

20 November 1962

MEMORANDUM FOR: General Carter
SUBJECT : Bureau of the Budget Mark-up

1. Bob Amory told me in confidence today that his recommendation to the Director, Bureau of the Budget, concerning the CIA budget would be roughly as follows:

a. "An over-all efficiency adjustment" in the personnel ceiling, bringing the average employment down to [redacted] We asked for funds sufficient to give us an average employment in FY 1964 of [redacted]. The FY 1963 budget provides for an average employment figure of approximately [redacted] Accordingly, we ought to be able to live with the figure that Bob Amory proposes.

b. He is proposing small cuts in intelligence collection and covert action programs and larger cuts in the "research" area. It is not quite clear to me what he means by "research" except that it includes both OSI external research and research and development (presumably in TSD and DD/R).

c. He proposes that the entire amount of [redacted] be eliminated from the FY 1964 budget and set it up as a reserve item. I pointed out to Bob that this would be hard to do in toto as approximately [redacted] of the [redacted] budget is allocated to payroll and other fixed and recurring expenses which the Agency will have to bear irrespective of the future

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of [redacted]. Moreover, new task forces predictably are going to develop and personnel involved in [redacted] will almost immediately be reassigned to other priority assignments.

2. Bob's statement to me, I think, should be treated as confidential as it may very well be changed materially by the Director, Bureau of the Budget. Bob expects to have a session with Mr. Bell on Friday and will let me know Mr. Bell's final recommendation as soon as possible thereafter (probably Monday). In the meantime, I have alerted various components to the fact that we will probably have to re-argue our requirements (at least in the CA and FI field and more significantly in the research field).

[redacted]

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JOHN A. BROSS
Comptroller

cc: Mr. Kirkpatrick