heads of Agency components should be directed to convene their staffs immediately to read and discuss this message from the President. They will govern their plans and programming in accordance with the provisions of the President's message, and submit in writing as soon as possible through the Deputy Director of Central Intelligence a report to me on proposed actions to meet the President's desires.

The Agency's programs should be thoroughly reviewed at least every 90 days, and periodic reports submitted to me through you on actions taken to accomplish a continuing improvement in the management of the Central Intelligence Agency and the resulting economies or savings.

151
JOHN A. McCONE
Director

DEC 8 2 05 PM '63

Attachment:

DEC 11 4 21 PM '63

- 1 - DCI Chrono
- 1 - DCI #5

DCI

25X1

63 8910/1

OFFICE OF THE DIRECTOR

Action Memorandum No. 319

Date 6 December 1963

TO :

- Executive Director-Comptroller
- Deputy Director for Intelligence
- Deputy Director for Plans
- Deputy Director for Support
- Deputy Director for Science and Technology
- Inspector General
- General Counsel

SUBJECT : President's Memorandum on Government Economy

REFERENCE:

1. Your personal attention is directed to the text of the memorandum for the heads of Departments and Agencies, dated November 30, 1963, from the President of the United States; copy is attached. In this he notes that the Executive Branch will be administered with utmost thrift and frugality and will set an example of economy. It is directed that the President's message be given most serious, continuous, and compelling attention and that you convene your staffs immediately to read, discuss, and receive the full impact of the President's statement. You should also discuss with your staffs the methods whereby the Agency will fully comply with both the specific requests and the intent of this memorandum.

2. Further, all plans and programs will be in strict accordance with the provisions of the President's message. You will submit in writing by 15 December to the Executive Director-Comptroller the actions which you propose to take within your area to meet the President's desires. The Executive Director-Comptroller will assemble for me, with comments and recommendations, these submissions.

3. Further, the Executive Director-Comptroller is directed to thoroughly review with you at least every 90 days the Agency's programs to effect a continuing improvement in the management of the Agency toward the end of economies or savings. The Executive Director-Comptroller will submit periodic reports on these reviews to me.

SUSPENSE DATE: 15 December 1963

FOR INTERNAL USE ONLY

ACTION MEMORANDUM

- 2 -

4. Actions under this directive, and forthcoming directives under the same subject, will be handled on a top priority basis both as to content and timing.

Marshall S. Carter
Lieutenant General, USA
Deputy Director

Distribution:

- Original - Executive Director-Comptroller
- 1 - DD/I
- 1 - DD/F
- 1 - DD/S
- 1 - DD/S&T
- 1 - Inspector General
- 1 - General Counsel
- 1 - DDCI
- 1 - GH

SEP 17 1973

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(CLASSIFICATION)

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13 9 1963

OFFICE OF THE DIRECTOR

Action Memorandum No. A-320

Date 4 December 1963

TO : Director of Personnel

VIA : Deputy Director/Support

SUBJECT : On-Duty Strength: Entrance on Duty of New Employees

REFERENCE:

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1. Effective immediately the strength of all components in CIA is frozen at the on-duty strength as of 30 November 1963. New employees will not be entered on duty if such action raises the strength of any component above the 30 November 1963 level without my personal permission. Exceptions will be granted only for specialists who are on priority list for recruitment. The Director of Personnel will provide me with a weekly report on all RCD's with an indication in each instance of the effect on the on-duty strength of the acquiring component.

2. In the meantime we will be examining, together with appropriate components, methods for reducing on-duty strength to the ceiling established by the Bureau of the Budget.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director - Comptroller

cc: DD/S
DD/P
DD/I
DD/ST
General Counsel
Inspector General
D/NIFE

SUSPENSE DATE:

[Redacted Box]

Original - Addressee; 1 - ER; ✓ - ExecDir 1 - *John Clarke*

(CLASSIFICATION)

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63-9088

OFFICE OF THE DIRECTOR

Action Memorandum No. A-321

Date 6 December 1963

TO : Deputy Director/Intelligence
Deputy Director/Plans
Deputy Director/Science & Technology
Deputy Director/Support
Inspector General
General Counsel

SUBJECT : Reduction of Demands on Agency Support

REFERENCE:

1. In view of the Presidential instructions on conservation of money and manpower, it is essential as a first step that the operating components of the Agency reduce current demands on support components. At the present time we do not have control mechanisms limiting the operating components in their requests on support components. It may be necessary, and we are currently studying this problem, to establish limits or quotas for support.

2. The following are illustrative of the areas of support demands which are currently costly in money and manpower to the Agency and in which economies can be effected. If economies are not effected in these areas it may be necessary to cut back in the operating units in order to carry the support load.

a. Requests for Security Clearances. At the present time the Office of Security is conducting full field investigations and granting clearances on nearly twice the number of applicants that enter on duty. This is extremely costly and whereas it should be expected that each month there will be some applicants who will decline employment on the basis of having made other arrangements during the period of their investigation, the present high percentage is intolerable. For your information the following statistics show the number of applicants approved, the number entering on duty, and the number of applicant cases cancelled after approval for the months of August, September and October 1963.

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	<u>Approved</u>	<u>EOD's</u>	<u>Cancelled</u>
October	[Redacted]		
September			
August			

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b. Recruitment Program. An identical problem exists in our recruitment program in which the number of potential applicants to be considered or approached is far out of proportion to the number that we actually process and try to enter on duty. This must be cut back through greater selectivity on the part of the operating components and it may be necessary here to establish a quota for each operating component.

c. Communications. [Redacted]

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This has resulted in increases in personnel strength in the Office of Communications, the Cable Secretariat, and indirectly in other components throughout the organization which are affected by the increased volume of paper work and action required. Again there must be some method devised for limiting communications. Unless we can voluntarily reduce cable traffic we may be forced to establish arbitrary limits.

d. Training. Our training establishment is severely strained; in fact to the extent that the Medical Staff is seriously concerned about the health of those personnel who are working excessively long hours in an effort to handle the work load. We all recognize that training is an absolutely essential requirement in order to continue the development of well qualified professionals and we also believe that it is desirable to insure that all personnel requiring training receive it. On the other hand, operating components must insure that personnel assigned to training courses are those who will utilize their training and are the best qualified people available.

e. Paper Work. One of the current invisible costs in the Agency is the handling of the ever increasing volume of paper work. This includes not only cables and electronic communications but memoranda, reports, etc. The preparation of every one of these costs both money and manpower and an investment in computers, automatic retrieval systems or file systems. Again there are no arbitrary regulatory mechanisms, and these may have to be established unless we can limit the flow of paper.

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1. Printing. The Agency maintains a large and effective printing establishment at considerable cost. Demands on this establishment at the present level would require an increase in the strength of the unit. Rather than increasing the strength of our printing establishment, under present economy conditions it is essential that we cut the demands so that we can accomplish the job with the present manpower.

