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NEED FOR INCREASED SUPERGRADE POSITIONS IN THE EXECUTIVE BRANCH

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON

MANPOWER AND CIVIL SERVICE

OF THE

COMMITTEE ON

POST OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

ON

H.R. 10419

A BILL TO AMEND TITLE 5, UNITED STATES CODE, TO
PROVIDE FOR ADDITIONAL POSITIONS IN GRADES GS-16,
GS-17, AND GS-18

OCTOBER 3, 16, AND DECEMBER 13, 1973

Serial No. 93-26

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NEED FOR INCREASED SUPERGRADE POSITIONS IN THE EXECUTIVE BRANCH

WEDNESDAY, OCTOBER 3, 1973

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON MANPOWER AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met at 10:20 a.m. in room B-374-C, Rayburn Building, Hon. David N. Henderson, (chairman of the subcommittee) presiding.

Mr. HENDERSON. The subcommittee will come to order.

The Subcommittee on Manpower and Civil Service is today reviewing the administration's request for an increase in the number of supergrade positions in the Federal Government. The subcommittee has H.R. 10419 for consideration.

That bill provides an additional 240 Government-wide quota supergrade positions, raising the total quota from 2,754 to 2,994 positions.

At the very outset of these hearings, I would like to reiterate my concern over the seeming lack of control over the growth of top-level positions in the Federal Government.

At hearings in March 1972, I expressed the alarm that members of this subcommittee and the full committee experienced over the number of bills—many of the administration proposals—that were reaching the House floor with provisions that significantly increase the numbers of top level positions that have received no scrutiny from the House Committee on Post Office and Civil Service, or the Civil Service Commission which is supposed to be the executive agency responsible for the overall administration of the Government's personnel system. That alarm has not diminished in this the 93d Congress.

On September 19, 1973, the Senate passed an amendment, the Retirement Income Security for Employees Act, to H.R. 4200, which requires that the position of Assistant Commissioner of Internal Revenue be classified at grade GS-18 of the general schedule and authorizes the Commissioner of Internal Revenue to place a total of 20 positions in the Internal Revenue Service in grades GS-16 and 17. In addition, the same Senate amendment authorizes the Secretary of Labor to place a total of 20 positions in the Department of Labor in grades GS-16 and 17. That is a total of 41 additional supergrade positions in one bill that has not been reviewed by the Senate Post Office and Civil Service Committee or by this House committee.

On this particular bill, Chairman Dulski has written to the Honorable Wilbur D. Mills, chairman of the Ways and Means Commit-

tee, strongly urging that committee to reject those provisions of the Senate amendment.

This is but one of numerous examples I could cite of bills in this Congress that are causing a great deal of concern. During the questioning this morning, I plan to ask Chairman Hampton if he shares the same concern, as all too often the Civil Service Commission has not had a chance to review an agency's needs before it is presented to the Congress.

We have invited the Chairman of the Civil Service Commission to testify today on H.R. 10419 and to present the requirements for an increase in "quota supergrades." Mr. Hampton, it is always a pleasure to have you appear before us, as we have come to rely on your frankness and forthrightness in providing us with the information and views we need in considering civil service matters.

Before you begin your testimony this morning, though, I would like to take this opportunity to commend the Civil Service Commission on its latest report on executive manpower in the Federal Service. I have sent a copy to each member of this subcommittee. It is an excellent report, and one I am sure all the members will find helpful in considering the problems you face in exercising your responsibilities in allocating that scarce resource—executive manpower.

Chairman Hampton, the subcommittee is considering asking selected agencies to appear before us and present their overall requirements with regard to the supergrades request. I have tentatively scheduled further hearings for October 16. The members and the staff will review your testimony today and select those agencies to testify which should be able to best assist us in reaching a decision in this matter.

Chairman Dulski has received—in response to the letter I referred to that he wrote Chairman Mills—a letter from the acting chairman, Mr. Ullman of Oregon, dated September 28, which does agree with the jurisdictional situation. Mr. Ullman makes it clear that they would oppose the provisions in that legislation. I spoke to Chairman Ullman in this regard and advised him that we would begin these hearings this morning and that we would give attention to those needs that were contained in that bill, and urged him, as strongly as I could, to resist the Senate amendment.

Chairman Hampton, we are delighted to have you with us this morning, and you may proceed with your statement in any way that you like.

Mr. HAMPTON. Thank you, Mr. Chairman.

STATEMENT OF HON. ROBERT E. HAMPTON, CHAIRMAN, U.S. CIVIL SERVICE COMMISSION

Mr. HAMPTON. Mr. Chairman and members of the committee, I appreciate the opportunity to present the views of the Civil Service Commission on H.R. 10419 regarding the needs of the executive branch for additional positions in grades GS-16, GS-17, and GS-18.

CSC QUOTA SPACE MANAGEMENT

Since the first "supergrades" were authorized by Congress in 1949, there have been significant changes within the executive branch in the

approach to the management of these resources. By 1962, Congress had authorized 2,400 quota positions to meet expanded programs. Removal of quota limitations for most scientific and engineering positions in the same year did enable us to assign some quota spaces to nonscientific and managerial positions. In addition, Congress has over the years authorized positions outside the general quota for use only by specific agencies, although this approach compounds the problem of managing the Government-wide executive manpower program. The transition of the Post Office Department to its present status in 1971 released some 89 positions which were quickly utilized to meet urgent priority needs.

The last quota increase of 150 spaces approved in 1969, and the nominal increases of 7 spaces in 1970 and 20 in 1971, which were added to the general pool but earmarked for specific agencies, brought the total to the 2,754 quota under the Commission's control. It has only been through strict and rigorous management of existing resources that we have been able to forestall a proposal for a further increase until now. Moreover, when it appeared that congressional approval of the proposed Federal Executive Service was likely, I deliberately refrained from proposing an increase in the quota shortly before changing to a new system. Although I am still hopeful of eventual passage of the FES, there is an urgent need for some relief at the earliest possible time.

In communications to the heads of departments and agencies over the past year, I urged them to maximize the utilization of supergrade spaces made available to them by the Commission. These included encouraging firm, centralized management of executive manpower on an agencywide basis; reengineering positions to be filled below grade GS-16 where appropriate; avoiding the establishment of "deputy" and "special assistant" positions at supergrade levels; and continued emphasis on a strict interpretation of the time-in-grade requirements of the Whitten amendment. I also asked agency heads to review their organizations to identify vacant positions which could be canceled or combined with others, so they could be returned to the Commission for redistribution elsewhere. However, this had little impact and culminated in our recalling all vacant quota positions during the President's freeze on hiring and promotions. On February 15, 1973, I requested agency heads to submit new supergrade priority lists based on their most urgent needs. If you have no objections, Mr. Chairman, I would like to submit copies of our communications to the agencies for the record.

MR. HENDERSON. Without objection they will be included in the record.

[The letters follow:]

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., October 13, 1972.

TO HEADS OF DEPARTMENTS AND AGENCIES:

I am writing to apprise you of our current situation and future prospects in the vital area of executive manpower resources.

From all indications, the Administration's proposal for a new Federal Executive Service is not likely to be passed by Congress in this session. Furthermore, there appears to be no likelihood that Congress will authorize an increase in the number of supergrade quota spaces available before next session, at the earliest.

This will make it essential for all of us to make a concerted effort to manage our present resources effectively. Therefore, I urge you to review carefully the

supergrade positions established in your agency to assure that each is being utilized as efficiently as possible.

Every effort should be made to manage on a Department-wide or agency-wide basis the quota spaces now assigned to you by the Commission. Component parts of your organization should not be permitted to fill these positions routinely as they become vacant. In this manner, you will be able to recommend to the Commission the use of vacant supergrade positions in whatever portion of your organization you feel the need is greatest.

I also strongly urge you to consider restructuring vacant supergrade level positions so that they can be filled at grade GS-15, at advanced salary steps of that grade where appropriate.

Other alternatives available to you include avoiding the establishment of "deputy" and "special assistant" positions at the supergrade levels. Continuing review of declining programs should also be emphasized to identify functions which can be consolidated and positions which are no longer needed.

If you do not plan to fill a vacant supergrade position at this time—for whatever reason—please identify this position for us in order that we may reassign this supergrade resource to a high Administration priority program until such time as you are ready to use it. This will permit us to get maximum use of our limited supergrade resources.

I must also urge you to avoid if at all possible requesting exceptions to the time-in-grade requirements of the Whitten Amendment. The severe shortage of quota spaces, and the continuing Congressional interest in the administration of the Whitten Amendment, require us to interpret the Amendment's "hardship" criterion very strictly.

I fully recognize that the current situation presents a severe challenge to senior managers at all levels. However, I am confident that, through our common effort, the most pressing needs of the Federal service will be met until legislative relief can be obtained. I know that I can count on your wholehearted cooperation in this effort.

ROBERT E. HAMPTON, *Chairman.*

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., February 15, 1973.

TO HEADS OF DEPARTMENTS AND AGENCIES:

In my letter of December 11, 1972, pursuant to the President's freeze on hiring and promotions in the Executive Branch, I noted that this freeze applied to supergrade positions as well as all others. Since then, we have canceled supergrade authorizations for all vacant supergrade positions, including those which have occurred subsequent to December 11, 1972.

At the time the President imposed the freeze, essentially all spaces in the Government-wide quota of supergrade authorizations had been distributed to the various agencies. This means that the only resources now available for distribution are those spaces which have been recalled since December 11, 1972. Because these resources are so scarce, we must take extreme care to distribute them so as to respond to the President's priorities on a Government-wide basis, without regard to their previous allocation.

Now that the President's budget has been transmitted, each agency head must reassess his priorities for using these executive resources in light of the priorities expressed by the Administration. It is in this context that I am asking each agency head by March 5, 1973, to furnish the Civil Service Commission, attention: Bureau of Executive Manpower, a listing in descending order of priority of his agency's most urgent requirements for supergrade authorizations in addition to those presently established.

The number of requests we will receive probably will exceed the number of resources available, no matter how stringent the criteria we prescribe. Therefore, each agency's top managers must assure that each supergrade resource is placed where its contribution will be greatest. In my letter of October 13, 1972, I mentioned several approaches available to agencies to enhance the effective utilization of supergrade positions. These include restructuring supergrade positions so as to fill them at grade GS-15 (at advanced salary steps of that grade where appropriate), avoiding the use of deputy and special assistant positions, the systematic review of each resource that becomes available for use on an agency-wide basis, and avoiding requests for exceptions to the time-in-grade requirements of the Whitten Amendment.

We at the Civil Service Commission will also have difficult decisions to make in allocating scarce resources among competing claims. In discharging this responsibility, we will be guided by two overriding principles: Responsiveness to national priorities, and effective utilization of resources. Within this framework, the following more specific criteria may be useful:

We will accord priority to programs which are expanding, or otherwise have been emphasized by the President, as reflected specifically in the Administration's budget.

We will accord priority to new programs of significant national impact, which have been recently established by new legislation or other authorization.

Requests involving the managers of operating programs will receive higher priority than those involving staff or support positions, deputies, special assistants, technical advisors, etc.

Relatively low priority will be accorded requests involving positions which could otherwise be established at the GS-15 level. It should be noted that the salary for grade GS-15 now ranges from \$26,898 to \$34,971. Frequently, supergrade resources can be conserved by focusing the recruitment effort on the salary available rather than the grade, *per se*.

Low priority will be accorded those positions which are supported by contentions that supergrade "status" is required to deal effectively with counterparts in other organizations, or to qualify for certain privileges.

In addition, agency heads are requested to avoid making firm commitments to fill supergrade positions without the Commission's concurrence. This will enable us to consider the utilization of resources where they are needed most on a Government-wide rather than an agency-wide basis.

I trust that application of these guidelines will result in the fair and effective allocation of the limited resources available. I am confident of your cooperation and support in our common effort to "revitalize and streamline the Federal Government," in line with the President's statement of January 5, 1973, and to assure that vital programs are accomplished as efficiently and effectively as possible.

Sincerely yours,

ROBERT E. HAMPTON, *Chairman.*

Mr. HAMPTON. I would like to emphasize that at no time have supergrade resources been managed so closely. I am convinced that heads of agencies have been more deeply and personally involved than ever before in the evaluation of their supergrade needs and priorities. Further, at no time have supergrade needs been so thoroughly evaluated on a Government-wide basis by the Civil Service Commission.

NEW FEDERAL PROGRAMS AND RESPONSIBILITIES

Since 1969, the Congress has authorized expansions in many existing programs as well as the establishment of totally new programs. Each such program generates legitimate—and often critical—requirements for supergrade level leadership in order for its objectives to be achieved. The Civil Service Commission has received numerous requests from agencies during this period for additional supergrade positions—many concerned with programs not envisioned in 1969—which cannot be honored because quota spaces are not available. Some examples of new or expanded program activities are as follows:

The pollution control and abatement program (EPA) was greatly expanded and its budget increased by almost \$1 billion over fiscal year 1973; 1972 amendments to the Federal Water Pollution Control Act levied additional responsibilities on the EPA.

Decentralization of authority under the new federalism approach has precipitated a number of requests to provide appropriate levels of decisionmaking personnel outside of Washington. The administration

of related revenue-sharing programs has also imposed new demands upon such agencies as the Treasury Department.

In response to administration and congressional interest, the Securities and Exchange Commission is faced with increasingly serious problems in the Nation's securities markets, and other regulatory agencies are facing mounting responsibilities and workload.

The Special Prosecutor Force and a new Drug Enforcement Agency have been established in the Department of Justice.

Additional responsibilities have been assigned to the Treasury Department in response to the economic stabilization program.

The Rural Development Act of 1972 has necessitated the creation of a new component, the Rural Development Service, in the Department of Agriculture.

Additional management responsibilities have been placed on the Department of the Interior to cope with energy problems, expanded Indian programs, and mine safety.

Program expansion and revitalization in a number of other agencies are under way to cope with newly mandated or special emphasis programs in such areas as occupational safety, civil rights, consumer protection, and the stimulation of domestic and international business.

Mr. Chairman, this was just a catalog of some of the things. We didn't make an attempt to go through all the legislation that has been passed in these 4 years.

