

ER 1-2683

SEP 1950

Joe

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

Dear Mr. Lawton:

Your letter of 13 September 1950 relating to section 1214 of the General Appropriation Act, 1951, has received our most careful consideration. You may be assured that this Agency will faithfully comply with its objectives.

Throughout the year all agency operations receive the most careful examination for the determination of measures which will produce an equivalent net product at less cost. As a result of these examinations reductions in fund requirements have been effected in certain operations. These reductions are reflected in the Agency's request for supplemental funds for fiscal year 1951 which was transmitted to the Bureau on 25 August 1950. The estimated savings will be administratively established in a reserve and will be used to offset increased requirements which were shown in the supplemental request.

The request for supplemental appropriation for the current year was submitted with extreme reluctance. Recent developments in the Far East gave me no alternative. However, the requirements involved were closely estimated and I feel that the amount requested is required for the furtherance of the Agency's objectives. The Agency's operations will be continually re-examined and savings effected wherever possible.

Sincerely,

To be used for deep

R. H. HILLENKOTTER
Rear Admiral, USN
Director of Central Intelligence

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