3. The above is designed as a statement for your information and guidance. Any assistance or suggestions that the addressees can make will be gratefully received, but I think it is clearly indicated that unless we take steps to cut back requirements on these support elements, we will be faced with economizing elsewhere in the Agency in order to accomplish our mission.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

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Distribution:

Original - DD/S&T

5 - other addressees

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1 - *John Clarke*

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Executive Registry
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OFFICE OF THE DIRECTOR

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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.

(signed) Lyman B. Kirkpatrick

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LBK:drm

Distribution: O-DD/I 1-John Clarke

1-DD/P
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1-Exec Dir

Lyman B. Kirkpatrick
Executive Director-Comptroller

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Executive Registry
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OFFICE OF THE DIRECTOR



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Action Memorandum No. A-327

Date 12 December 1963

TO : Deputy Director/Intelligence
Deputy Director/Plans
Deputy Director/Science & Technology
Deputy Director/Support

SUBJECT : Messages to the Field on Economy Measures

REFERENCE:

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It is requested that henceforth any cables or dispatches sent to the field units concerning economy measures now being instituted throughout the Government be cleared in advance with this office. This requirement is not only to insure a coordinated effort but is necessary in order to keep the DDCI and myself informed of what steps are being taken.

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(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

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Distribution:

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- 1 - D/Budget/PA/Manpower

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FROM			ONLY QUALIFIED DESK CAN JUDGE INDEXING
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Chief, KUBARK

President's Memorandum on Government Economy

ACTION REQUIRED - REFERENCES

1. Attached is a Presidential message concerning economies in the Government. Quoted below is a memorandum which I have addressed to the chiefs of all of the major KUBARK components in Headquarters:

"1. Your personal attention is directed to the text of the memorandum for the heads of Departments and Agencies, dated November 30, 1963, from the President of the United States; copy is attached. In this he notes that the Executive Branch will be administered with utmost thrift and frugality and will set an example of economy. It is directed that the President's message be given most serious, continuous, and compelling attention and that you convene your staffs immediately to read, discuss, and receive the full impact of the President's statement. You should also discuss with your staffs the methods whereby the Agency will fully comply with both the specific requests and the intent of this memorandum.

"2. Further, all plans and programs will be in strict accordance with the provisions of the President's message. You will submit in writing by 15 December to the Executive Director-Comptroller the actions which you propose to take within your area to meet the President's desires. The Executive Director-Comptroller will assemble for me, with comments and recommendations, these submissions.

"3. Further, the Executive Director-Comptroller is directed to thoroughly review with you at least every 90 days the Agency's programs to effect a continuing improvement in the management of the Agency toward the end of economies or savings. The Executive Director-Comptroller will submit periodic reports on these reviews to me.

"4. Actions under this directive, and forthcoming directives under the same subject, will be handled on a top priority basis both as to content and timing."

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
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2. I commend the above to your personal attention and direct that you discuss them with your personnel at the earliest possible moment. I consider it a personal responsibility of all supervisors to assist in this effort.

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Attachment

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OFFICE OF THE DIRECTOR

Action Memorandum No. A-328

Date 12 December 1963

TO : Deputy Director (Intelligence)
ATTENTION: Director of National Photographic Interpretation Center
SUBJECT : Reduction of Personnel Ceiling
REFERENCE:

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1. Effective immediately the personnel ceiling for NPIC is reduced from [redacted] For the remainder of FY 1964 the recruitment and entry on-duty of new employees will be programmed against this lower ceiling.

2. NPIC will submit promptly to the Office of Budget, Program Analysis and Manpower, for my review, a report on the current manpower mix at NPIC of on-duty personnel, an assessment of the effect of operating at this new ceiling, and a new financial plan for operating within the lower ceiling which identifies related dollar savings. It is proposed to review the impact on NPIC programs and as necessary make adjustments through impending changes in other, lesser priority Agency programs.

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(signed) Lyman B. Kirkpatrick

LYMAN KIRKPATRICK
Executive Director-Comptroller

OBPAM/JMC/RLS/ncl 12 December 1963
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- 1 - Clarke

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Executive Registry

63-9235

OFFICE OF THE DIRECTOR

Action Memorandum No. A-323

Date 12 December 1963

TO : Deputy Director (Support)
ATTENTION: Director of Communications
SUBJECT : Reduction of Personnel Ceiling

REFERENCE:

1. Effective immediately, the Office of Communications personnel ceiling is reduced to the 30 November 1963 on-duty level. This constitutes a ceiling reduction from [redacted]

2. The Director of Personnel is being advised that a limited number of people now in the pipe line, to whom the Agency has made a firm commitment, may be entered on duty. This group includes approximately [redacted] new employees destined for the Office of Communications. You will want to work closely with the Office of Personnel to determine that these EODs will be of the proper "mix" under the lower ceiling. In any event, it is realized that with this new input, the Office of Communications personnel strength will go over ceiling almost immediately. I am anticipating that attrition will bring down this overage well before the end of FY 1964.

3. The Office of Communications will submit promptly to the Office of Budget, Program Analysis and Manpower, for my review and approval, a new financial plan within the lower ceiling which identifies related dollar savings.

(signed) Lyman B. Kirkpatrick

LYMAN B. KIRKPATRICK
Executive Director-Comptroller

O/BPAM/JMC/kfh (12 Dec 63)

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- 1 - Executive Director-Comptroller
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OFFICE OF THE DIRECTOR

Action Memorandum No. A-331

Date 12 December 1963

TO : Deputy Director/Plans

SUBJECT : Economy Measures

REFERENCE:

1. In examining the economy measures that the Agency should take in order to comply with the President's instructions, it is my intent to examine those Agency activities which either afford the possibilities of curtailment without any direct or immediate effect on operations or are in areas in which other departments or agencies are engaged. In our first preliminary review of the Agency's activities there are two components in your organization which I believe should be reviewed in order to see whether their activities cannot in some way be made more economical.

a. The Special Operations Division, while still in a state of growth, should be carefully re-examined to see whether all of its activities are absolutely essential, should be carried on by the CIA, or possibly can be reduced or curtailed as not necessary at this moment.



2. I would appreciate your views on what steps could be taken with particular reference to these two units and would like to have a report by 15 January 1964. For your information, the same type of memorandum is being addressed to the other Directorates.

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(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

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OFFICE OF THE DIRECTOR

Action Memorandum No. A-332

Date 13 December 1963

TO : **Deputy Director/Science & Technology**

SUBJECT : **Economy Measures**

REFERENCE:

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As a matter of priority would you please have examined the present and contemplated size and strength of the Office of Special Activities with a view to curtailing or reducing the organization in order to effect economies both in manpower and money. In doing this I would suggest that careful attention be paid to the possibility that the OXCART may never be used operationally. I would also suggest that we examine realistically whether our present size is justified by the extent of our activities as related to those carried on by the NRO. Please advise me by 15 January of the actions you intend to take on the above.