ANALYSIS OF REQUESTS

From December 1972, when the President's freeze was imposed, through March 1973, we made an allout effort to review the demands of new and expanding programs for executive positions. As a result of this process, we identified some 260 supergrade spaces, which we planned to reallocate to positions with managerial responsibilities in programs which were new, expanding, or otherwise receiving special emphasis.

When asking agency heads to submit their most pressing supergrade needs, I received requests for almost 900 spaces. These requests were screened very carefully against the criteria that I mentioned earlier and over 200 were eliminated. However, there remained some 650 requests for the 260 spaces available—a deficit of 390 spaces if all requests were to be met. All 260 recaptured spaces have now been redistributed or are committed, and the 390 have further been reduced to a bare minimum of 240 new spaces needed at this time.

It is now an accepted way of life that quota limitations will make inequities in the classification of some positions inevitable; that existing supergrade resources need to be managed as effectively and systematically as possible; and that requests to increase the quota should be advanced only when we are faced with the most urgent and pressing needs. We have made a sincere effort to cope with changing, revitalized Government programs within the resources granted 4 years ago. Now, however, we have reached a point where an increase in the supergrade quota is not only necessary but critical.

Mr. Chairman, we will be happy to answer any questions the committee may wish to ask.

Mr. HENDERSON. Mr. Chairman, I note that one of the columnists in this morning's Washington paper said that you were coming up here to put your head in the congressional lion's mouth this morning in asking for 240 new jobs paying up to \$36,000, and he concluded in that paragraph—"The committee members who make \$42,000 aren't likely to give CSC's Robert Hampton a rousing reception."

I would like to give you a rousing reception this morning but I am reminded of an experience I had earlier today when I visited the Navy installation. When I arrived there, the ceremonial guards were firing rifles and I was not sure if the rifles were loaded.

I don't think you would want that kind of reception and I don't know of anybody on this committee that could be accused of being a lion. You have been before us numerous times in the past and we are delighted you are here.

I think the most important question I could ask is if you would describe for us as briefly as you can the typical responsibilities of a supergrade position or what type of management decision does the supergrade officer make and to what extent are the supervisory duties taken into consideration in classifying the supergrade job. I think it would be helpful for members of the committee and the Congress to have a better understanding of what we are talking about in the supergrade category.

Mr. HAMPTON. Mr. Chairman, I will try to respond generally to that question and maybe Mr. Damico can add some more specifics.

To start, I think you have to look at a Federal Government that is administering a wide variety of programs in 70 different agencies. I don't know what the total figure is, but the total budget is in the region of \$260 billion. It manages around 2.6 million people, a lot of hardware, and a lot of real estate. It is a very, very big and complex operation. Most of the supergrade positions—a large majority of what we are talking about here, quota spaces—are in the administrative and managerial functions. We have people in financial management. We have regular program managers. Some of these jobs are critical when it comes to the efficient use of resources, both in money and people, and in trying to carry out efficiently the responsibility that has been given them by some statute.

These are top level management positions. They are the people who make day-to-day decisions that affect the taxpayer and have an impact on the program. To say that 2,700 such executives of such a large structure, of such a big budget, do not play a key role, would be an understatement. They really do. I think they have far more impact, in a sense, in running Government agencies, day-to-day, than the large majority of the present executives over them.

I am dealing mainly with the managerial type of positions and the administrative. We have a number of positions in the supergrade levels that are assistants to the principal members of an agency, Secretary, and Under Secretary. These jobs are politically sensitive jobs. They are jobs which relate to the advocacy of programs and policies that are to be implemented by the administration that has been put in office by the voters to be their direct implementors of such programs.

Many of these positions have considerable supervisory responsibility, but as far as the supervision of a number of people is concerned,

you don't really measure an executive position by the number of people that one supervises. An executive may have reporting to him, and under his direct supervision, maybe 10 or 15 other key officials who in turn supervise others. It is like being Chairman of the Civil Service Commission. I probably have about 14 principal executives reporting to me and under my direct supervision, and they in turn manage the activities of some 7,000 people. So it is the way your organization operates. There is not any particular relationship between the number of people supervised, and the level of direction, the experience, and the knowledge that is necessary.

The qualifications standards for supergrade persons are based really on the responsibilities of the job: what does he do, how does he do it, and what experience is necessary to do that job well? There are no methods of classifying these jobs as you would classify, at a much lower level, jobs that have specific responsibilities. The units of these jobs are quite broad. The tremendous responsibility they carry for decisionmaking is one of the key factors and Mr. Damico may want to enlarge upon that.

Mr. HENDERSON. Mr. Damico, do you have anything to add to that point?

Mr. DAMICO. Only by way of illustration. Take for example Astronaut Armstrong. The fact that he was a GS-16 is not very well known. Dr. Kelsey, the woman doctor who was credited with keeping the drug Thalidomide off the market and thereby preventing the birth of many deformed children, was a GS-16 at the time. Dr. Axelrod, who won the Nobel Prize in Medicine-Philosophy, was a GS-17. By way of amplifying what Chairman Hampton said, these are the types of people for whom the supergrades are used.

Mr. HENDERSON. Chairman Hampton, I expressed my concern over the number of bills pending in this Congress that would provide to agencies positions that are outside the quota position. We are considering the seeming lack of control over the legislative requests. Would you comment on this problem and give us any views that you might have as to how the problem might be solved?

Mr. HAMPTON. From the standpoint of what the Commission's responsibilities are and the law for supergrades, it tends to negate that responsibility because we are in no position to centrally manage jobs that have been classified or established by the Congress or where the agency head has authority to establish the essential positions. So from the central management point of view this is not good. This is coming about, because more and more agency heads are coming to the Commission and requesting spaces that we do not have. When they come and are not able to be responded to, they go to the substantive committees of Congress and ask that they respond. I think that is detrimental to the overall approach in managing executive manpower resources. I think it tends to take out, among other things, the scrutiny of this committee and the subcommittees of the Senate that have responsibility for civil service matters. These are things which I think the Congress should be exercising its overview on.

We find that in many cases agencies are given spaces that in reality require strict classification principles, and so forth. They have a tendency to use their spaces whether they are really necessary or not. I don't think it is sound practice and it tends to go against what we are

trying to do in managing executive resources and in assuring the development of individuals to move into these positions who are well trained. It is not a sound way of doing business.

Mr. HENDERSON. The final point I would make, I would certainly like the record to show that Chairman Dulski and Mr. Gross have been not only cooperative, but have been most helpful and have actively participated in trying to communicate and get the other chairmen of the committees handling legislation, to remove those requests from bills for consideration in the House, and, more often, also those that were added by the other body in its deliberations.

I think it might be well for me to advise the members of the subcommittee that in the consideration of which agency needs supergrades I personally think the agency heads should come up to testify as to their needs and their requests. I would be influenced by the track record. For example, I think it is fair to say, especially in the broad area of education legislation and some of the health legislation containing these authorizations of supergrades—and it would be my intention where we can identify that the agencies have taken that action and bypassed the Civil Service Commission and gotten supergrades from legislation in this manner—that they ought to be the prime target for the lion's mouth that we were talking about earlier this morning. They ought to be the ones that we ought to chew up and spit out some of their authority for supergrades.

Mr. HAMPTON. There was one other aspect that crossed my mind: that is, when this legislation, a lot of it, is proposed, and it comes to the process of being reviewed in the executive branch, we go to the Office of Management and Budget with a report requesting that these requests come out of the legislation. In most cases we are successful. What is happening is that we are knocking these things out in saying that these should be handled through the general quota and general pool, and it implies an obligation on our part to have something in the general pool to be distributed. The pressure is greater today than I have ever seen. A lot of legislation never reaches the Congress on these spaces that the agencies wish to get, but it does imply a responsible obligation on our part to be able to respond. It is one of the things that I question in this committee.

Mr. HENDERSON. Fine. I would yield at this time to the other members, but before I do I would like to welcome the newest member to the subcommittee, Mr. John Rousselot, who has served on this committee in past years, and we are delighted that Mr. Rousselot was recommended and agreed to serve on the subcommittee. He has for a long time been interested in civil service matters and is well known to those of us on the committee. We are delighted to welcome him this morning.

Mr. DERWINSKI. Mr. Hampton, how many supergrade positions do you have at the moment in various advisory commissions?

Mr. HAMPTON. I don't have that information at my fingertips.

Mr. DERWINSKI. If you don't have it with you that is all right for now, but please submit it for the record. What I am basically getting at, would we not be wasting supergrade positions in some of these advisory commissions whose terms are somewhat limited? To what degree does this limit your ability to function when you have supergrades sliding away and then coming back to you?

Mr. HAMPTON. There are a number of these commissions that have in their legislation the authority to make appointments outside of the Civil Service structure. In other cases, to give you some idea of what we are dealing with, if a body, an advisory committee, has a termination date for certain, and there is a need for supergrades, we will provide one from the pool and then it goes back to the pool and is redistributed. We can provide that.

Mr. HENDERSON. I would suggest that if the Commission could identify those that were loaned from other agencies it could be helpful because we have from time to time been concerned—and I am sure we are now—as to how, with the great scarcity that is present or is being presented to us, how agencies can loan their supergrades to advisory commissions or other functions which are not directly related to their own responsibilities.

Mr. HAMPTON. To my knowledge, Mr. Chairman, I don't think it is possible for an agency to loan one of its spaces to an advisory committee. I am not sure how that can be done. Usually it comes right out of the quota rather than the agency.

Mr. DERWINSKI. Mr. Chairman, I think the point is that one of our areas of consideration is that you should not be forced to permit the use of a supergrade level person in an assignment other than where he would normally be functioning. The charge has been made that the White House has drawn into its operations, into the Executive Office Building, numerous supergrades pulled out of departments and agencies to serve specifically in the executive area. I think that is one of the points the chairman and I are both approaching now.

Mr. HAMPTON. I think that all the details to the White House have been terminated.

Mr. ROUSSELOT. We understand this is done quite a bit. We are talking about the moving of the positions. As Mr. Derwinski and Mr. Henderson have said, the heads of the agencies do detail personnel to other agencies, for short periods. How much of that goes on?

Mr. HAMPTON. As far as the White House is concerned, I think all details have been terminated and there are none there.

As far as the advisory committees are concerned, I do not know of any formal type of detail. There are a lot of times where an agency may be a member of a group and you have someone working on a particular project but he is not actually there. He is carrying out some of the responsibilities of his agency as a member of that group.

I think that one of the things that would help us is to get a more specific definition of what you mean by an advisory group. Say you have a domestic council study group; that is not an advisory group in my definition of the word. Agency heads are actually members of domestic council groups and usually they are the principal, but sometimes the principal has a backup man who does staff work on committee projects. I don't look on that group as an advisory committee established by statute. We have advisory committees established by Executive order. I don't want to be presumptuous—just what you are interested in is an established advisory committee rather than an ad hoc type of study group strictly within the Government. Is that correct, sir?

Mr. DERWINSKI. Mr. Hampton, I am a sponsor of this bill, but I would like to play the role of devil's advocate. I am fearful it might

be torn apart in the subcommittee, or the whole committee, or the full House. For the purpose of fortifying us, do you have at your disposal figures that would indicate how many of the supergrade positions are presently non-career and how this would compare, say, to the ratio of 5 or 6 years ago?

Mr. HAMPTON. The figures that we have were for comparative purposes in the bookkeeping in different periods of time and they differ in the types of control that we now have. I am not going to be defensive about this, but you should realize that toward the end of one administration normally the number of positions is less because people have left during the interim period and such positions are no longer there. Take the figure for December 31, 1968. There were 459 non-career executive positions out of 6,662 authorized supergrade and equivalent positions which amounted to 6.9 percent. We are dealing here with the non-career executive positions. That is a political schedule C type of job. There are other excepted positions of a different nature.

As of June 30, 1973 there were 536 non-career executive positions out of 7,055 supergrade positions. As of August 30 we had 543 which is 7.7 percent. This is an increase of less than 1 percent over 5 years.

I don't think these figures support the continual comments that I read that the Service is being politicized. As far as positions are concerned, we do not take the career positions and change the positions to non-career executive assignments unless the duties of the position significantly change and warrant it.

The positions that have been changed, which are few in number, are not changed while the position is encumbered and only when it is reassessed.

If you want me to go further—

Mr. DERWINSKI. That is fine. I am pleased with myself that I asked the question because the answer was better than I thought it might be.

Just one comment. Mr. Henderson very properly commended you, and you are greatly respected by this committee. We don't always agree but I would think when you tire of your present assignment you would be an excellent appointee as an ambassador. I note the comment on page 2 of your prepared testimony that you state it appears that congressional approval of the Federal Executive Service is not very likely at this time. I think that is a diplomatic understatement.

I would think that we wouldn't have anything like that bill until we have a President whose party also has very substantial control of the Congress and then you would have a political situation whereby something as sweeping as the Federal Executive Service might get the votes.

Mr. HENDERSON. Would the gentleman yield?

Mr. DERWINSKI. Sure.

Mr. HENDERSON. The gentleman is not suggesting that the Federal Executive Service is not now law because the majority only would vote? You are not implying that all of them—

Mr. DERWINSKI. No, I was not. I would frankly say the Republicans and Democrats look at things about the same depending on which side of the situation they are. I am just stating a fact of life. Obviously this

recognizes your interest this morning in the only practical bill available, rather than waiting for the passage of the legislation of the Federal Executive Service.

Mr. GROSS. Would the gentleman yield?

Mr. DERWINSKI. Yes.

Mr. GROSS. I think the chairman is a believer in the old adage that one may live in hope and die in despair.

Mr. HAMPTON. Mr. Chairman, may I make a comment?

Mr. HENDERSON. Of course.

Mr. HAMPTON. One of the things I hope is that the committee doesn't make a judgment solely on what was submitted the last session, because the proposal based upon those hearings and comments is undergoing a significant alteration. And I hope the next time we submit it, we will make a much better case for it.

Mr. DERWINSKI. I yield back the balance of my time, Mr. Chairman.

Mr. HENDERSON. Mr. Lehman?

