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BPAM 65-0481

Executive Registry
65-3315

OFFICE OF THE DIRECTOR

Action Memorandum No. _____
30 JUN 1965 A-458
Date _____

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

SUBJECT : Financial Planning

REFERENCE:

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1. As we are all aware, the CIA is facing constantly increasing demands for its intelligence services while at the same time there are strong pressures to hold the line on expenditures. This dilemma is made more acute by the need to develop and operate expensive technical intelligence systems in order to keep pace with modern intelligence targets, methods and tradecraft, and by the need to maintain and improve the more traditional intelligence programs during a period of escalating costs and complex international relations.
2. Despite the tight money and personnel situation which now exists, it will of course still be possible to undertake new high priority intelligence programs and to obtain budgetary approvals for expanding and improving existing programs. However, it will be necessary to absorb the costs of many new and augmented programs through the discontinuance of low priority and marginally productive programs and through economy of operations.
3. The Agency's ability to accommodate this difficult situation will depend upon the ability of operating officials to carry forth only those programs which are essential to the achievement of important objectives and, in carrying out these programs, to make sure that all possible economies are realized. In the preparation of the FY 1967 budgets and in the submission of long-range (five year) program plans to the Bureau of the Budget, it is essential that these considerations remain paramount.

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4. I have recently requested the Executive Director-Comptroller to prepare a CIA Long Range Intelligence Plan to express the long-term objectives of intelligence and the foreign intelligence capabilities which should be in existence ten years from now. The first five years of this plan will be expressed separately, by fiscal year, in order to bring into sharp focus the programs and activities required to develop the capabilities necessary to meet long-term objectives. This Long Range Intelligence Plan will be carefully examined and coordinated to insure adequate coverage of high priority objectives, to reduce unnecessary duplication and to eliminate lesser priority and obsolescent activities.

5. The same general philosophy must apply to the Agency's Operating Budget for FY 1966 which is now being studied. In its present stage it exceeds the amount requested of the Congress (and not yet approved) by approximately Considerable adjustment downward based on program priorities will be necessary before an apportionment request is sent to the Bureau of the Budget. At my direction the Office of Budget, Program Analysis and Manpower is conducting a critical review of all requests for FY 1966.

((signed) W. F. Raborn

W. F. Raborn
Director of Central Intelligence

OBPAM/JMClarke:vgd 10 June 65
Rewritten to include DCI's expressed changes
Distribution:

- 1 - each addressee
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Remarks:

Attached is a new version of A-458 which revised paragraph 3 to delete the reference to the 15-year plan, and added a new paragraph 4 incorporating the DCI's comments, which are attached.

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