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(signed) Lyman B. Kirkpatrick

**Lyman B. Kirkpatrick
Executive Director-Comptroller**

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Executive Registry
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OFFICE OF THE DIRECTOR

Action Memorandum No. A-333

Date 13 December 1963

TO : Deputy Director/Intelligence

SUBJECT : Economy Measures

REFERENCE:

1. In reviewing the over-all Agency structure and activities in an effort to determine areas where economies in manpower and money can be achieved, we are identifying particular units which we believe should be examined in some depth to ascertain whether they are still performing needed functions, or whether their activities are at a level commensurate with the cost. In this connection I am addressing memoranda to each of the Directorates requesting that at this time they perform this review in connection with specific offices or activities. In the DD/I area would you please institute immediate reviews along the following lines:

a. At the present time OCI receives from NSA a volume of reports that has increased [redacted] in the last three years.

[redacted]

I am suggesting that we might be able to effect economies if this volume were reduced either by a more selective system of requirements or perhaps a small staff at NSA to screen the material before transmission.

b. As I have mentioned to you, I believe the entire area of registries and files in OCR is worthy of examination. With particular reference to effecting economies at the source, I wish to call your attention to the Documents Division in OCR, its present size and strength, and suggest that a study be made to determine whether we really need all of the

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—thousands of documents now flowing into this Agency each day. If we could cut this flow by 1/3 or 1/2 we could undoubtedly achieve savings in manpower in the Documents Division of OCR.

2. I would appreciate a report on these subjects by 15 January.

(signed) Lyman B. Kirkpatrick
Lyman B. Kirkpatrick
Executive Director-Comptroller

LBK:drm

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- 1 - EX Dir

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Executive Registry
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OFFICE OF THE DIRECTOR

Action Memorandum No. A-334

Date 13 December 1963

TO : Deputy Director/Support

SUBJECT : Economy Measures

REFERENCE:

1. You have already seen the memoranda which I have distributed to the other Directorates concerning the reduction of requirements placed on the support units. I intend to pursue the objectives implied in those memoranda vigorously and insure that the support burdens are reduced even if it is necessary to institute arbitrary ceilings. In the meantime I believe that it would be profitable if you and I worked on an approach from the opposite direction by reviewing those activities that can be reduced or stopped because they are either of limited utility or provide a service which can be abandoned without major consequence on the operations.

2. With this in mind I am therefore suggesting that in your review on possibly cutting back manpower and budget levels to FY '63, the following possibilities be examined.

a. In the Logistics area I wonder whether we are not stockpiling or warehousing items which no longer have high priority for Agency usage and which individuals should not be asked to obtain for themselves. I think we ought to examine our transportation services most carefully both in headquarters and in the field with a goal of cutting back the number of vehicles, both official and personal. I wonder also whether we can't effect economies in the operations of our buildings; while this may not be a direct cost on us, it might nevertheless help GSA in its cutback which I assume will be just as drastic as ours.

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b. In the Training area I am still deeply concerned over the fact that agent training is not only done by OTR but by just about every Clandestine Services component, both in headquarters and in the field. I wish you would review this matter with the DD/P and see if we cannot effect economies by centralization and consolidation. If the DD/P feels that this is impractical or prefers to have it done on a specialized basis by their units, then I think the entire area of agent training should be turned over to them. (I am sending a copy of this subparagraph to the DD/P.)

3. I have directed memoranda of a similar nature to the other Directorates, and would appreciate a response by 15 January.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

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Executive Registry
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OFFICE OF THE DIRECTOR

Action Memorandum No. A-335

Date 16 DEC 1963

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TO : Deputy Director/Support

SUBJECT : Referral to the Executive Director-Comptroller of Certain Categories of Requests for Support

REFERENCE:

1. I am concerned that occasionally the DD/S receives requirements for support which disrupt the orderly planning and management of the Agency support units. I recognize that some of these requirements are necessary and cannot be foreseen. However, there are requirements placed which have not been fully thought out as regards how their fulfillment will affect other equally important Agency activities.

2. In order that such requirements can be reviewed in the light of their effect on the total Agency management, I would like you to refer to me, along with your comments and recommendations, all requests for support:

- a. Which involve more than twenty-five thousand dollars.
- b. Which would involve sizeable resources of a type not previously required.
- c. Where it appears to you that there will be management complications or establish precedents we may regret.

3. If you wish to redefine or sharpen the categories of requests listed above so that the intent of this memorandum can be more efficiently met, please advise me.

(signed) Lyman B. Kirkpatrick

**Lyman B. Kirkpatrick
Executive Director-Comptroller**

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cc: DDCI

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Executive Registry
63-9342

OFFICE OF THE DIRECTOR

Action Memorandum No. A-330

Date 18 DEC 1963

TO : Deputy Director (Support)

ATTENTION: Director of Personnel

SUBJECT : Personnel Ceilings

REFERENCE:

1. The Director of Communications and the Director of the National Photographic Interpretation Center have been advised that personnel ceilings for their components have been reduced to [redacted] respectively. Revised FY 1964 ceilings for other offices of the Agency are being developed by the Office of Budget, Program Analysis and Manpower, and will be allocated as quickly as possible.

2. I understand that the Agency has firm commitments to employ new professionals. The entry on-duty of these employees is authorized. In addition, clerical personnel to whom commitments have been made through January 1964, and the January class of Junior Officer Trainees, may be brought aboard. No other EODs will be permitted until further notice.

3. The Director of Personnel will submit promptly to the Office of Budget, Program Analysis and Manpower, for my review, an estimate of minimum Agency clerical needs over the next 18 months within existing year-end totals for FY 1965 of [redacted]. It is appreciated that such a forecast will necessarily be only a rough guide at this point, pending more precise information on program adjustments. An interim reply, however, will be helpful in formulating Agency policy on clerical recruitment and EOD levels for the remainder of FY 1964 and for FY 1965.

4. On the question of JOT ceilings, I have instructed the Manpower Control Officer to meet as soon as possible with representatives of the Offices of Personnel and Training in order to determine the minimum JOT requirements for FY 1964 and FY 1965 and to identify the resultant adjustment in T/O and dollar costs.