Mr. LEHMAN. Thank you, Mr. Chairman. I understand there are 240 positions that you have that you wish to be categorized as super-grades.

Mr. HAMPTON. Yes, sir.

Mr. LEHMAN. Of those, how many of them would you call the old class C positions, that are going to be advocates for administration policy?

Mr. HAMPTON. I would find it very difficult to give you a categorical figure. I mean I could just go on a historical basis, because when you look at the whole history of these level jobs, there has been very little variance in 20 years regardless of what administration you have in power.

So I would say a rough guess would be around 7.77, or 8 percent, right around in that ballpark.

These positions change constantly, as agencies change, and sometimes the positions are non-career and then they revert to career, because there is a change in the way the job operates, and the same goes the other way.

So the figures vary very little.

Mr. LEHMAN. I would be personally reluctant to put any more of the kind of PR advocacy people into any kind of administration we have, and I think I would like these 240 reduced by that 7.77 or 8 percent.

Mr. HAMPTON. I think the governing criterion on how these positions would be allocated is pretty well spelled out in the memorandum that I sent to the agencies in February of 1973, in which we were talking really of programs that have significant impact. I advised the managers who are involved in running those programs that there would be a relatively low priority accorded requests for positions that are of the status type.

Also, I wouldn't want to leave the impression that when you say policy advocacy that that is strictly a public relations type of thing.

In the information service there are congressional relations, and many of these are people who are put in the public forefront of testifying before Congress and become identified with a partisan political

aim and as such are subject to replacement by whichever administration comes along.

Mr. LEHMAN. I wasn't speaking of just this administration. I think it becomes a form of self-perpetuation, it becomes a form of self-aggrandisement, and I think we have carried it beyond the point of necessity. We need to take another look at this program. At this point I believe we should not increase the number of supergrades that serve this kind of purpose.

Mr. HENDERSON. Mr. Mallary, I will now yield to Mr. Gross, because I know of his long service on the subcommittee and his interest in this subject.

Mr. GROSS.

Mr. GROSS. Mr. Chairman, you may feel free to call on Mr. Mallary first.

Mr. HENDERSON. All right; Mr. Mallary.

Mr. MALLARY. Thank you, Mr. Chairman. Time is not critical certainly.

Briefly I would just like to ask—and it doesn't show in the testimony here—if you can provide us the general ratios that would exist if in fact this bill were passed, and the ratios that existed previously, historically, between supergrades and other positions within the Federal service.

Mr. HAMPTON. You mean a percentage relationship between the number of supergrades and the total Federal Service?

I imagine we could work that up and would be glad to provide it.

Mr. MALLARY. I gather that the total numbers of people in the Federal Service has not been expanding, and yet this would indicate that we are having a substantial increase in supergrade positions, which would mean we are becoming, for one reason or another, more top-heavy in terms of top management.

Is that something that we should expect?

Mr. HAMPTON. Well, first let me state that there has never been, at any time, a sufficient number of supergrades to cover all of the executive level positions. There has always been a significant deficit. And there has always been a significant number of positions which could properly be classified in the supergrades category that have never been so classified. This is because there has been great restraint and control exercised.

Federal employment has gone down since 1969 to the latest figure of roughly 2 million people. There is no real direct relationship between the number of people that are supervised and the number of supergrades. I think that the most telling statement is that the complexities are greater. The types of people that are required to perform positions are significantly different than when the Federal Government was up over 3 million people.

Many of these programs are complex in terms of what is required to deliver a certain product to the taxpayer.

Mr. HENDERSON. Will the gentleman yield?

Mr. MALLARY. Yes.

Mr. HENDERSON. I believe this would be a fair question at this point.

Could we assume from my understanding of your direct statement that the 240 positions or the great majority of them would be for new

functions that have already been legislated by Congress, or put in by the Executive and will not be used for upgrading of the positions that you were talking about?

There have been, as you say, some that could possibly be upgraded, but you have not done that and this request for the 240 supergrades is for new functions?

Mr. HAMPTON. Most of them are for new and expanded functions that have been placed in the law since the last request.

And as old programs have been phased out, new ones have taken their place, and we have shifted the spaces to these particular programs.

Traditionally the Civil Service Commission had allowed an agency to maintain a space when they had a vacancy, but that is not the case anymore. Whenever a vacancy occurs, we take it back, and we look at the priorities of the requests that we have. Those priorities, I think, are laid out pretty much in the directives I have sent the agencies.

The agencies resent this very much. It puts us in a very difficult position, too, in that we have to make a strong justification for the judgments that we make, because we are saying to two cabinet officers who have conflicting requests that we are making a decision as to whose request is going to be honored and whose is not. This subjects us to a tremendous amount of conflicting pressure.

But we do make an effort to hold these positions down. I think you have to look at this historically, too, in that in an 11-year period the greatest number of supergrade spaces that have been made available in one lump was in 1962. There were more positions allocated in 1962 than there have been in the last 11 years. We had an increase of 354 over an 11-year period, which is about an increase of 30 a year over that period. This is not very significant in terms of the demand for good managers.

Mr. HENDERSON. Will the gentleman yield on one more point?

Mr. MALLARY. Yes.

Mr. HENDERSON. Mr. Chairman, you mentioned the reduction throughout the Federal Government in the manpower spaces. But as we have analyzed those reductions, isn't it fair to say that a great number of them have occurred in what we would refer to as wage-board positions, or production positions, rather than management and operating programs. It would not necessarily be fair to say that supergrade positions should be reduced by a proportionate amount of the reduction in those types of jobs, which we know have been the major reductions that you spoke about?

Mr. HAMPTON. The major reductions, as you know, were in defense. And you are absolutely correct; these were production-type positions in the Air Force, the Navy, and the Army, supporting efforts in Vietnam and also the shifting of priorities.

The Department of Defense has been under a continual reduction program for a period of about 5 or 6 years now, even further than that. I think it went back even to the shift after Korea and even the build-up in Vietnam. There was always a constant shifting of people.

But their executive responsibilities in the new programs have more than offset them.

Incidentally, I should say that Mr. Damico just reminded me that we did take back from the Department of Defense some of their super-

grade spaces. Here again, I would like to point out, though, that this is an organization that has a significant number of spaces that are specifically authorized to them by the Congress, and they are not under our control.

Mr. HENDERSON. Thank you.

Mr. MALLARY. Is it fair for me to say then that you feel that the relative increase in supergrade positions as related to others is justified by the greater complexity of the programs that are being administered and the changing character of the responsibility in the Federal service?

In other words, there is an increase in the ratio and you feel it is justified, based on the change in responsibilities?

Mr. HAMPTON. Changing responsibility, the complexities of the programs administered, plus many, many new pieces of legislation that have come out.

Mr. MALLARY. Before I leave this, let me ask for your comments on one other item.

You said that for a substantial period of time we have been living with a significant deficit in the numbers of supergrade positions available.

In other words, the pool has not been large enough. Do you feel there has been a significant lack of efficiency or effectiveness of the Federal service because of this deficit in supergrade positions? Or have you been able to manage it so we have been able to get along?

Mr. HAMPTON. I think we have been able to manage it, and we have been able to get along.

I am a firm believer that to get the greatest efficiency you need a situation of stress. I would never really want the committee to give us all of the supergrade positions that we can possibly classify, because I think that by keeping this under some tight controls, it in a sense allows for a better way of developing people and getting them experienced. It makes for significant reward and recognition for outstanding managerial ability in the service.

These positions are very much sought after. So while we have classification inequities, as I mentioned in the statement, we think that we have learned to live with these as a part of the system.

Mr. MALLARY. Thank you very much.

If it is possible, without undue work, to provide that ratio, I would appreciate it.

Mr. HAMPTON. Mr. Damico says the overall ratio, and I think this is rough, is 10,000 to 2.5 million. That is an average, including the Foreign Service, and all of the scientific, technical, legislative, and judicial areas. I think that what you are looking for is a figure, such as, there is a .02 supergrade for every so many thousand Federal employees.

Mr. MALLARY. Yes, for 1973, 1972, 1971, so that we have a relative historical pattern.

Mr. HAMPTON. I think we can probably work that up for you.

Mr. MALLARY. Thank you.

Mr. HENDERSON. Chairman Dulski.

Mr. DULSKI. Thank you very much.

First of all, I want to commend the subcommittee and especially the chairman for scheduling these hearings. I have been very much

interested in closely monitoring supergrade positions since I came to Congress in 1958.

But, Mr. Chairman, I would like to digress for one moment and talk about the Federal pay raise that is going into effect October 1. I see that a lot of higher grade levels are almost reaching the present \$36,000 limitation—some GS-15's are only \$200 or so below that level.

What are you going to do when I, as a supergrade, supervise a number of men who get about \$200 less than I do?

Could you tell us how you expect supervisors to work for \$200 more than their subordinates? So, if we give you these 240 supergrades now, what will happen after October 1, when compression gets worse?

Mr. HAMPTON. Mr. Chairman, rather than come up and request additional supergrades, I am going to come up and ask that you lift the salary ceiling by changing the executive pay, so we can get back some reasonable salary relationships to the level of responsibility.

Mr. DULSKI. I am in favor of that. But it is going to be very difficult, Mr. Chairman, to raise salaries of Congressmen which, as you know, is directly related to executive pay.

Mr. HAMPTON. Well, it is something that I hope to put before the Congress, and to argue very persuasively for. Because the compression, as you have hit the nail right on the head, is a disincentive, not only in terms of compensating a man for the level of responsibility and authority that he has in relationship to his subordinates, which demoralizes essentially your top career civil servants, but even worse, retirement.

Mr. DULSKI. But my question is, what will you do if you get these additional 240 and the compression problem is compounded? Will you come back for additional supergrades?

Mr. HAMPTON. No, I am not planning on coming back for any additional supergrades until we get into another situation like we are in today, where it is critical and most urgent.

Mr. DULSKI. Don't you think it will be more critical after compression becomes worse?

Mr. HAMPTON. I think that the compression situation is more of a compensation than a classification problem. I think the temptation is to place more jobs in supergrades, in order to deal with the compression problem.

But that is not the solution to it. And we had, back before the Pay Comparability Act in 1962, the situation existing in the whole classified service where the tendency was to overclassify a job in order to achieve more compensation, in order to compete with the market.

We are in the same situation in the upper levels today. We are not competing with the market, we are losing good men.

Every time there is a cost-of-living increase on retirements, the man figures out that he is losing money by staying in the system, and he is retiring.

Now, we had some 370 retirements of supergrade people this last year. I think 140 of those were in quota positions. These are key managerial jobs, and the agencies are moving other people into those jobs. But we are going to have another cost-of-living increase on New Year's Eve. And I am sure that the simple mathematics of compression is going to deplete the supergrade ranks again, and these are key men. These are people who deserve the accolades, I think, of

the public. They have tough jobs, and to have them in a situation that every time the cost of living goes up, their income, their real income, goes down; and to have their subordinates making what they are, to me is just incompatible with good management.

I am going to fight very hard for it. I don't know whether I am going to make any headway on it, but at least I think it has to be brought home that as long as we are going to have a relationship between congressional salaries and executive salaries, reaching down into the upper levels of the civil service, we have to take some action to correct it.

I am not a Congressman. I don't run for office. I don't know how many votes people would have against me if I was and if I took a vote to raise the salary. But the system was designed so that if the Congress doesn't want to vote on the issue, they don't have to.

Mr. ROUSSELOT. Would the gentleman yield at that point?

Mr. DULSKI. I would be happy to.

Mr. ROUSSELOT. I think this is part of a problem of nonappreciation that occurs among civil servants.

Civil servants don't have to run for election every few years, and Congressmen do. I don't think all civil servants—I know you do—have a total appreciation of what the general taxpayer, who has to pay for all this load, thinks about all this.

I understand the problem of losing good people. I certainly have great sympathy for that. But these are certainly not poverty wages, are they?

Hr. HAMPTON. No.

Mr. ROUSSELOT. You mentioned losing 350 people over a time period of—

Mr. HAMPTON. On one particular day, we lost that many.

Mr. ROUSSELOT. You lost 350 in the supergrade category, and they left primarily because they didn't get a pay raise?

Mr. HAMPTON. I think because the pastures were greener on the other side.

Mr. ROUSSELOT. You mean they could get more money in private industry?

Mr. HAMPTON. And they had no way of increasing their annuities.

Mr. ROUSSELOT. And you say annuities are better in private industry than in the Federal Government?

Mr. HAMPTON. I didn't say that. I said their annuity would not be increased by further service.

Mr. ROUSSELOT. But didn't we build that incentive in purposely so that the people would be encouraged to retire at a given point? I thought that was part of the objective.

Mr. HAMPTON. Well, 55-30 is the point where they can exercise that.

Mr. ROUSSELOT. That is what I mean. Wasn't that done to bring in new blood?

Mr. HAMPTON. Quite frankly, I don't know why it was done. We had, I think, a different formula and Congress liberalized it to 55-30, and I think the administration was opposed to it.

But the fact is that you are losing good people and losing key people, and that is the way they view it. And they are looking at themselves in comparison with people outside.

No, these aren't poverty wages. I mean that is a good wage, and there are not many people who make that kind of money.

Mr. ROUSSELOT. In the United States as a whole?

Mr. HAMPTON. That is correct.

Mr. ROUSSELOT. Have you ever compared the supergrade level salaries with the rest of the economy, and so forth, in industry and comparable kinds of jobs?

Mr. HAMPTON. I don't think we will ever reach comparability with industry, with the level and types of responsibilities that supergrade people have. But right now, just on a simple arithmetical comparison basis, the supergrade GS-18, at \$36,000, is some \$7,900 under comparability on a basis that doesn't consider bonus plans, stock options, and the other things that executives who carry this level of responsibility have in private industry.

Mr. ROUSSELOT. Stock options haven't turned out to be all that great lately, so I really don't think we can say—

Mr. DULSKI. As long as this is my time, let me interject something here.

The reason people leave the Federal service early, Mr. Chairman, is because they get a good pension from the Government and then go to private enterprise for greater monetary awards. So they have exceptionally good income from two sources—private enterprise and their annuity.

