

**SECRET**

(CLASSIFICATION)

65-0446

**OFFICE OF THE DIRECTOR**

Executive Registry  
65-3145

Action Memorandum No.             
A-456

Date 8 JUN 1965

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

SUBJECT : Cost Reduction and Management Improvement in  
 Government Operations

REFERENCE: Action Memoranda A-319 and A-411, same subject

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1. The President continues to bear down on cost reductions and improvements in the general effectiveness of Government operations. Agency efforts to improve efficiency and effect economies over the past year and a half have been commendable. Although our reports to the Bureau of the Budget on cost-savings actions have been general in nature and no specific manpower or dollar savings have been identified, a spirit of cost consciousness has been instilled among employees and we have been responsive to the President's program.

2. To further strengthen the President's economy program and provide more precise reporting on economy measures, the BOB has issued Circular No. A-44, Revised, effective 31 July 1965, which is attached. Compliance with this circular requires the Agency to put into effect a formal, organized cost reduction program, the preparation of cost reduction plans and reports, and an identification of the use of savings. In order to give more supervision and greater emphasis to economy programs and comply with BOB directives, it is requested that each Deputy Director assume direct responsibility for the preparation of a cost reduction plan with specific savings goals for Fiscal Years 1966 and 1967. The guidelines in Attachment A to the BOB Circular shall be followed. These plans shall be forwarded to the Director, Budget, Program Analysis and Manpower by 1 August 1965

SUSPENSE DATE:  
 1 August 1965

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

for consolidation and forwarding to the Bureau by 1 September 1965. Thereafter, semi-annual progress reports, in the prescribed format, shall be forwarded to D/BPAM by 1 February and 1 August respectively.

3. Although the revised BOB Circular is not effective until 31 July, a report of cost-savings actions as prescribed in the current circular needs to be made to the Bureau for Fiscal Year 1965. It is requested that you report to D/BPAM in accordance with referenced memoranda by 12 July 1965 the economies you have effected for the period 1 January to 30 June and the use made of such savings. This information is to be consolidated and forwarded to the Bureau by 20 July.

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

**Attachment**

BOB Circular A-44, Revised

OBPAM/JMClarke:vgd 28 May 65

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