(signed) Lyman B. Kirkpatrick
LYMAN KIRKPATRICK
Executive Director-Comptroller

O/BPAM/PHH/kfh (17 Dec 63)
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Executive Registry
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OFFICE OF THE DIRECTOR

Action Memorandum No. A-338

Date 20 DEC 1963

TO : Deputy Director (Plans)

SUBJECT : Manpower Levels and Controls

REFERENCE:

1. In compliance with the President's instructions to the heads of all departments and agencies to reduce civilian employment to the absolute minimum necessary to carry out essential programs and activities, effective immediately the personnel ceiling of the Plans Directorate is reduced to and allocated as follows:



2. For budget planning purposes, FY 1965 ceilings will remain at FY 1964 levels.

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3. Henceforth, allocated ceiling authorizations will operate as the fundamental control over on-duty strength. Therefore, immediate steps must be taken through attrition and reassignment to reduce those components of the Plans Directorate, now over strength, to their revised ceiling levels as rapidly as possible. The Director of Personnel has been instructed not to process any personnel action which would result in an addition to the on-duty strength of any component now over strength until such time as the on-duty strength is at, or below, authorized levels. If, in your opinion, an unusual case warrants an exception to this policy, the facts should be submitted through the Director of Personnel and the Agency Manpower Control Officer to the Executive Director-Comptroller for a decision.

4. Since Staffing Complements are essential devices to report and control the allocation and utilization of manpower to the various programs and activities of the Agency, positions in excess of allocated ceiling should not be retained. The components under your direction will submit revisions, if necessary, to existing Staffing and Development Complements within 45 days in order to equate established positions with the revised FY 1964 ceilings.

5. It is not the desire of this office to unduly restrict the flexibility required by the Deputy Directors to utilize manpower as needed to carry out essential activities. On the other hand, manpower allocations represent one of the most critical factors which operate to control program levels within the various components of the Agency. Therefore, you are asked to discuss proposals for reallocations of manpower ceilings of significant proportions with the Director, Budget, Program Analysis and Manpower prior to their implementation.

6. In order that I might be kept apprised of the progress we are making toward meeting our reduced end-year strength level, the Director of Personnel has been asked to submit to the Manpower Control Officer a monthly report of actions taken and results attained by your components toward achieving, by the end of this fiscal year, their revised authorized ceiling levels.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

O/BPAM/PHH/kfh (20 Dec 63)

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OFFICE OF THE DIRECTOR

Action Memorandum No. A-339

Date 20 DEC 1969

TO : Director of Personnel
THROUGH : Deputy Director (Support)
SUBJECT : On-Duty Strength Controls
REFERENCE:

1. The Deputy Directors have been informed that, effective immediately, authorized strength ceilings will be applied at the Office level in order to control the on-duty strength levels of the components of the Agency. Under normal circumstances, no personnel action should be processed which would result in an addition to the on-duty strength of any component, nor ever strength, until such time as its on-duty strength is below authorized levels. If, in the opinion of a Deputy Director, a specific case warrants an exception to this policy, he will submit a justification for such action through the Director of Personnel and the Manpower Control Officer, to me for a decision.

2. While it is not our intention at this time to institute any reduction-in-force or mandatory separation of surplus personnel, you should work closely with the office heads and Deputy Directors in the reassignment of personnel wherever a reasonable expectation exists that an employee can perform satisfactorily in some other position which needs to be filled. Unsatisfactory employees must continue to be identified and separated under existing regulations and the Agency retirement policy enforced.

3. Further, each Deputy Director has been advised that positions in excess of allocated ceilings should not be retained and that Staffing and Development Complements will be revised to equate established positions with the revised ceilings within 45 days. The Chief, Salary and Wage Division should work closely with the offices affected by this policy in order to formalize these revisions as rapidly as possible.

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4. In order that I might be kept apprised of the progress we are making toward meeting our reduced year-end strength levels, you are asked to submit to me, through the Manpower Control Officer, a monthly report of actions taken and results attained by the various components of the Agency toward achieving their revised authorized strength levels.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

O/BPAM/PHH/kfh (20 Dec 63)

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63-93916

OFFICE OF THE DIRECTOR

Action Memorandum No. A-340

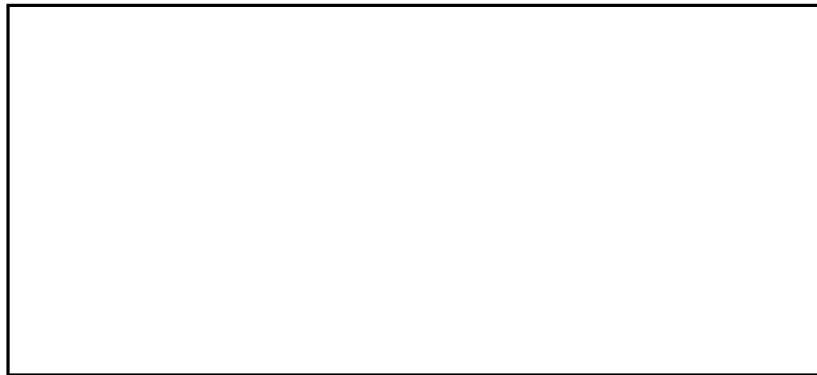
Date 20 DEC 1963

TO : Deputy Director (Support)

SUBJECT : Manpower Levels and Controls

REFERENCE:

1. In compliance with the President's instructions to the heads of all departments and agencies to reduce civilian employment to the absolute minimum necessary to carry out essential programs and activities, effective immediately the personnel ceiling of the Support Directorate is established at and allocated as follows:



2. For budget planning purposes, FY 1965 ceilings will remain at FY 1964 levels.

3. The reduction in the allocated strength to the Office of Personnel results from the deletion of vacancies in the Recruitment Division which are no longer required. Planning for further strengthening of the recruitment capability of this Agency is not considered to be justified in relationship to our foreseeable personnel requirements, particularly in view of the substantial strengthening of this activity which has taken place over the

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past year or two. The additional reduction of [] is merely a bookkeeping adjustment dropping the Credit Union - a fully reimbursed activity - from the ceiling authorizations of this Agency.

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4. While the on-duty strength of the Office of Communications was frozen at [] it appears that a justification exists for an additional [] positions for Close Support. These have been included in the ceiling allocation of that Office and will be utilized only for that purpose.

Ed MA 25.01

5. Henceforth, allocated ceiling authorizations at the Office level will operate as the fundamental control over on-duty strength. Therefore, immediate steps must be taken through attrition and reassignment to reduce those components of the Support Directorate, now over strength, to their revised ceiling levels as rapidly as possible. The Director of Personnel has been instructed not to process any personnel action which would result in an addition to the on-duty strength of any component, now over strength, until such time as the on-duty strength is at or below authorized levels. If, in your opinion, an unusual case warrants an exception to this policy, the facts should be submitted through the Director of Personnel and the Agency Manpower Control Officer, to the Executive Director-Comptroller for a decision.

6. Since Staffing Complements are essential devices to report and control the allocation and utilization of manpower to the various programs and activities of the Agency, positions in excess of allocated ceiling should not be retained. The components under your direction will submit revisions, if necessary, to existing Staffing and Development Complements within 45 days in order to equate established positions with the revised FY 1964 ceilings.