Unfortunately, with compression, people are forced to leave Government early, especially when they are eligible for an annuity. The result is that we are losing the brains in our agencies. That is the reason I hope there would be something done to retain these people in these agencies with high salary levels.

That is all, Mr. Chairman.

Mr. HENDERSON. Thank you very much.

Mr. HAMPTON. I might add that I agree with you.

Mr. HENDERSON. Mr. Rousselot?

Mr. ROUSSELOT. Mr. Hampton, we are glad to see you here, we appreciate your comments.

The President has an overall policy of trying to stop inflation, which I guess you are aware of. Does that apply to the Civil Service Commission?

Mr. HAMPTON. You mean overall policy?

Mr. ROUSSELOT. Overall policy of trying to stop inflation.

Mr. HAMPTON. Yes, I would like to see inflation stopped.

Mr. ROUSSELOT. Well, we are making an effort to reduce the size and reach of government. Why do we need to inflate the supergrade number? I know you have given total testimony and I want to talk about some specifics, but really, isn't this giving a clear impression that we are inflating the number of people at the very high levels of pay?

I wish civil servants could go out and run for office occasionally. I think it would be helpful and refreshing to them to face the people that pay the taxes that pay their salary. I think it would help give them a better appreciation, that they are really not as bad off, especially in the supergrade levels, as they might believe they are in this atmosphere of Washington.

Isn't it really inflationary? Doesn't this create the inflationary problem that the President is trying to curb?

Mr. HAMPTON. I really don't think so. In fact, I think, looking at the Government from a managerial point of view, if you want Government programs managed efficiently, effectively, and responsibly, you have to have good executives to do it.

Mr. ROUSSELOT. I agree with that, certainly.

Mr. HAMPTON. Spending the hundreds of millions of dollars we do every year requires good people.

Now good people are hard to come by, people who can be the managers and make the decisions and bear the responsibility and suffer all of the criticisms of making tough decisions.

These are the kinds of people that you need. You will get more efficiency and economy that will affect our total outlay in Government by having the types of talent to manage these programs well.

Mr. ROUSSELOT. Your belief is that the President's program to stop inflation will be enhanced by increasing the number of supergrades by 240?

Mr. HAMPTON. I wouldn't put it in such a simplistic term. I am not trying to—

Mr. ROUSSELOT. We have to deal on a day-to-day basis with the many problems that come through the Congress.

Is approving these additional positions going to reduce the rise in inflation and reduce any overall cost in Government?

Mr. HAMPTON. I would say it would give you the caliber of management you need to cut back.

Mr. ROUSSELOT. That will in effect cut the cost of Government?

Mr. HAMPTON. In fact, I think that however you achieve good management, even if you were to have a unit that was all supergrades, if it did the job very effectively—

Mr. ROUSSELOT. I would be for that, that would be fine, if that actually occurred. You really mean to say that an additional 240 supergrades is going to help you and the other managers in the Federal Government to cut the costs of government?

Mr. HAMPTON. I would say it would make it more efficient. Cutting the cost of government, in my opinion, comes from cutting programs.

Mr. ROUSSELOT. I am for that.

Mr. HAMPTON. As long as the legislative branch continues to pass new programs, calling for new initiatives, the question is do you want to manage it right, or don't you? That is the whole point.

Mr. ROUSSELOT. I wasn't trying to defer any of the responsibility that I think is clearly ours. We, in the Congress, have created in my opinion some of these zany programs that we shouldn't be in, and have given you the responsibility of managing them. But my point is, do you honestly believe the addition of the 240 supergrades is going to contribute to the President's admonition to stop inflation by stopping Government inflating?

Mr. HAMPTON. I think—now I will frame my answer in my own terms, not directly responsive in your terms—I think by having more and better executives performing these functions, we will get greater efficiency.

Mr. ROUSSELOT. With less people?

Mr. HAMPTON. I think it could be with less people. A good, courageous manager is going to do his job with as few of the resources that are available to get it done if he is efficient.

Mr. ROUSSELOT. I agree with that.

Mr. HAMPTON. And this is top talent. There are a lot of people who don't have the respect, in my opinion, for the top Government executives that they should have, because they do do a good job, and they are very much aware of managing efficiently.

I think we need it in a lot of these programs. You just look at the programs—

Mr. ROUSSELOT. Implied, though, in your statement is if we don't get these supergrades, we don't get the top talent, and therefore some place we must have inferior talent now.

Mr. HAMPTON. I don't think we have the best.

Mr. ROUSSELOT. In your statement you list some of the new programs, and I realize these have been imposed upon you and the executive branch by Congress, but you mention the pollution control and abatement program, and the \$1 billion of additional dollars. I understood that many of those dollars were primarily for research.

How many more supergrades will be attributed to that increase in pollution control and abatement?

Mr. HAMPTON. Do we have the specific request on that?

Mr. ROUSSELOT. Do you have a breakdown attributable to each of these items that you mention?

Mr. HAMPTON. We have all of that.

Mr. ROUSSELOT. All right. How many in the pollution control and abatement?

Mr. HAMPTON. There is a request that came to us from EPA. They wanted 20 additional supergrades. Our review under the criteria that we applied reduced that request by seven. And the total number of the adjusted agency request would be 13.

Mr. ROUSSELOT. Thirteen of the 240 would go to pollution control and abatement?

Mr. HAMPTON. I don't want to say 13 will go. Those are the ones that we feel meet very strict criteria as being justified. If you were to think about half of that number being allocated to them, you would be in the ball park.

Mr. HENDERSON. Would the gentleman yield?

Mr. ROUSSELOT. Yes.

Mr. HENDERSON. As I understand it, you would take all of the agency requests, adjust them down as the chairman testified with EPA, from 20 to 13, and if you add all of the 13's up, you would get a total figure of some 650.

But as they are only asking for 240, it would be fair to say if EPA were given just their share of the total request, they would get less than half of that 13.

Mr. HAMPTON. That is correct.

Mr. ROUSSELOT. I understand that. But my point is, my understanding of the legislation that we passed is, it is mostly in the research area, and much of that is done by contract.

Is it really necessary to increase the number of supergrades, especially since scientific and engineering kinds of positions are exempted under this?

Mr. HAMPTON. Some of those positions will even be nonquota. They will be scientific and technical jobs.

Mr. ROUSSELOT. So the bulk of this 240 really doesn't come into the pollution control and abatement area?

Mr. HAMPTON. No. As I mentioned earlier, Mr. Rousselot, before you came in, I only cited these as examples of the type of thing that has been passed by the Congress since our last request, and we haven't been able to respond to. It isn't an all-inclusive list.

Mr. ROUSSELOT. I understand that. But you have obviously put them in as examples because you felt they would either have an appeal or we would understand what you are talking about.

Mr. HAMPTON. Correct.

Mr. ROUSSELOT. Let's talk about the additional responsibilities to the Treasury Department, the Economic Stabilization Act. That is wage and price controls. The President says we are phasing that out. How many did you have assigned there?

Mr. HAMPTON. The Treasury Department requested 84 spaces. We deleted eight of those spaces on review, and their adjusted request is 76.

Mr. ROUSSELOT. So assuming the President's goal of phasing that out is accomplished—

Mr. HAMPTON. This isn't solely just for that program.

Mr. ROUSSELOT. But you mentioned that.

Mr. HAMPTON. That is one. As I said, that list is not all inclusive. The agency request relates to a lot of programs that Treasury is involved in—the revenue sharing program, and also in managing monetary affairs.

I would like to say that all of these requests that we have received from the agencies and the justifications have been made available for review by the committee staff. I am not trying to pull the wool over anyone's eyes. You are welcome to come down and look at them.

Mr. ROUSSELOT. I was not implying that you were. It just seems strange to me that we are talking about an increase of supergrades in this area, when the President says we are planning to phase it out. You have 76 for Treasury, even under your boiled-down version. You mentioned the economic stabilization program here. That is why I was concerned.

Mr. HAMPTON. Treasury has its own bill, which includes a request for 200 additional supergrade spaces. That will give you some idea as to how they view their situation.

Mr. ROUSSELOT. Good work. I think you are contributing in the right direction. Let me say that I know yours is a tough job.

We have been told that one of the other causes is additional management responsibility which has been placed in the Department of the Interior to cope with energy problems, and the Indian programs.

I hope we are not talking about the kind of Indian programs where we paid all of those Indians to go home; not that kind of program.

Mr. HAMPTON. I know nothing about that.

Mr. ROUSSELOT. You do remember when they took over the Government building here?

Mr. HAMPTON. Yes.

Mr. ROUSSELOT. Were any of those people supergrades? [Laughter.] How many do you charge to the Department of the Interior?

Mr. HAMPTON. Interior had a request for 24 additional spaces on their priority list, and we deleted 5, so their adjusted request is 19.

Mr. ROUSSELOT. How many in the energy field?

Mr. HAMPTON. I don't have that breakdown on this chart, but as I said, that information is available specifically. We can provide you with the information specifically—what job, not just in what field, the actual job.

Mr. ROUSSELOT. But we have been told by the President that Mr. Love is now going to have an overseeing function. Aren't they going to be able to handle a lot of this without increasing the Department of the Interior allotment?

Mr. HAMPTON. I am not familiar with Governor Love's extended duties.

Mr. ROUSSELOT. But the President, in his announcement, said much of the coordination will be handled there. Will that help reduce any of this?

Mr. HAMPTON. That is at the policy level.

Mr. ROUSSELOT. You might go back and ask that question. Maybe now they can release some of these needed so-called supergrades on the basis that Governor Love is going to handle a lot of the "coordination" on the energy crisis. Is that not correct?

Mr. HAMPTON. We may have to transfer them over to Governor Love.

Mr. ROUSSELOT. My point being, as you know I am sure better than I, that so many times things that appeal to the public and sound good are utilized by the agencies as they come to appeal to you, because it has great urgency at the time.

I hope—and I know you are, on the basis of past experience in my dealings with you—you are taking a real hard look to make sure that these requests are really genuine, and that they are not just the normal bureaucratic attempts to increase the numbers. Unfortunately, this does occur, as we both know.

Mr. HAMPTON. Yes, it does, and in the glamor programs, this tends to be where all of the, as you say, comments in the press and the political arena are. But we are relatively unemotional about this, and pretty much matter-of-fact. I would hope if you have time that you could look at the three directives I sent to the agencies starting in October 1972 about supergrades. I think that is a pretty unprecedented thing. I don't know that the Commission has ever taken such a close control over this.

Mr. ROUSSELOT. Well, first of all, I am sympathetic to your problem, because I know Congress imposes a lot of the problems upon you by coming up with these wonderful all-solution programs and imposing a responsibility upon you, but unfortunately these programs never go away, even after their time has passed.

I just want to be sure in the consideration of this kind of a request we know specifically where they are going and if they are really needed.

I don't think anybody here wants to prevent good talent from coming into the Government, especially if it does, as you say, provide really efficient management.

By the same token, I too have served in the executive branch and know what the tendency of bureaucracy is if it goes unchecked.

Mr. HAMPTON. One point I would like to comment on is that I think one of the greatest things that could happen in these programs is if the Congress would establish a joint committee to review the effectiveness of a lot of these programs, with the idea of repealing legislation, because some of them are not very effective.

Mr. ROUSSELOT. I couldn't agree with you more, and if we pass H.R. 1730, which requires us to set ceilings on expenditures early in the year, so people know what to expect, I think that this bill, which is now languishing in the Rules Committee, would be a good discipline on ourselves to really look into these kinds of things early in the year.

I want to say one more thing. I hope you carry back the message to our good civil servants—and they are good in the overwhelming majority—that when the claim comes, and I hear it from my own employees on my staff, that it is demoralizing to see the rest of the economy go up and they do not go up to match it, also tell them and assure them it is also very demoralizing to the taxpayer who pays that load also. They wonder where it will stop and when it will stop.

Thank you, Mr. Chairman.

Mr. HENDERSON. Mr. Gross?

Mr. GROSS. Thank you, Mr. Chairman. Time is running out and I will be brief.

I would like to ask you, when there was the exodus from the Federal Government in the upper levels that you mentioned some time ago, if there was not a bonus incentive to get out of Government? Didn't that contribute to the greener pastures on the other side of the fence?

Mr. HAMPTON. Yes, sir. When you have a cost-of-living increase in the retirement system like the one that just came about, and a man going out on annuity can say, if I leave on such and such a date, I will receive in my annuity 6.1 percent more, that is an incentive to leave.

And the other incentive is that if you were to take that same annuity and figure that annuity on the same salary base for 3 years hence, and you come out with less money by staying in, that doubles that incentive to leave, particularly when in a period of inflation you can count on retirement annuities going up at least 3 or 4 percent a year.

Mr. GROSS. Well, Mr. Hampton, I am intrigued by the figure published by the Joint Committee on Federal Expenditures showing the Federal civilian payroll in June 1973, this year, totaled 2,842,377 employees, a decrease of 40,746 from June a year ago, and a decrease of 231,294 over the 5 years since 1968.

During this time Congress increased the Government-wide supergrade quota by 177 positions, special authorizations by Congress added some 246 positions, nonquota positions have increased, and under the Postal Reorganization Act the Civil Service Commission recaptured 89 supergrade positions from the Post Office Department.

I know we have gone over this subject earlier this morning, but how in the world do you explain this pattern of declining Federal employment and increasing authorization of supergrade positions? I haven't heard a good answer so far to this question.

Mr. HAMPTON. What I really tried to explain is that there is no direct relationship shown between the number of Federal employees and the

supergrades. I can understand how one can draw the conclusion that if total Government employment goes down, the supergrades should go down. But at the same time you have to look at where did Government employment go down, and where did Government employment go up, and you can see that Government employment went down in the blue-collar area, supporting mainly Vietnam. At the same time, Government employment was going up in the area of domestic programs, and new types of programs, and those new programs need these resources.

Now there is a lot of difference here in the way these programs manifest themselves. And when you had the Defense Department going down, it was mainly in a different sphere.

Mr. GROSS. It just has to be true that, per 100 employees, there are more supergrades today. Isn't that correct, over 5 years ago?

Mr. HAMPTON. I would say yes.

Mr. GROSS. I don't see the efficiency in government that you talk about.