7. It is not the desire of this office to unduly restrict the flexibility required by the Deputy Directors to utilize manpower as needed to carry out essential activities. On the other hand, manpower allocations represent one of the most critical factors which operate to control program levels within the various components of the Agency. Therefore, you are asked to discuss proposals for reallocations of manpower ceilings of significant proportions [] with the Director, Budget, Program Analysis and Manpower prior to their implementation.

8. In order that I might be kept apprised of the progress we are making toward meeting our reduced end-year strength level, the Director of Personnel has been asked to submit to the Manpower Control Officer a monthly report of actions taken and results attained by your components toward achieving, by the end of this fiscal year, their revised authorized ceiling levels.

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(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

/BPAM/PHH/kfh (20 Dec 63)

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(CLASSIFICATION)

Executive Registry
63-9397

OFFICE OF THE DIRECTOR

Action Memorandum No. A-341

Date 20 DEC 1963

TO : Deputy Director (Intelligence)

SUBJECT : Manpower Levels and Controls

REFERENCE:

1. In compliance with the President's instructions to the heads of all departments and agencies to reduce civilian employment to the absolute minimum necessary to carry out essential programs and activities, effective immediately the personnel ceiling of the Intelligence Directorate is established at and allocated as follows:



2. For budget planning purposes, FY 1965 ceilings will remain at FY 1964 levels.

3. The revised allocations within the Intelligence Directorate have been applied as follows:

a. Office of Central Reference

A reduction of in the Industrial Register and an increase of in the Special Register results in the net reduction of

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b. Office of Research and Reports

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e. National Photo Interpretation Center

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An interim ceiling of has been applied to the National Photographic Interpretation Center pending a thorough review to ascertain the minimum personnel requirements of this activity.

d. Collection Guidance Staff

Although it is understood that positions are thought to be the long-term requirement for this Staff, it is felt that a ceiling of imposed at this time, should not seriously affect the capability of this unit to carry out its essential activities.

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4. Henceforth, allocated ceiling authorizations at the Office level will operate as the fundamental control over on-duty strength. Therefore, immediate steps must be taken through attrition and reassignment to reduce those components of the Intelligence Directorate, now over strength, to their revised ceiling levels as rapidly as possible. The Director of Personnel has been instructed not to process any personnel action which would result in an addition to the on-duty strength of any component, now over strength, until such time as the on-duty strength is at or below authorized levels. If, in your opinion, an unusual case warrants an exception to this policy, the facts should be submitted through the Director of Personnel and the Agency Manpower Control Officer, to the Executive Director-Comptroller for a decision.

5. Since Staffing Complements are essential devices to report and control the allocation and utilization of manpower to the various programs and activities of the Agency, positions in excess of allocated ceiling should not be retained. The components under your direction will submit revisions, if necessary, to existing Staffing and Development Complements within 45 days in order to equate established positions with the revised FY 1964 ceilings.

6. It is not the desire of this office to unduly restrict the flexibility required by the Deputy Directors to utilize manpower as needed to carry out essential activities. On the other hand, manpower allocations represent one of the most critical factors which operate to control program levels within the various components of the Agency. Therefore, you are asked to discuss proposals for reallocations of manpower ceilings of significant proportions with the Director, Budget, Program Analysis and Manpower prior to their implementation.

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7. In order that I might be kept apprised of the progress we are making toward meeting our reduced end-year strength level, the Director of Personnel has been asked to submit to the Manpower Control Officer a monthly report of actions taken and results attained by your components toward achieving, by the end of this fiscal year, their revised authorized ceiling levels.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

O/BPAM/PHH/kfh (20 Dec 63)

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Executive Registry
63-9398

OFFICE OF THE DIRECTOR

Action Memorandum No. A-312

Date 20 DEC 1963

TO : Deputy Director (Intelligence)

SUBJECT : Printing

REFERENCE:

1. Attached is a copy of the report of the ad hoc CIA Printing Committee pertaining to the printing burdens imposed by your Directorate upon the Printing Services Division. Their recommendations for actions to reduce this workload are approved and steps to implement these recommendations should be taken immediately. Since under current Agency policy you are responsible for the production of intelligence by OSI as well as that of the Intelligence Directorate, the implementation of these recommendations should be applied to them and coordinated, as necessary, with the DD/S&T.

2. The Assistant Deputy Director (Intelligence) for Management or another equally senior and appropriate officer on your immediate staff should be assigned the responsibility for personally approving the printing of all publications involving complex combinations of color, type, graphics and other devices utilized primarily for enhancing eye appeal and "salesability." These practices must be eliminated in any instance where they do not contribute significantly to the substantive quality and utility of the published material.

3. In addition, procedures within your Directorate should provide for the approval at the DD/I level of all deadlines which to be met would require the use of overtime or significant rescheduling of requisitions on hand by Printing Services Division.

4. Should the implementation of the recommendations of the Printing Committee fail to result in a significant reduction in the printing burdens presently falling upon the Agency's printing facilities, the only alternative will be the reallocation of manpower resources to

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Printing Services Division in proportion to the workload imposed by the components of the Agency. In the case of the Intelligence Directorate, this could mean as much as of a current requirement for positions and Resolution of this situation in such a manner should be unnecessary if senior officials understand the seriousness of the problem and personally participate in its resolution.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

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Executive Registry
63-9407

OFFICE OF THE DIRECTOR

Action Memorandum No. A-343

Date 23 DEC 1963

TO : Deputy Director (Science and Technology)

SUBJECT : Manpower Levels and Controls

REFERENCE:

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1. In compliance with the President's instructions to the heads of all departments and agencies to reduce civilian employment to the absolute minimum necessary to carry out essential programs and activities, effective immediately the personnel ceiling of the Science and Technology Directorate is established at and allocated as follows:



2. For budget planning purposes, FY 1965 ceilings will remain at FY 1964 levels.

3. The changes in the allocated strength in the Science and Technology Directorate develop from a reduction of in the authorized ceiling of OSI and an increase of in the Office of Computer Services to provide for the transfer of the Automatic Data Processing Division and for the establishment of the Foreign Missile and Space Analysis Center.

4. Henceforth, allocated ceiling authorizations at the Office level will operate as the fundamental control over on-duty strength. Therefore, immediate steps must be taken through attrition and reassignment to reduce

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those components of the Science and Technology Directorate, now over strength, to their revised ceiling levels as rapidly as possible. The Director of Personnel has been instructed not to process any personnel action which would result in an addition to the on-duty strength of any component, now over strength, until such time as the on-duty strength is at or below authorized levels. If, in your opinion, an unusual case warrants an exception to this policy, the facts should be submitted through the Director of Personnel and the Agency Manpower Control Officer, to the Executive Director-Comptroller for a decision.

5. Since Staffing Complements are essential devices to report and control the allocation and utilization of manpower to the various programs and activities of the Agency, positions in excess of allocated ceiling should not be retained. The components under your direction will submit revisions, if necessary, to existing Staffing and Development Complements within 45 days in order to equate established positions with the revised FY 1964 ceilings.

6. It is not the desire of this office to unduly restrict the flexibility required by the Deputy Directors to utilize manpower as needed to carry out essential activities. On the other hand, manpower allocations represent one of the most critical factors which operate to control program levels within the various components of the Agency. Therefore, you are asked to discuss proposals for reallocations of manpower ceilings of significant proportions with the Director, Budget, Program Analysis and Manpower prior to their implementation.

7. In order that I might be kept apprised of the progress we are making toward meeting our reduced end-year strength level, the Director of Personnel has been asked to submit to the Manpower Control Officer a monthly report of actions taken and results attained by your components toward achieving, by the end of this fiscal year, their revised authorized ceiling levels.

(signed) Lyman B. Kirkpatrick
Lyman B. Kirkpatrick
Executive Director-Comptroller

OBPAM/JMC/PHH/bef/20 Dec 63

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IMPLEMENTATION OF ECONOMY

TABLE OF CONTENTS

1. Communications
2. Memo to Director, Bureau of the Budget dated 13 December 1963, from DCI re allowances for FY 1965 of dollars and manpower reductions from the CIA's original estimate.
3. Memo dated 13 Dec 1963 to Exec Dir-Comptr. from DD/S&T re Implementation within DD/S&T of President's Memorandum on Government Economy in response to Action Memo No. 319.
4. Memo to General Carter from Mr. Kirkpatrick re "Economy Measures within the Agency" listing actions which have been taken in the Agency in response to Action Memos on economy.



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DD/S 63-5288

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Executive Registry
63-9157/2

12 DEC 1963

The Honorable Robert McNamara
The Secretary of Defense
Washington, D. C. 20205

Dear Bob:

In keeping with the President's desire for economy, I anticipate that I will be unable to carry out the State Department/Central Intelligence Agency joint communications center program as originally conceived. Accordingly, I am advising the Secretary of State of this deferment and attach a copy of this correspondence for your information.

Sincerely,

(Signed) JOHN A. McCONE

John A. McCone
Director

Attachment:

Copy of Letter to Secretary of State

Distribution:

- Orig & 1 - Addr
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- 1 - ER
- 2 - DD/S
- 1 - D/CO
- 1 - chrono

DD/S 63-5288

Executive Registry

63 9157/3

12 DEC 1963

Honorable Kermit Gordon
Director, Bureau of the
Budget
Washington, D. C. 20503

Dear Kermit:

In keeping with the President's desire for economy,
I anticipate that I will be unable to carry out the State Depart-
ment/Central Intelligence Agency joint communications center
program as originally conceived. Accordingly, I am advising
the Secretary of State of this deferment and attach a copy of
this correspondence for your information.

Sincerely,

(Signed) JOHN A. McCONE

John A. McCone
Director

Attachment:

Copy of Letter to Secretary of State

Distribution:

- O & 1 - Addr
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- 1 - ER
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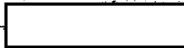
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1. CIA
2. Office of Communications
3. Department of State
4. Department of Defense

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Executive Registry
63 9252

13 December 1963

The Honorable Kermit Gordon
Director
Bureau of the Budget
Washington, D. C.

Dear Mr. Gordon:

I have reviewed the Bureau's tentative allowances for FY 1965 of dollars and manpower reductions from the Central Intelligence Agency's original estimate. I herewith propose several adjustments to the Bureau's tentative allowance to provide some increase in those amounts proposed for regular operations. In essence, our new figures provide [redacted] over the Bureau's proposed allowance for (1) important Covert Action programs recently discussed with you, (2) an important new undertaking in the coordination and production of intelligence in the foreign missile and space analysis field, and (3) for needed covert collection programs. This is partially offset by a reduction in the Bureau's recommended figure for restoration to the Reserve for Contingencies. I propose to take steps in the remainder of FY 1964 which should result in savings that can be used to compensate for this reduction in the Reserve restoration.

I have accommodated these changes within the personnel figures proposed in your tentative allowance.

I would hope that you can give the Agency proposal your support in recommending it to the President.

The initial preliminary estimates for FY 1965 totaled [redacted]. I reduced these in our long-range projection of last spring to [redacted] and then again to our present budget request of [redacted]. The additional [redacted] reduction proposed now will

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require a serious assessment and involve considerable reprogramming within the Agency. To this end I have instituted additional management actions within the Agency which I am confident will result in further savings and absorptions sufficient to accommodate the target objective and yet continue that flexibility so essential to the CIA mission. Among these are:

- a freeze on the entrance on duty of additional personnel;
- a re-examination of all personnel ceilings;
- a re-examination of all overseas activities;
- an intensive re-assessment of demands placed on service and support elements (e.g., cable traffic, security checks, printing);
- a virtual stand-down in plans to expand certain aspects of the Agency's programs in communications, photo interpretation, research and development, paramilitary operations and air support; and
- deferral or curtailment of new efforts in the SIGINT field.

In addition, I am conducting a specific series of investigations into management practices, and I have strengthened the mechanisms for control over the allocation of Agency resources, both money and manpower.

Attached is a revised schedule for FY 1965 which reflects the Bureau's tentative allowance for this Agency, my proposal for adjustment thereto in response to your memorandum of 11 December. Inasmuch as we had only a very short time to study the Bureau's proposals before submitting this schedule, you will appreciate the need for further coordination and discussion among appropriate officers of our respective staffs as to the specific reductions.

Sincerely,

SECRET

John A. McCone
Director

Original & 1 - Addressee ~~John A. McCone~~ w/att (handcarried evening of 12/13)

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Executive Registry
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DD/S&T 2412-63

13 DEC 1963

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT: Implementation within DD/S&T of
President's Memorandum on
Government Economy

REFERENCE: Action Memorandum No. 319, dated
6 December 1963

1. In conformance with the directive to inform you of actions proposed to ensure that this Directorate is managed in the most economical and efficient manner possible, I would like to acquaint you with implementing action now in progress.

2. I propose to undertake, commencing the week of 16 December 1963, an Office by Office review of the work assignments of each individual on duty in these units. By such an intensive and studied approach I anticipate the gain of a firsthand knowledge of not only the essentiality of the functions being performed but simultaneously acquainting myself with the qualitative level of production and performance of employees in this Directorate.

3. Because of the magnitude of the undertaking, it is a bit difficult to anticipate an actual date when this review will be accomplished. I propose to bend every effort, however, to complete this exercise so that I may review the results of it with you in connection with the first thorough review of Agency programs that you have been asked to undertake by the DDCI. Based on paragraph 3 of referenced memorandum, 1 March 1964 would appear to be an appropriate target date.