If I thought 1,000 more supergrades would give us real efficiency and stop the mismanagement of government, I would be glad to provide them.

But I know very well it won't, just as I know that if a joint committee or joint commission is appointed, call it under whatever name you care to, that would just be another expenditure of money to no good end to go into this subject.

Mr. HAMPTON. Mr. Gross, let me argue with you on that a little bit in terms of the mix of supergrades versus the other employees.

Here is one category of management that sits out here in isolation, that everybody sees all of the time. Actually, I wonder if you couldn't have, for example, real good efficiency and economy in government with as few as 1,500,000 employees but with 25,000 supergrades, because through their efforts they were able to do more with the resources they had.

I am arguing for that. I think by better management we can reduce the level of Federal employment.

Mr. GROSS. I couldn't disagree with you more, that they are going to produce any more efficiency.

How many supergrade positions are now allocated to the government of the District of Columbia and are you going to recapture these positions if home rule is granted to the District of Columbia?

Mr. HAMPTON. It depends on the way the statute is written. If it takes them out from under civil service.

Mr. GROSS. We will try to get something in the bill to do just that.

Mr. HAMPTON. The total of everything for the District of Columbia is 69 positions at this level. Now 40 of these positions are from the general pool, 22 of them are nonquota supergrades, and 7 of them are special agency authorities that have been given to them by special law.

So that is a total of 69 that they have. If they were to go out from under civil service, we would recapture 40 supergrade spaces, if the law is written in that way.

Mr. GROSS. How many supergrades are now allocated to the National Foundation on the Arts and Humanities and how many more would this outfit get from the 240?

Mr. HAMPTON. They have seven supergrade spaces allocated by the Civil Service Commission.

Mr. GROSS. What is that ratio to the total employment?

Mr. HAMPTON. I don't have that figure here, but we can provide it for you.

Mr. GROSS. I wish you would.

That is the outfit for which the President boasted he had authorized a 900-percent increase in appropriations.

Mr. Damico, you used the example earlier in this hearing of the GS-16 astronaut, and I assume that you were saying that he was not well paid?

Mr. DAMICO. No, sir, I didn't mean to imply that. I was trying to illustrate the caliber of supergrades. We are not talking about clerks, we are talking about people like Mr. Armstrong who at the time was a GS-16.

Mr. GROSS. How about the military personnel who are also astronauts? From the standpoint of pay, prestige, or any other angle or approach you want to give it.

Mr. DAMICO. I was just factually and very proudly pointing out that Mr. Armstrong was a supergrade at the time.

Mr. HAMPTON. Most of the military astronauts were field grade rank and many of them have since been promoted to general or admiral, so I think the quality of the people they have selected is pretty high.

Mr. GROSS. It ought to be for the money we are spending on it. I mean regardless of the pay, grade level, or anything else.

How many requests do you now have pending for supergrade positions which would come out of the 240 authorized by this legislation that would be designated as noncareer executive assignments? That is, positions that involve advocacy of administration programs or involve political policy responsibility?

Mr. HAMPTON. It would be roughly around 7 percent.

Mr. GROSS. Seven percent?

Mr. HAMPTON. Yes, sir.

Mr. GROSS. Thank you. I believe that is all, Mr. Chairman.

Mr. HENDERSON. Mr. Rousselot.

Mr. ROUSSELOT. Mr. Hampton, I am sympathetic to this concept that you can attract better talent if you have at least a somewhat comparable wage to offer them, to come into these very responsible positions.

But if your thesis holds up, as it relates to Government, that by giving them more comparable pay and giving the Government the ability to be able to hire at that level, why haven't we done better in the Post Office, where we have all of these wonderful salaries?

Mr. HAMPTON. I really know nothing about the management of the Post Office Department since the Congress took that out from under our jurisdiction.

Mr. ROUSSELOT. Well, I didn't vote for that. But my point is it doesn't always necessarily hold true that just pay alone is the thing that is going to motivate good management. Many people come to serve in Government because they believe that that is something they should do, especially at the supergrade level, that that is the kind of service that they should give to their country for a given period of time.

I don't think that by just increasing the pay alone, every time there is a demand, does necessarily give use, as you call it, the better quality product.

Mr. HAMPTON. You know, the point that I really tried to make in the testimony is that I don't think that we have managed this resource loosely. When you look at the record over the 11-year period, we haven't increased the number of these top managerial jobs. I mean 354 is a very insignificant number when you are talking in the millions of employees. And we haven't plagued this Congress by coming up here after we got an initial allotment; 150 is all the supergrades I have had to play with in 5 years, 150, and that is not enough to meet the tremendous demand.

Mr. ROUSSELOT. Maybe we ought to help you more by phasing out some programs. If you have any suggestions of programs we can phase out, I would be glad to talk to you about it.

Mr. HENDERSON. Will the gentleman yield? We phased out the Post Office and there are no less supergrades there.

It was suggested earlier—and I join in that suggestion—that we phase out the supergrades in the District of Columbia, where there are 40. I am not competent to make a prediction, but I bet if you took off all of the controls on the District of Columbia supergrades and gave them home rule, there would be 400.

Mr. ROUSSELOT. I can believe that. I don't need to be convinced of that, especially if you gave them all of the money they wanted.

Mr. HENDERSON. We have a lot of frustrations, but I think this is important. Would it be fair to assume that the outside costs, or the predicted cost of the 240 supergrades would be the figure of multiplying that by the \$36,000 figure, or a total of \$8,640,000?

Mr. HAMPTON. What we came up with—and I tried to figure this out—these were cost-related questions that were prepared by the staff—is that the total annual cost, based upon the recent 4.77-percent pay raise with the maximum at \$36,000, would be approximately \$1,582,000. I can furnish you this chart which gives in detail the way we figured it out.

This is on the assumption that 85 percent of these will be filled from within Government, so you have people that are making a salary at the present time. We figure so many will be 18's, so many 17's, so many 16's, and what the salary increments are. We get another set of figures on the assumption that 15 percent would be filled from outside of the Government. I will be glad to provide this chart to the committee.

Mr. HENDERSON. Thank you very much. Our time is up and I need to go to the floor. Let me just conclude the record by saying the dilemma that I find myself in, and I think all of the subcommittee members do, is it is not a popular or easy thing to go to the floor and advocate 240 new positions paying \$36,000, the top salary at the present time. We are going to be sniped at from every direction. I think the record ought to show that you have had pressures, and that we have had pressures.

I have before me a letter, which I will ask unanimous consent to put into the record as typical of those, where one of our colleagues, the chairman of the Subcommittee on Commerce and Finance, urges us to grant additional supergrades to the Securities and Exchange Commission. Here we find another legislative committee stressing that their responsibilities are not properly being carried out because they don't have supergrades.

We need to be realistic and state that so long as Congress passes legislation—such as the arts and humanities which the gentleman and

I not only voted against but still feel very strongly opposed to—that the Members who support such legislation take the heat and to vote to furnish supergrade positions for these kinds of programs that some of us didn't support in the first place. Those Members that did vote for these programs, we will very likely find, will be the ones voting against the supergrade request.

If all of the people that voted for all of these programs, for which you are going to be responsible for providing the supergrades, will vote for them, then it would free the gentleman and me to vote against the supergrade request.

However, I don't believe that, when I go to the floor managing the bill, I will be able to be one to vote against it, when I really ought to be, from my total voting record. The gentleman finds himself in the same position, I am sure.

I hope the gentleman will agree—and I will do my best to persuade Mr. Gross—that if we don't get additional supergrades, we will continue the inefficiencies. By supporting the legislation, we might have an opportunity to bring about greater efficiencies.

I am sure individuals who are interested in this will lobby the Members of Congress and point out to them that they voted those responsibilities on the management people and they ought to vote for the supergrade request.

Mr. HAMPTON. Mr. Chairman, would it be in order to make a comment?

Mr. HENDERSON. Yes.

Mr. HAMPTON. I think both this committee in the House and the Civil Service Commission are faced with the alternative of losing control of the management of the executive resources unless we are provided with the tools and the committee exercises its oversight over us, because you have jurisdiction over us, to allow this to go on much longer.

Mr. HENDERSON. I agree with you 100 percent. I have not personally delayed these hearings because I knew this was the case. I feel that we should attempt to get this request through this session of Congress. I am as convinced as I am of anything, that the cost to the Federal taxpayer will rise greatly if we do not act responsibly on this request.

Thank you very much.

[Thereupon, at 12:05 p.m., the hearing was adjourned.]

[Subsequent to the hearing, the following information was ordered placed in the record:]

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., October 26, 1973.

HON. DAVID N. HENDERSON,
Chairman, Subcommittee on Manpower and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. HENDERSON: Attached is the information requested by members of the Subcommittee at the October 3, 1973, hearings on H.R. 10419.

If you desire additional information, please do not hesitate to contact me.

Sincerely yours,

ROBERT E. HAMPTON,

Attachments.

I. RATIOS OF SUPERGRADES TO FEDERAL EMPLOYMENT

[End of fiscal years 1971-73]

Fiscal year:	Executive branch employment ¹	Authorized supergrade and equivalent positions executive branch, all salary systems	Ratios	Authorized Government-wide quota positions, executive branch ²	Ratios
1971.....	2, 106, 157	10, 160	1:207	2, 710	1:777
1972.....	2, 103, 977	10, 320	1:204	2, 711	1:776
1973.....	2, 040, 018	9, 890	1:206	2, 710	1:753

¹ Total Federal employment, excluding USPS, CIA, NSA, Youth program, and public service career appointees.² Quota positions assigned outside executive branch: fiscal year 1971=44; 1972=43; 1973=44 (40 to District of Columbia government).

II. NUMBER OF SUPERGRADES IN ADVISORY COMMISSIONS

[The number of authorized supergrade positions as of Aug. 31, 1973, was as follows; 17 out of the 43 positions are staffed from the CSC Government-wide quota]

	CSC quota	Agency quota	Total
Cost of Living Council.....	2	20	22
Special Action Office for Drug Abuse Prevention.....	1	6	6
National Commission on Libraries and Information Sciences.....	1	1	1
National Commission on Productivity.....	1	1	1
Cabinet Committee on Opportunities for Spanish-speaking People.....	1	1	1
National Advisory Council on Economic Opportunity.....	1	1	1
National Council on Indian Opportunity.....	3	1	3
Inter-American Foundation.....	2	1	2
Council on Environmental Quality.....	1	1	1
American Revolution Bicentennial Commission.....	4	1	4
Water Resources Council Staff.....			(1)
President's Commission on American Shipbuilding (nonquota).....			
Total.....	17	26	430

III. RATIOS OF SUPERGRADES TO EMPLOYMENT IN THE NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES (AS OF OCTOBER 1, 1973)

Employment

Permanent, full-time, filled positions.....	238
Vacant positions.....	52
Total.....	290
Temporary and intermittent positions.....	941
Total.....	1, 231

Supergrades	
Authorized and filled:	
GS-18.....	1
GS-17.....	1
GS-16.....	5
Total.....	7

Ratios	
Supergrades to permanent, full-time, filled and vacant positions.....	1: 41
Supergrades to total staff.....	1: 168

IV. PROJECTED COST OF 240 ADDITIONAL SUPERGRADES

The total additional annual cost is estimated at \$1,582,218 based upon a 4.77 percent pay raise with the maximum remaining at \$36,000.

85 percent filled from within Government (204).

Grade	Total (percent)	Number	Salary increment	Total
GS-18-----	12	25	0	0
GS-17-----	25	51	(1)	0
GS-16-----	63	128	\$2,810	\$359,680
				359,680
15 percent filled from outside Government (36):				
GS-18-----	12	4	36,000	144,000
GS-17-----	25	9	36,000	324,000
GS-16-----	63	23	32,806	754,538
Total-----				1,222,538
Overall total-----				1,582,218

¹ Estimated on promotion from GS-16/4 to GS-17.

² Estimated on promotion from GS-15/4 to GS-16/2.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., September 28, 1973.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
U.S. House of Representatives.

DEAR MR. CHAIRMAN: This will respond to your letter to Chairman Mills of September 26, 1973, drawing to our attention section 101(b) of the Senate amendment to H.R. 4200, dealing with the grade level of the position of Assistant Commissioner of Internal Revenue and creating additional supergrade positions. Also, you point out that section 507 creates 20 additional supergrade positions in the Department of Labor.

I agree with you that clearly this is a subject which falls within the jurisdiction of the Committee on Post Office and Civil Service and should not be dealt with by the Committee on Ways and Means. While I included those provisions in the bill which I introduced last Monday, I made it clear at the time that I was introducing the Senate amendments only so that they could be in bill form before the Committee on Ways and Means and I in no way intended to express my support of all the provisions that were in the bill.

I will lay your letter before the Committee on Ways and Means and I feel sure that the Committee will agree that the provisions you point out should be dropped from the legislation.

I have also discussed this matter with Herman Schneebeli, the ranking Republican Member of the Committee on Ways and Means, and I am sure he agrees with me.

Sincerely yours,

AL ULLMAN,
Acting Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 4, 1973.

HON. ROBERT E. HAMPTON,
Chairman, Civil Service Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reference to the letter of July 27, 1973, to you from the Honorable Hugh F. Owens, Senior Commissioner of the Securities and Exchange Commission, concerning that agency's need for additional supergrade (i.e., GS-16, 17 and 18) positions.

As you may be aware, this Subcommittee has jurisdiction over the securities industry and the SEC. During the 92d Congress the Subcommittee conducted an extensive study of that industry and the Securities and Exchange Commission, which culminated in a detailed report containing numerous recommendations for change. A bill, H.R. 5050, has been introduced to implement that report.

One of the chapters of the report dealt with the SEC's budget and concluded that the Commission has been seriously under-resourced. At the urging of this Subcommittee the House Appropriations Committee increased by 204 the number

of positions recommended for the SEC by the Office of Management and Budget for the fiscal year ending June 30, 1974. The full House approved this recommendation as, subsequently, did the Senate.

This increased allocation to the SEC reflects the growing workload faced by the Commission, the increasing complexity of the Commission's task and the vital role which our Nation's securities markets play in our national economy.

Authorizing an increase in the Commission's staff will be meaningless, however, unless the Commission is able to attract and maintain high caliber personnel to fill those positions. In order to do this the Commission must have an adequate supply of supergrade positions to offer to such persons.

In his letter to you of July 27, 1973, Commissioner Owens points out that the number of supergrades allocated to the SEC, expressed as a percentage of total employees, is far below that of similar regulatory agencies. At the request of the Subcommittee, the SEC has supplied data on supergrade allocations for these independent regulatory agencies for the past 10 years. Copies of those data are attached. It shows that for the past 10 years every other independent regulatory agency, without exception, has had a higher percentage of supergrades than the SEC. Moreover, since 1965 the SEC supergrade percentages have been, for the most part, less than half of the average supergrade percentages of the other six agencies. This inequitable distribution of supergrade positions becomes more glaring if you exclude the positions held by Administrative Law Judges.

I urge the Civil Service Commission to take immediate action to increase the number of supergrade positions assigned to the Securities and Exchange Commission to bring that agency up to the level of comparable agencies. Such action is urgently needed if the Commission is to be able to attract and maintain the type of personnel it needs to fulfill the responsibilities assigned to it by the Congress. Moreover, should the Congress enact legislation creating new supergrade positions, as recommended by the Administration, I would hope that the Civil Service Commission would allocate an additional number of those new supergrade positions to the SEC.

Sincerely,

JOHN E. MOSS,

Chairman, Subcommittee on Commerce and Finance.

Attachment.

CHART A.—SUPERGRADE DISTRIBUTION IN SELECTED REGULATORY AGENCIES

	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963
Securities and Exchange Commission (SEC):											
Total supergrades.....	35	34	33	34	31	35	34	34	34	26	19
Total employees.....	1,660	1,544	1,407	1,370	1,287	1,406	1,405	1,410	1,462	1,468	1,481
Percent of supergrades.....	2.1	2.2	2.3	2.5	2.4	2.5	2.4	2.4	2.3	1.8	1.3
Federal Power Commission (FPC):											
Total supergrades.....	49	48	50	48	46	46	46	46	46	32	32
Total employees.....	1,191	1,171	1,164	1,130	1,141	1,145	1,159	1,152	1,152	1,154	1,179
Percent of supergrades.....	4.1	4.1	4.3	4.2	4.0	4.0	4.0	4.0	4.0	2.8	2.7
Federal Trade Commission (FTC):											
Total supergrades.....	43	43	42	43	42	43	45	47	47	37	37
Total employees.....	1,565	1,323	1,325	1,316	1,165	1,244	1,170	1,170	1,171	1,178	1,178
Percent of supergrades.....	2.7	3.2	3.2	3.3	3.6	3.5	3.8	4.0	4.0	3.1	3.1
Federal Communications Commission (FCC):											
Total supergrades.....	53	50	50	50	47	47	49	48	48	39	27
Total employees.....	1,752	1,652	1,532	1,514	1,467	1,644	1,604	1,603	1,606	1,599	1,605
Percent of supergrades.....	3.0	3.0	3.3	3.3	3.2	2.9	3.0	3.0	3.0	2.4	1.7
National Labor Relations Board (NLRB):											
Total supergrades.....	168	167	142	152	143	140	133	132	121	64	66
Total employees.....	2,425	2,339	2,187	2,105	2,236	2,420	2,304	2,284	2,241	2,065	2,056
Percent of supergrades.....	6.9	7.1	6.5	7.2	6.4	5.8	5.8	5.8	5.4	3.1	3.2
Interstate Commerce Commission (ICC):											
Total supergrades.....	114	114	114	139	138	138	138	140	147	51	45
Total employees.....	1,800	1,660	1,657	1,753	1,786	1,906	1,987	1,992	2,474	2,478	2,467
Percent of supergrades.....	6.3	6.9	6.9	7.9	7.7	7.2	6.9	7.0	5.9	2.1	1.8
Civil Aeronautics Board (CAB):											
Total supergrades.....	48	48	46	46	45	43	41	41	52	44	44
Total employees.....	685	661	655	677	646	669	654	623	854	886	884
Percent of supergrades.....	7.0	7.3	7.0	6.8	7.0	6.4	6.3	6.6	6.1	5.0	5.0

CHART B.—SUPERGRADE DISTRIBUTION IN SELECTED REGULATORY AGENCIES

	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963
Securities and Exchange Commission (SEC):											
Total supergrades (minus administrative law judges)...	28	28	27	27	24	27	26	26	26	24	19
Total employees.....	1,660	1,544	1,407	1,370	1,287	1,406	1,405	1,410	1,462	1,468	1,481
Percent of supergrades.....	1.7	1.8	1.9	2.0	1.9	1.9	1.8	1.8	1.8	1.6	1.3
Federal Power Commission (FPC):											
Total supergrades (minus administrative law judges)...	31	31	32	31	29	29	29	29	29	26	26
Total employees.....	1,191	1,171	1,164	1,130	1,141	1,145	1,159	1,152	1,152	1,154	1,179
Percent of supergrades.....	2.6	2.6	2.7	2.7	2.5	2.5	2.5	2.5	2.5	2.2	2.2
Federal Trade Commission (FTC):											
Total supergrades (minus administrative law judges)...	31	31	32	31	30	31	31	31	31	31	31
Total employees.....	1,565	1,323	1,325	1,316	1,165	1,244	1,170	1,170	1,171	1,178	1,178
Percent of supergrades.....	2.0	2.3	2.4	2.4	2.6	2.5	2.6	2.6	2.6	2.6	2.6
Federal Communications Commission (FCC):											
Total supergrades (minus administrative law judges)...	37	36	36	36	33	33	34	32	32	29	27
Total employees.....	1,752	1,652	1,532	1,514	1,467	1,644	1,604	1,603	1,606	1,599	1,605
Percent of supergrades.....	2.1	2.2	2.3	2.4	2.2	2.0	2.1	2.0	2.0	1.8	1.7
National Labor Relations Board (NLRB):											
Total supergrades (minus administrative law judges)...	48	47	47	47	32	32	32	32	32	29	29
Total employees.....	2,425	2,339	2,187	2,105	2,236	2,420	2,304	2,284	2,241	2,065	2,056
Percent of supergrades.....	2.0	2.0	2.1	2.2	1.4	1.3	1.4	1.4	1.4	1.4	1.4
Interstate Commerce Commission (ICC):											
Total supergrades (minus administrative law judges)...	30	30	30	30	29	29	29	31	30	31	31
Total employees.....	1,800	1,660	1,657	1,753	1,786	1,906	1,987	1,992	2,474	2,478	2,467
Percent of supergrades.....	1.7	1.8	1.8	1.7	1.6	1.5	1.5	1.6	1.2	1.2	1.3
Civil Aeronautics Board (CAB):											
Total supergrades (minus administrative law judges)...	26	26	25	25	24	24	25	25	31	30	30
Total employees.....	685	661	655	677	646	669	654	623	854	886	884
Percent of supergrades.....	3.8	3.9	3.8	3.7	3.7	3.6	3.8	4.0	3.6	3.4	3.4

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NEED FOR INCREASED SUPERGRADE POSITIONS IN THE EXECUTIVE BRANCH

TUESDAY, OCTOBER 16, 1973

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON MANPOWER AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met at 9:40 a.m., in room B-374-C, Rayburn House Office Building, Hon. David M. Henderson, chairman of the subcommittee, presiding.

Mr. HENDERSON. The Subcommittee on Manpower and Civil Service is today reviewing the executive manpower needs of the Department of the Treasury, the Department of Interior, and the Department of Housing and Urban Development.

This review is in conjunction with the administration's request for an increase in the number of supergrade positions in the Federal Government. The subcommittee has H.R. 10419 before it for consideration.

The bill provides an additional 240 Government-wide quota supergrade positions, raising the total quota from 2,754 to 2,994 positions.

On October 3, 1973, Mr. Robert E. Hampton, Chairman of the Civil Service Commission, testified on H.R. 10419 and presented the administration's views on the need for the additional quota positions.

Mr. Hampton's testimony on new Federal programs and responsibilities and the critical need for additional supergrades was very helpful to this subcommittee.

However, as the Government-wide quota for supergrade positions authorized by section 5108(a) of title 5, United States Code, is but one source of executive positions in the Government, the subcommittee believes it would be helpful to review total executive manpower needs in considering additional quota positions.

There are approximately 10,400 top-level executives in the Government, not including the 600 or so executive schedule positions such as departmental secretaries, under secretaries, assistant secretaries, commission and board chairmen, et cetera; 3,250 of these executive positions are not covered by the Civil Service Commission personnel systems.

These include the Foreign Service, the Atomic Energy Commission, the Department of Medical Service of the Veterans' Administration, the National Science Foundation, as well as other scattered excepted agencies. Of the 7,000 or so remaining positions, approximately 3,000 are scientific or professional positions in research and development functions which require the services of specially qualified people.

There are the 2,754 existing Government-wide quota supergrade positions allocated to all Government agencies by the Civil Service Commission.

Finally, there are special authorizations for agencies enacted by Congress that are outside the quota.

All of this adds up to a complicated system of position authorities which, if not closely scrutinized, leads to a topsy-turvy growth of the highest level Government jobs.

One area of major concern to this subcommittee is the number of legislative proposals that contain authorizations for executive positions in the Government.

As of June 30, 1973, there were 1,221 such special authorizations already existing in the Government. There are numerous bills pending in this Congress which, if enacted, would significantly increase the number of supergrade positions.

In several instances, legislative proposals reach the floor of the House without prior consultation and review by the Civil Service Commission or the House and Senate Post Office and Civil Service Committees as to the needs or justification for additional top-level jobs.

Today we have with us Mr. William E. Simon, Deputy Secretary of the Treasury, to be followed by Mr. James T. Clarke, Assistant Secretary of Interior for Management, and Mr. Floyd Hyde, Under Secretary of Housing and Urban Development, to testify on executive manpower needs for their respective agencies.

Mr. Simon, it is a pleasure to welcome you here today. It has been a number of years since we have heard from agency personnel on this subject, and I hope that as a result of these hearings, we will have a clearer picture of the total executive structure.

It is my pleasure to welcome you, Mr. Secretary. You might introduce your associates and proceed in any way you would like.

STATEMENT OF HON. WILLIAM E. SIMON, DEPUTY SECRETARY OF THE TREASURY, ACCOMPANIED BY WARREN F. BRECHT, ASSISTANT SECRETARY FOR ADMINISTRATION, DONALD C. ALEXANDER, COMMISSIONER, INTERNAL REVENUE SERVICE, AND ESTHER LAWTON, ASSISTANT DIRECTOR, PERSONNEL DIVISION

Mr. SIMON. Mr. Chairman, thank you. I have with me this morning Mrs. Esther Lawton, assistant director of the personnel division, Warren Brecht, assistant secretary for administration, and I am sure you know Donald Alexander, Commission of the Internal Revenue Service.

I very much appreciate the opportunity to present the views of the Treasury Department regarding its need for additional positions in grades 16, 17, and 18.

The observations recently made by Civil Service Commission Chairman Robert E. Hampton before this subcommittee emphasize the critical need for additional supergrades for new or expanded programs throughout the Federal Government and cited only two instances involving the Treasury Department—revenue sharing and economic stabilization.

However, there are more, and this morning I would like to describe in more detail the needs of the Treasury Department.

In order to understand these needs, I think it is important to realize the greatly expanded role of the Department, not only in terms of important new programs, but significant expansion of existing programs.

Further, I feel it is necessary to point out that despite this growth, Treasury has not been provided with an adequate increase in supergrade positions.

In 1963 Treasury's total number of quota supergrades was 301; today we have 302 quota supergrades despite the significant expansion of responsibilities, programs, and workload.

Aside from three nonquota supergrade positions of a technical nature, Treasury's only additional supergrades have been in limited areas dealing with the stabilization of the dollar and the Comptroller of the Currency, which are covered by nonappropriated funds.

Further, the Internal Revenue Service has suffered a slight decrease in their number of supergrade positions. Table I attached to our statement illustrates this.

Despite the fact that Treasury has not been able to increase its supergrade positions since 1963, the Department's overall growth has been substantial. The number of employees has increased over 20 percent, and workloads have grown much more rapidly.

To cite a few examples, gross revenues collected increased 118 percent; the number of carriers and persons arriving from foreign countries and processed by Customs have increased 52 percent; the number of check claims cases and counterfeiting, check forgery and bond cases investigated and closed have increased over 123 percent; and the Bureau of the Mint's coin production increased 132 percent.

Table II is a more complete listing of workload items. It is to the credit of dedicated management in the Treasury that these expanded workloads have been handled without a commensurate increase in personnel.

The Department has always taken pride in its use of technological improvements to process large volumes of work rapidly and to maintain a lean and viable staff, but there is now a critical need for more quality people.

Equally important to the workload expansion has been the new and expanded programs in recent years. Chairman Hampton has already noted the general revenue sharing program and the Department's major role in the economic stabilization program. In addition, however, Treasury has taken on the following new responsibilities in recent years: a major participation in the organized crime drive strike force programs involving several of our enforcement bureaus; the narcotics traffickers program in IRS; firearms controls and explosives controls; the protection of foreign dignitaries and foreign diplomatic missions, and the greatly expanded protection of the President and Presidential candidates following the Warren Commission report; the expanded supervision of exempt organizations by IRS; and the creation of the Office of Industrial Economics.

Also, during this period the U.S. Customs Service was reorganized including the establishment of nine regions. Two new bureaus were established: The Bureau of Alcohol, Tobacco, and Firearms and the Consolidated Federal Law Enforcement Training Center.

In IRS several major service centers were established.

Finally, the Secretary and his immediate staff have played an increasingly important role in developing new and improved policies and programs relating to economic, fiscal, monetary, and enforcement matters.

Without additional supergrade positions, Treasury has been forced to meet these additional requirements within our existing resources. As such, we have had to consolidate some supergrade positions, downgrade other positions, most of which clearly still merit supergrade status, and reallocate supergrade positions among bureaus.