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ALBERT D. WHEELON
Deputy Director
(Science and Technology)

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21 December 1964

MEMORANDUM FOR: General Carter

SUBJECT: Economy Measures Within the Agency

1. The following actions have been taken within the Agency in response to your directive for maximum economy:

a. A/M 319 required Deputy Directors, Inspector General, and General Counsel to report on 15 December measures taken last year and planned actions for coming year to reduce costs. ExDir-Compt was instructed to review with these officials at least every 90 days the progress made in improving management and effecting economies. (Replies now being reviewed and summarized in Office of ExDir-Compt and reply to Presidential letter being drafted for DCI signature.)

b. A/M A-320 froze personnel strength at level on-duty 30 November and required any Entrance On Duty actions which would raise strength of any component above this level to be approved personally by ExDir-Compt. Director of Personnel instructed to provide weekly report on EODs and effect on strength of acquiring component.

c. A/M A-321 admonished senior officials on need for more frugality in placing demands on Agency support and service facilities, and in particular spoke to security clearances, recruitment efforts, communications traffic volume, training workload, paper work in general, and printing costs.

d. A/M A-326 required DD/I and DD/P to report by 20 December consequences of operating at reduced level if FY 1965 budgets held at (1) FY 1964 level or (2) FY 1963 level. Replies are coming in; DD/P situation under such limitation already reviewed with conclusion clandestine services would not be "hamstrung" if under new lower level.

e. A/M A-327 required Deputy Directors to clear with ExDir-Compt communications going out to the field on economy measures now being instituted.

f. A/M A-328 placed interim reduction on NPIC ceiling pending study of present manpower mix and true impact on current NPIC programs of such adjustment. A new financial plan identifying dollar savings forthcoming.

g. A/M A-329 reduced personnel ceiling of Office of Communications to 30 November on-duty strength [redacted] and required submission of new financial plan at lower level identifying dollar savings.

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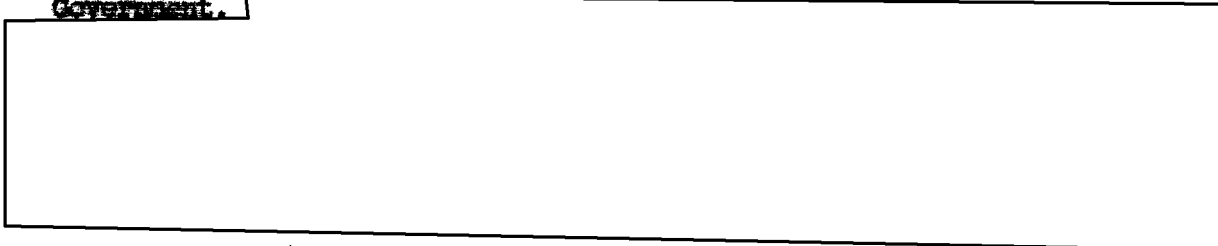
h. A/M A-330 authorized Director of Personnel to EOD (1) [redacted] new professionals who had firm commitment from Agency, (2) the January 1964 class of JO's, and (3) the clericals to whom we are committed through January 1964. DirPers required to submit forecast of minimum clerical needs over next 18 months within Agency year-end total of [redacted] as aid in formulating Agency policy on recruitment. (Noted that Manpower Control Officer would meet with Offices of Training and Personnel to determine minimum JOI needs for next 18 months, with estimate of dollar savings.)

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i. A/M A-331 to DD/P advised ExDir-Compt's intention to examine closely activities which (1) could be curtailed without damage to operations and (2) were also engaged in by other arms of Government.

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j. A/M A-333 to DD/I pointed up areas in that Directorate which suggested exploration: heavy flow of NSA material into OCI (increased [redacted] in last three years) and entire battery of registries in OCR (with look also at real need for mass of documents coming into Agency each day). DD/I views by 15 January 1964.

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k. A/M A-334 to DD/S followed suit with examples of Support areas where study seemed warranted; current need for items being stockpiled and warehoused; transportation services in field and at headquarters, especially number of vehicles; economies in operations of buildings (as relief for GSA who under same pressure to economize); question of agent training by many components of DD/P as well as OTR (centralize and consolidate in OTR or turnover completely to DD/P). DD/S views by 15 January 1964.

l. A/M A-335 to DD/S was follow-on to earlier A/M on demands placed on support and service facilities. Instructed DD/S refer to ExDir-Compt requests (1) costing more than \$25,000, (2) involving sizeable resources of type not previously required, and (3) where there seems to be management complications. DD/S invited to recast foregoing criteria if indicated.

m. A/M A-339 to Director of Personnel advised that all Deputy Directors were being informed of new authorized personnel strength ceilings at Office level. Overstrength components will not receive any additional employees until they come down to authorized ceiling. Exceptions only by ExDir-Compt after staffing by DirPers and Manpower Control Officer. Instructed DirPers to work with DDs and effect lateral switches where possible. Noted that all DDs being instructed work up new staffing and development complements to equate to authorized ceilings within next 45 days. Monthly report to ExDir-Compt (via Manpower Control Officer) required on actions taken by components to achieve authorized strength.

n. A/M A-340, A-338, A-341 and A-343 informed all DDs of new authorized personnel ceilings by office. These to operate as fundamental control factor. Over-strength components to come down; no additional employees until authorized level reached; exceptions to be appealed to ExDir-Compt via DirPers and Manpower Control Office. Called for action so that staffing and development complements will equate to authorized ceiling within next 45 days. Reallocation of personnel within a directorate, aggregating more than 25X1 in salaries, to be discussed with Dir/BPAM prior to implementation. Major changes within the directorate were highlighted for the appropriate DD.

o. A/M A-342 to DD/I forwarded copy of ^{report} ~~request~~ by ad hoc panel on printing workload and directed that immediate action be taken to reduce use of unnecessary color and graphics in publications. Required that senior officer monitor this problem and called for approval at DD/I level of deadlines requiring overtime or rescheduling in Printing Services Division. Warned that workload on printing must come down or DD/I resources would have to be shifted to PSD.

p. Direction from DD/S to all components to identify minimum telephone requirements toward a reduction in telephone costs by 25 percent.

q. Strengthened regulation to restrict first class travel.

2. In addition to foregoing the following are planned:

a. Complete revision and allocation of funds to Agency components with related financial plans.

b. Personal review by ExDir-Compt of each component's FY 1964 operations, toward identifying further areas of savings and/or marginal activities.

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- e. Station-by-Station review of manpower overseas.
 - d. Detailed examination of Agency property expenditures in FY 1963).
 - e. Re-examination of Agency Ordnance inventories to establish minimum levels.
 - f. Closer and more regularized review of expenditures under all object classes including travel, contractual costs, representational allowances, etc.