Furthermore, in the past year we have had to implement a floating system of vacancies to maximize the utilization of slots as soon as they become vacant. Under this system, when a supergrade slot becomes vacant, we fill it wherever our need is most pressing, while at the same time recruiting to fill the vacant position.

For instance, if a supergrade position in the Office of the Secretary becomes vacant and the Internal Revenue Service has an immediate pressing need, we would use the Office of the Secretary supergrade at the Internal Revenue Service. However, we would still recruit to fill the Office of the Secretary vacancy.

We have received a number of compliments about this system. Unfortunately, however, it doesn't increase the number of supergrade slots.

Therefore, we currently have departmentwide 16 supergrade vacancies but 24 authorizations to recruit to fill these requirements. In effect, we have authorized the filling of eight more positions than we have vacant slots.

While the recruitment process takes place, we are counting on a few additional vacancies to arise. If this should not happen, however, some of the "authorized" positions will have to be held in abeyance temporarily until a vacancy occurs.

From this point on, unless we get additional supergrade positions, we will not be able to fulfill even a small portion of our justifiable supergrade needs.

To keep the Civil Service Commission apprised of our supergrade requirements, we have recently updated the list based on the requests of our various bureaus and offices. Even after careful scrutiny by our Office of Personnel against Civil Service Commission criteria, the list of justifiable, but unauthorized, supergrades now numbers over 100.

We have repeatedly sought additional quota supergrade positions from the Civil Service Commission. Although we believe Chairman Hampton is sympathetic with our needs, he simply has been unable to provide us any relief beyond allowing us to retain the approximate number of supergrade slots which have been allocated to the Department in recent years.

As he noted in his own testimony, the number of legitimate requests from the various agencies of Government are significantly greater than the positions he has to allocate.

Not only has the Treasury not been granted a sufficient increase in quota supergrades, but also the Department has not received a sufficient number of nonquota supergrades. For a long time the Depart-

ment has been hampered because we are so dependent on the scarce quota positions, whereas other departments, some of which are much smaller, have available various nonquota and special authorizations.

One basic reason for this is that the law provides for an unlimited number of supergrades in the engineering and scientific fields. The reason for this is that these areas have been considered highly professional and hard-to-fill fields. Since the Treasury does not employ many scientists or engineers, the Department has not been able to secure many of these supergrades. We feel, however, that many of our professional experts in the highly technical monetary, tax, and economic fields are just as professional, and their skills are just as important and difficult to find.

Therefore, we believe it is important for this committee to give serious consideration to a broader interpretation of the nonquota positions which would allow Treasury to receive its fair share of these positions.

I have been at the Treasury for almost a year now, and I have been extremely impressed with the quality and dedication of the people in our Department. Many of these people have been fulfilling the responsibilities of a supergrade-level position without the rank which should go with it. They are certainly to be complimented for their devotion, but it will be increasingly more difficult to retain them.

Further, it is vital that we continue to attract first-rate people. To do so, however, we must be able to offer them positions which are equivalent to the responsibilities they are asked to assume.

The ad hoc shifting of positions which we have been forced to do in recent years not only poses a serious morale problem, but can't help but have an adverse effect on performance ultimately.

I believe that the Treasury's role is one of the most important in all of Government. The Department serves as a prime revenue producer for the Government, and plays a central role in all areas affecting the economy. We need the highest quality people to run these crucial operations. As a minimum, we urgently request that this subcommittee act favorably on H.R. 10419.

My staff and I will be glad to answer any questions you may have, Mr. Chairman.

[The tables follow:]

TABLE I.—TREASURY GENERAL SCHEDULE SUPERGRADES

	Oct. 1, 1963	Oct. 1, 1973
Office of the Secretary.....	38	39
Office of the General Counsel.....	10	11
Accounts.....	3	4
Alcohol, Tobacco, and Firearms (Created July 1, 1972).....		8
Customs.....	16	20
Engraving and Printing.....	2	2
Internal Revenue Service and Chief Counsel, IRS.....	209	196
Mint.....	3	2
Public debt.....	3	3
Savings Bonds Division.....	2	1
Consolidated Federal Law Enforcement Training Center (created).....		2
Secret Service.....	7	11
Treasurer of the United States.....	3	3
Narcotics.....	5	(1)
Total.....	301	302

¹ No longer part of Treasury.

TABLE II.—DEPARTMENT OF THE TREASURY, WORKLOAD, FISCAL YEARS 1963 AND 1973

	1963	1973	Percent of increase
Bureau of Accounts: Checks and savings bonds issued.....	340,665,261	538,258,000	58.0
Bureau of Customs:			
Carriers and persons arriving from foreign countries.....	211,997,000	321,570,000	51.7
Total Customs receipts (thousands).....	\$1,721,505	\$4,000,000	132.4
Bureau of the Mint: Coins manufactured (thousands).....	3,626,574	8,409,000	131.9
Bureau of the Public Debt:			
Securities issued.....	99,142,000	143,650,000	44.9
Securities retired.....	96,782,000	129,400,000	33.7
Internal Revenue Service:			
Tax returns filed ¹	97,833,000	114,756,000	17.3
Individual tax refunds scheduled.....	38,080,000	57,807,000	51.8
Assesments from audit (thousands).....	\$1,860,000	\$2,761,000	48.4
Delinquent accounts collected (thousands).....	\$1,093,000	\$2,487,000	127.5
Gross revenue collections (thousands).....	\$105,921,000	\$231,369,000	118.4
Treasurer of the United States:			
Government checks paid (thousands).....	466,812	666,114	42.7
Check claims cases (thousands).....	310,768	689,200	121.8
Secret Service:			
Counterfeiting, check forgery, bond and other cases investigated and closed.....	71,969	158,400	120.1

¹ Modest growth in number of tax returns does not tell the full story. Tax laws of 1969 and 1971 eliminated a substantial number of low income returns; the 1973 returns on balance are consequently more complex.

Mr. HENDERSON. Thank you very much, Mr. Simon. Your statement certainly is well prepared and well presented.

I have just a question or two, and I think possibly the best place to start would be with the points that you make beginning on page 5, that the Department has not received a sufficient number of nonquota supergrades.

Probably this one fact had a great deal to do with the decision of asking you to come before the subcommittee this morning, because as we look at the other departments and agencies, those that will be before us this morning, for example, or one of those, that will be one of the questions we will be pursuing.

So I think I would first say that on that point your statement is not only clear, but impressive, as far as I am concerned, with regard to the needs of the quota supergrades.

However, coming back to page 2, as you mention the increases in workload, let's take the gross revenue collected as an example, the number of carriers and persons arriving, the number of check claim cases, counterfeiting, and check forgery, the bond cases investigated, the Bureau of the Mints' coin production. I really don't see and am not impressed with that kind of evidence of increased workload, when my understanding of the supergrade level of responsibility is such that if you had enough top managers, there is no reason why you couldn't increase your IRS agents for collections. It would seem to me it is obviously true to all of us that you need more customs agents or the Bureau of the Mint's coin production could certainly be increased without increasing supergrades.

Now the thing that is difficult for us to determine is whether or not each position is justified and then whether or not the person proposed for that position is qualified to fill it. The subcommittee has felt this final decision rests in the Civil Service Commission.

Now coming to your page 3, where you do point out the new responsibilities in the recent years, is the area that I think will receive our attention.

Let me ask if you could identify any specific number of those 100 requests that would be related to the expanded functions that you just used as examples on page 2?

Mr. SIMON. Mr. Chairman, in identifying the increase in the workload in the Treasury Department, that was just one example of the need for additional supervisory personnel.

Comparing the past 10 years—today, we have 1 supergrade for every 350 employees versus 1 for 280 10 years ago. We recognize, as you do, the need for increased people in certain areas such as the Internal Revenue Service, in the audit area, where for each person that we hire, we approximately get a 6-to-1 return on his salary.

Now that is pretty good productivity. But when we increase this to and outsized amount on the ratio of 1 to 350, we need the supervisory people to maintain the productivity that we are so terribly proud of in the Treasury Department.

As you are well aware, OMB and GAO and the Civil Service Commission measure the productivity of all of the agencies in the Federal Government and our productivity continues to surpass the percentage of productivity of the other departments in the Government. We are at a high level in this attainment and we are very proud of that. We want to continue it.

I really believe, even though we have 107,000 employees, that we are in most areas a very lean department, and a highly professional department, although not professional in the terms as defined in the law for the nonquota supergrades.

As I said in my testimony, I consider the monetary and tax and economic fields every bit as important and specialized as I do the scientific and medical areas. And we as you know only have three non-quota supergrades, two of them are chemists, and one is a metallurgist in the Department of the Mint.

Mr. HENDERSON. I notice that your attached schedule of supergrades shows for the IRS, 209 supergrades as of October 1, 1963, and 196 as of October 1, 1973.

It would appear from the totals here that there has been a reallocation of supergrades from IRS. Wouldn't that create something of a problem?

Let me say that I am reminded—and I am sure Mr. Gross remembers—that we received testimony from the Under Secretary Joe Barr, of the Treasury Department, with regard to the specific supergrades needed for IRS. My recollection is that the subcommittee responded very favorably to that request. It was, as I recall, related very directly to the collection of revenues which you also made a point of and with which I am always very impressed.

If we can give you some supergrades to bring in more money, it is a lot easier than to give them to the other departments to pass out so much money.

I just wondered what explanation you have for this particular shift. I hope you aren't placing supergrades from IRS—that could be related to that increased collection—into these other functions and then coming back to us and asking for more supergrades in the IRS categories.

Mr. SIMON. I just couldn't agree with you more on that, Mr. Chairman. But there is a technical point involved; you must also add the

Alcohol, Tobacco, and Firearms supergrades in October 1973 to the 194 that is shown on October 1, 1973, for IRS in the supergrade category, because ATF was spun off and made a separate bureau in the Treasury.

So while it is a small decline, and I want Don Alexander to comment on this, I can say in the personnel area, with special emphasis on supergrades, that no segment of the Treasury Department or no bureau has taken more of our time than the Internal Revenue Service and their needs, because the Secretary and I recognize the critical importance of revenues in this Government, and we will never put them in second place, believe me.

Don, I am sure you have a comment.

Mr. ALEXANDER. I just want to second what the Deputy Secretary just said. IRS is not being put in second place by the Treasury.

I want to add one more to that eight that Mr. Simon mentioned. The Office of Industrial Economics had one supergrade with it, and that Office was moved over to main Treasury, so that accounts for one more of the number that is shown here as a decline.

Now, Mr. Chairman, I want to agree with what you said a minute ago about IRS. What I am trying to do down there is use the group of dedicated people that are there to the utmost to get the most for the United States, which pays their salaries, in good work, in responsiveness to taxpayers, in quick and careful and competent actions.

To do that, just to name one thing, all of my field managers ought to be supergrades. There are nine district directors, that are not supergrades, out of the 58 that are the field managers for IRS, that have field responsibility for their districts in all of our work, in audits, in collection, in taxpayer service, in every one of our functions.

The responsibilities placed on these people, the demands placed upon them now, and the demands that are going to be placed upon them to do more and better next year than last year, are such that they ought to carry a 16 tag. I hope they will.

Mr. HENDERSON. You mentioned your 100. How many of that number have been requested of the Civil Service Commission?

Mr. SIMON. We went to OMB and the Civil Service Commission with a request for 150, which we were asked to shelve and which we agreed to in support of Mr. Hampton's legislation.

Mr. HENDERSON. Could you tell me how many supergrade positions you have budgeted in the 1974 budget?

Mr. BRECHT. I think we may have to supply that for the record, Mr. Chairman.

Mr. HENDERSON. I would like to have that. I would like that to also relate to what OMB did to your supergrade request. It seems to be rather strange to me that they would do either one of two things. One, they would cut down your number of supergrade positions and budget more money for supergrades, but more than likely the opposite has happened. They let it go through on the supergrade request and then cut you down on your dollars for them, and that is just as bad. It is just not realistic.

I have talked to OMB on this point, trying to get them to get their two sides together down there and decide what they really do need.

If you need it, and if they are going to give you an authorization, they ought to give you the money and come up here and justify it before the Appropriations Committee as well as before our committee.

One of the things we will be pursuing in all of these inquiries, is actual need. I am inclined to think one of the true tests of what you need is what you budgeted for. In your instance, you say you need 100, but I doubt very seriously that you are budgeted for 100 for 1974.

Mr. BRECHT. Mr. Chairman, I would like to elaborate a little bit on that. We will supply something to you for your record, but I think you have a little bit of the chicken and the egg here.

When you say that what you budget for is some indication of what your real requirements are, I guess it is yes and no. Unless we have some reasonable indication, either from OMB, the Civil Service Commission, or this committee, that we will be able to get a significant chunk or even some number of additional supergrades, it almost borders on unrealism to include them in the budget. That is point 1.

Point 2, I think our feeling is that an overall dollar impact in a Department the size of Treasury, the difference between, say grade 15's and some additional 16's or 17's, probably in the long run is not going to have that much of an impact.

So it is for those two reasons that we haven't dwelt as much on it. We certainly have the requirements, and if we have some assurance that we will get some additional supergrades, we are prepared to cover it within our budget.

Mr. HENDERSON. Well, your response has been exactly what I wanted to hear. As we relate that to the suggestion of Mr. Hampton when he was before us earlier—that they are coming up with some kind of Federal Executive Service—the point is again made that, if we didn't have these kinds of budgetary constraints, the problem might not be as severe. All you have to do is get the dollars in a budget and start from there. If you have a need for 100 additional supergrades, the request would probably be limited to 50 by the time the Commission and the Congress finally allowed the allocation. There is no way in the world you could anticipate a budget on those terms.

But it also would seem to indicate to me the strong evidence that, unless we have some kind of constraints by grade, we would run into the problem that we saw with regard to that proposed Federal Executive Service last year. There just would be tremendous skyrocketing of costs in these very high positions throughout the Federal Government.

I think that the position you have basically made, Mr. Secretary, is that you can identify them in the Treasury Department, and you can justify that they are performing at supergrade levels, and this is what the subcommittee is interested in.

Mr. Derwinski?