/s/
Lyman B. Kirkpatrick

Statements concerning
the Community

STATEMENTS CONCERNING THE COMMUNITY

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1. Summary of Statement by DCI to USIB Principals and Committee Chairmen Regarding the President's Memorandum of 30 November 1963 on Economy in Government. (at 4 December 1963 USIB Meeting)
2. Memo dated 12 December 1963 to Secretary of Defense from DCI re economy moves and USIB organization.
3. Memo to Mr. Richard Helms, CIA from U. Alexis Johnson, subject: Review of Political Action Projects & copy of buckslip to DD/P from

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TRANSMISSION SLIP		DATE
TO: DDCI Att: [REDACTED]		10 DEC 1963
ROOM NO.	BUILDING	[REDACTED]
REMARKS:		
<p>Your copy returned herewith. Copies were made and forwarded today to all addressees plus John Clarke.</p> <p>O/ExecDir Doris</p>		
FROM:		
ROOM NO.	BUILDING	EXTENSION

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MEMORANDUM FOR [redacted]

[redacted] summary of DCI's remarks re economy at USIB meeting of 4 Dec.

Suggest that a copy go to all recipients of your action memo concerning Agency review and economy.

[redacted] 12/6 (DATE)

Please get King's reaction

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	<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
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Remarks:			
<p>At General Carter's request, the attached summary of the statement by the DCI at the 4 December USIB meeting regarding the President's instructions on economy in government transmitted herewith in one copy for each addressee.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto; margin-right: auto;"> <p style="margin: 0;">Executive Registry</p> <p style="margin: 0; font-size: 1.2em;">63-9032</p> </div>			
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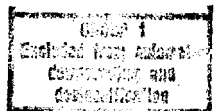
Summary of Statement by DCI to USIB Principals and
Committee Chairmen Regarding the President's Memorandum
of 30 November 1963 on Economy in Government

In an executive session with USIB principals and Committee Chairmen at the 4 December Intelligence Board meeting, the DCI tabled copies of the President's memorandum of 30 November regarding economy in government and in a statement with respect thereto:

- a. Commented on the great seriousness with which the President had issued this memorandum and the unrelenting strength of his purpose, now as in the past, to eliminate waste and extravagance in government.
- b. Noted that, while the President's pledge and firm intention for economy in government would be communicated to Board members through departmental channels, he wished to emphasize to the USIB the special importance which he attached to this call for action because of the unique nature of the intelligence community's interlocking arrangements for performing its functions on a coordinated basis.
- c. Advised that he had assured the President in recent discussions that the intelligence community had already directed significant efforts toward conducting its activities in an economical manner and that it would continue to pursue this objective.
- d. Expressed his determination that the interface between U.S. intelligence agencies be examined in order that steps, as necessary, be taken to make improvements and remove any undesirable duplication of function and activity.
- e. Requested specifically that each Board member study the activities of his agency as related to those of the other intelligence agencies and consider whether reliance could not be placed on particular agencies to conduct certain of those activities and thus reduce possible duplication.
- f. Informed the Board members that in initial response to the President's memorandum he was directing a thorough-going review of CIA activities at all levels, in both its headquarters and field components.
- g. Addressed the USIB Committee Chairmen, who were present, and stressed to them their individual responsibility as agents of the intelligence community to apply the President's instruction to the work of their respective committees.

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12 December 1963

**The Honorable Robert McNamara
The Secretary of Defense**

Dear Bob:

In connection with the President's economy moves, I believe we should take a very hard look at the intelligence community as a whole. Under my responsibilities as DCI I intend to do so. With this letter I ask your support and cooperation and your indication as to the individuals in your organization I can work with most effectively.

For your information I have ordered a most searching reappraisal of our activities in the Central Intelligence Agency toward accomplishing major savings in both funds and personnel.

This is only part of the problem however. CIA represents only a small percentage of the total intelligence budget.

It is therefore necessary that we take a searching look at the National Security Agency (NSA) and the SIGINT collection activities of the three Services. The same is true of the National Photographic Interpretation Center (NPIC), which has programmed substantial expansions. I have ordered these stopped until a thorough review can be made. Likewise, the National Reconnaissance Office (NRO) budget, its programs and the scope of its activities should be scrupulously reviewed.

It is important that DIA and CIA avoid unnecessary duplication. I have suggested that General Carroll and his senior officers study in depth the activities and resources of CIA and likewise that General Carter and his senior people study in depth the organizational resources of DIA in the interest of planning for the future so that each will use those available resources of

the other to the fullest extent and thereby avoid duplicating activities. Quite naturally the statutory responsibilities of the two organizations, CIA and DoD, must be respected.

With respect to the internal intelligence management problems of the Department of Defense, i. e., interrelationships of DIA and the Army, Navy and Air Force intelligence activities, you have indicated that this problem can be enormously simplified if the United States Intelligence Board is reorganized by removing the Service intelligence officers from the Board. If you approve, I suggest this be done effective January 1, 1964. The Board then would be composed of:

Director of Central Intelligence, Chairman
Deputy Director of Central Intelligence
Director, Defense Intelligence Agency
Director, Bureau of Intelligence and Research,
Department of State
Director, National Security Agency
Representative of the Atomic Energy Commission
Representative of the Federal Bureau of Investigation
Director, National Reconnaissance Office (for
reconnaissance matters only)

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It would appreciate your comments.

Sincerely,

|S|

John A. McCone
Director

JAM:mcm

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1 - DCI Chrono
1 - DCI Defense File
1 - ER (via Ex Dir)
1 - D/NIPE
1 - OSIB SEZ

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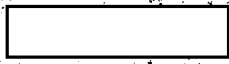
CENTRAL INTELLIGENCE AGENCY

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	Deputy Director (Plans)		
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Remarks:
 Dick: This is the memo from Alexis Johnson that DDCI referred to at the meeting this morning. Johnson told DDCI he thinks this confirms a prior discussion he had with you. DDCI neither confirmed nor denied that we would conform to this request, but DDCI did say that he was presently personally involved in an in-house review of all political action projects in connection with frugality.



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MEMORANDUM FOR: Mr. Richard Helms, CIA

SUBJECT: Review of Political Action Projects

Pursuant to the discussion, at the Special Group meeting of December 12, 1963, regarding the review of Agency political action projects, I have requested the Assistant Secretaries of the respective geographic bureaus of the Department to review all outstanding political action authorizations for this area to determine their continuing validity, both as to substance and as to amount of expenditure.

I believe that it would be helpful to the Assistant Secretaries, in their review of the projects with appropriate Agency officers, for them to have from the Agency through INR/DDC a tabulation of the existing projects in their area together with the amount budgeted for each. I suggest that the tabulation for each geographic division of the Agency include not only those projects for which the geographic division has direct responsibility but also those, within the geographic area in question, directed by other units of the Agency as, for example, the CA staff and the DODS division. I believe that it would also be helpful for the Agency officers meeting with the Assistant Secretaries to be in position to provide comparative cost figures for preceding years for projects which have been in being for several years. This will help determine cost trends.

U. Alexis Johnson

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