Mr. DERWINSKI. I just have one question. I would appreciate being corrected if I am misinterpreting developments, but some weeks ago the Senate added a very controversial amendment to H.R. 4200, which was retirement income security for employees.

In that amendment, they provided for 41 additional supergrade positions, of which 20 would be allocated to the Internal Revenue Service.

My question is what contact, negotiations, or information went on between any Members of the Senate and Treasury, IRS, as to the provision calling for these 20 supergrades in that amendment?

Mr. ALEXANDER. Well, we were told about this, sure. This bill, H.R. 4200, and its predecessor in the Senate, put some greatly increased re-

sponsibilities on the Department of Labor and Internal Revenue Service.

How they are going to be divided, I don't know. And they also put in this bill a requirement for the creation of an Office of Assistant Commissioner of Pensions and Exempt Organizations in the IRS. The Statutory office is set at grade 18.

There is a provision in the bill which adds to section 5108 of title 5 an allocation of 20 supergrades to the Internal Revenue Service, and another provision that adds 20 to the Department of Labor.

Presumably the reason for that was that they feared that the Department of Labor and Internal Revenue Service would be unable to cope effectively with the responsibilities that they are putting on both of us for the first time without these supergrades.

Mr. DERWINSKI. That is the point I would like to get to. Mr. Simon's testimony referred to this bill before us as being a minimum, and you, Mr. Simon, used the phrase "as a minimum, we urgently request that this subcommittee act."

Now, we have been advised that in terms of your budget request, that you do not anticipate what Congress may do, you are merely hoping that you get a fair cut out of these 240 supergrades for existing programs.

Am I then correct in assuming that should H.R. 4200 pass with this provision for supergrades, that this bill we are acting on will already be obsolete, and that it won't be meeting the needs that you have?

Mr. SIMON. If I understand it correctly, the additional 20 supergrades in this bill are for a specific purpose or specific purposes in the Internal Revenue Service.

Mr. DERWINSKI. We have a gentleman's understanding with other legislative committees that they strike the supergrade requests in their legislation, but they are processed by this committee. So this would mean in addition to the 240 that we call for in this bill, that there might be an additional 40 requested?

Mr. SIMON. Yes; that is correct.

And one important thing, Congressman, is that we don't believe in circumventing this committee or the Civil Service Commission or OMB and the regular processes of requesting supergrades.

When the additional, I guess 300, supergrades were put into the pension bill, that came to our attention about a half day after it was put in there, we were quite surprised and frankly didn't like it. The present process is just fine for the adjudication of our needs and we don't win them all, but we will try to fight for our place in the sun.

Mr. BRECHT. Could I make that a little stronger? We were very strong in requesting that the 300 be pulled out of there.

Mr. ALEXANDER. It is my understanding that the 21, or maybe the 41, are now out of the House markup of H.R. 4200.

Mr. DERWINSKI. Thank you. Thank you, Mr. Chairman.

Mr. HENDERSON. Mr. Mallary?

Mr. MALLARY. Thank you, Mr. Chairman.

One question or one subject you raised here is the question of specialists or engineers and scientists in the physical or natural sciences. You indicated that Treasury, because of the nature of your activities, is not able to get nonquota positions of this sort, and you at least intimated that you thought it might be desirable to change the criteria for nonquota positions—to broaden it.

Do you have some specific recommendations on that?

Mr. SIMON. I would like to prepare language for specific recommendations or proposals in this area, taking into consideration the technical people we must have in Treasury to deal with our tax, financial, both national and international problems. It is a highly specialized field.

Mr. Congressman, you are correct, I was asking for a broader definition of the word "technical," vis-a-vis the medical and scientific.

I will be delighted to supply the exact language for the record.

Mr. MALLARY. How many of the existing supergrade slot needs in Treasury do you think might fit under a broader definition of scientific or technical, or special expert?

Mr. SIMON. We recently did a study on that and the number is approximately 75.

Mr. MALLARY. One other area, just briefly, and that is I gather that you have been—

Mr. HENDERSON. On that last point, would the gentleman yield?

Mr. MALLARY. Surely.

Mr. HENDERSON. Did I understand you to say that if you could get the nonquota type by way of the technicians that you need, that would affect the quota request?

Or, to put it the other way, if we responded to your quota request, you would be using them in what you are saying would be a proper role, if we had a broadened technical coverage of the professional or scientific people?

Mr. SIMON. Yes, Mr. Chairman. Realistically, of the 240, assuming it comes out—I don't know how many the Treasury Department could realistically expect—but it would be a small number of those and that is why we emphasize the nonquota side as filling our needs more adequately.

Mr. HENDERSON. Thank you.

Mr. MALLARY. I gather that you have been surviving largely by rolling over your slots faster and filling them more quickly and starting recruitments before you actually have available slots.

Do you have conveniently within your statistics an indication of how many supergrades actually have been on board in the years that you show the slots for, rather than the number of slots available?

In other words, you have given us an indication of the ratio of 1 to 350 now and 1 to 280 supergrades 10 years ago.

Mr. SIMON. Yes, sir.

Mr. MALLARY. Would you have, without excessive work, also figures as to the average number of supergrades on board, actually recruited and at work 10 years ago as compared to now? Presumably the figures would reflect your more rapid turnover. You would be utilizing your slots more effectively.

Mr. SIMON. Yes, sir, we will supply that.

Mr. HENDERSON. Mr. Lehman?

Mr. LEHMAN. I would just like to comment that in my experience in business and in teaching, good management in relation to total employment makes a difference. One good teacher can teach a class of 60 kids better than a poor teacher can teach a class of 20 kids. And one good manager can manage a sales force of 30 people better than 2 poor ones can manage a sales force of 15.

I think if we could get quality in our supergrades, we really don't have to go for greater numbers of supergrades.

I have no further comments, Mr. Chairman.

Mr. HENDERSON. Mr. Gross?

Mr. GROSS. Mr. Secretary, what was your business or occupation before you became Under Secretary of the Treasury?

Mr. SIMON. I was an investment banker, I was a senior partner in Saloman Bros. in New York City and a member of their executive committee.

Mr. GROSS. How many employees does Treasury have in the economic stabilization program?

Mr. SIMON. The economic stabilization program has 3,000 employees, approximately; is that correct?

Mr. ALEXANDER. A little bit less, about 2,800 on the rolls right now, Mr. Gross.

Mr. GROSS. About 2,800 of your IRS employees are in the economic stabilization program?

Mr. ALEXANDER. That is right, working in the economic stabilization program. They are on the Internal Revenue Service rolls.

Mr. GROSS. They are engaged in working on price controls and that sort of thing?

Mr. ALEXANDER. That is correct.

Mr. GROSS. Can you afford to have this number of people on detached service and still carry out the functions of the Treasury Department, including the Internal Revenue Service?

Mr. ALEXANDER. Mr. Gross, this is a national need and the IRS is a force in being in the field, with the people, and with the expertise to try to fill that need. So we are trying to fill it.

Mr. GROSS. With nearly 3,000 employees doing other work I do wonder sometimes how this can be accomplished. That is a lot of warm bodies dedicated to other work; work outside the true function of IRS or Treasury, for that matter.

I assume there are among those some supergrades. Can you estimate how many?

Mr. SIMON. Five.

Mr. GROSS. Five supergrades?

Mr. SIMON. Two are filled, five are authorized, so three are unfilled. So that gets to better than 1 to 600 or 1 to 500.

Mr. ALEXANDER. The IRS ratio of supergrades to total personnel is about 1 to 400 across the board. But there are not many supergrades in this particular function of IRS, Mr. Gross.

Mr. GROSS. I often have wondered—I have been here since the allocation of supergrades began—how this Government was able to hold together without supergrades in days gone by.

I am sure this young man, Mr. Simon, here, was not associated with the Government before the days of supergrades, but do any of you gentlemen have any idea how we got along without the supergrades?

Mr. ALEXANDER. Do you want me to speak for the IRS, Mr. Gross?

Mr. GROSS. I would be glad to have you.

Mr. ALEXANDER. Well, I am getting gray haired, I have been close to the tax system now since about 1946, which isn't too long, but it is fairly long, and one thing that has continually amazed me, from 1946 to 1973, is how good a job IRS has done. I hope it continues to do that job with me trying to run it.

How it got along years ago with a law which was not as long as the new provisions added to control and regulate private foundations in the 1969 act, with a maximum corporate rate of 19 percent in 1939, and with collections, audit problems, complexities miniscule compared to what they are today, is something I am not certain of.

But I am certain that the pay of the IRS managers in proportion to the jobs that they are called upon to do has not risen by reason of the introduction of supergrades and the number of supergrades that IRS has. Instead, it is just plain inadequate.

And I think these people show their dedication to a national need by staying with IRS, by doing those difficult jobs as well as they do, when they could make a lot more money on the outside.

Mr. GROSS. I understand you are speaking for IRS. But I was dealing in my question Government-wide, not confined to Treasury or IRS or any other particular branch of Government.

Mr. SIMON. Mr. GROSS, I think Esther Lawton has been with Treasury almost 40 years, and she could possible comment on that.

Ms. LAWTON. I have noticed a terrific change since I first came to work in Treasury in 1936, in many ways.

First of all, the Department is considerably larger, and I can't give you the exact figures, but it is very much larger than it was, which means increased responsibilities which should be recognized in some way. That was the basis for the Classification Act of 1949 adding supergrades.

But in addition and more importantly, at the time when the pay was not adequate, we didn't have the quality of people that we now have.

I have seen a vast improvement in the kind of managers and top-level people that we have had in Treasury since I came to work there.

Thus, it has attracted a lot more qualified, innovative, and creative people who come to work for us now.

Mr. DULSKI. Would the gentleman yield?

Mr. GROSS. Yes.

Mr. DULSKI. I happened to be a Treasury man some years ago. Do you know what the starting salary was in 1946? When you go back to 1939, when I went into the Service, I think the salary was \$1,440. You had to take an examination to be hired. When you mention the quality of people, they had to be graduate accountants to qualify didn't they?

Ms. LAWTON. I am talking about top-level people, sir.

Mr. DULSKI. The supergrades? Well, some rise through the ranks. You usually have advancement in the IRS from within the Department, don't you?

Ms. LAWTON. Yes, sir.

Mr. DULSKI. So I mean these people are all well qualified. That is the reason I am very much in favor of giving a substantial number of supergrades to IRS. Not that I am partial, but I feel that the IRS has done a tremendous job in past years, and the main reason, I think, is that its people are the best qualified in Government.

I just wanted to make that point clear about quality. Thank you, Mr. GROSS.

Mr. GROSS. We may have had fewer employees in Treasury in those days, but we still had bosses, did we not?

Ms. LAWTON. Yes, sir.

Mr. GROSS. On page 2 of your statement, Mr. Secretary, you say that your only additional supergrades have been in limited areas dealing with the stabilization of the dollar.

With tongue in cheek, I might say that I have yet to see real stabilization of the dollar, irrespective of supergrades or anything else. Do you think we have stabilization of the dollar?

Mr. SIMON. Well, we are constantly working at it, Mr. Gross.

Mr. GROSS. In answer to a question, Mr. Brecht, with respect to the Office of Management and Budget, I got the impression that you have an asking price and a settling price with respect to supergrades. Would that be possible?

Mr. BRECHT. I don't think that is quite a fair answer. We have focused on our budgetary requests in terms of both our program improvement requirements as well as workload requirements, and in the process of this, take into account what kinds of personnel resources we need, including what kind of top management staffing is required.

My point was that there is no point in trying to come up with a realistic budget for a hundred additional supergrades unless there is some likelihood that this committee will provide them through expansion of the quota positions or the nonquota system by a broader interpretation of scientific and technical skills. Unless these kinds of things are very likely to happen, we have to put together our budget in a responsible and realistic fashion.

What I am saying is that we make provision for resources and for people, including some at the upper levels, both supergrade levels and the GS 15 levels, but to try to be presumptuous that we are going to get 100 supergrades, when we realize that they have to come through a committee such as this, to us does not seem realistic.

But that does not mean that there is not a need and a justifiable need to fill positions of the supergrade level.

Mr. GROSS. Along that line, how many scientific and professional people do you have?

Mr. SIMON. Three, Mr. Gross. We have two chemists and a metallurgist. There are only three nonquota positions in Treasury.

Mr. GROSS. The Bureau of the Public Debt is the Bureau that manages the public debt, is it not?

Mr. SIMON. Yes, sir.

Mr. GROSS. How many supergrades do you have there?

Mr. SIMON. Three.

Mr. GROSS. How many did you have there 10 years ago?

Mr. SIMON. Ten years ago we had three.

Mr. GROSS. Hasn't the public debt increased to beat hell since then?

Mr. SIMON. Yes, sir. I would say that is a safe statement.

Mr. GROSS. I don't know whether it is a tribute to your administration of the Bureau of the Public Debt or whether they have become more efficient or what the story is, but how in the world could you have three supergrades in that Bureau 10 years ago, and now, with the enormous increase in the public debt, still administer it on the same basis.

Mr. SIMON. I could go back to the Congressman's comments before on the ratio and proportion, and I could take some exception in certain parts of our organization, where a 1 to 350 ratio is not right and it ought to be 1 to 200. But in the area of the public debt, as the pub-

lic debt increases, pieces of paper increase. We have had a great increase in computer technology, and the ability to manage the public debt with computers vis-a-vis the longhand method of some years ago. So it wouldn't grow at the same ratio that the other bureaus would, Mr. Gross.

Mr. GROSS. But the cost doesn't go down, does it?

Mr. SIMON. No, costs do not go down.

Mr. GROSS. The cost of Government doesn't go down even though we have introduced into the system literally hundreds of millions of dollars worth of computers. I don't know whether there has been anything mechanical devised for papershuffling, but papershuffling is one of the real industries in Washington, D.C. We have it here on the Hill, too, but I doubt if it is as bad as it is downtown.

Mr. Chairman, that is all I have.

Mr. HENDERSON. Thank you very much, Mr. Gross.

There are a couple of things, Mr. Secretary, that I would like to ask.

I am reminded that I didn't get the answer to the breakdown of the figure of 100 as it relates to the needs of IRS.

Mr. SIMON. What I would like to do, Mr. Chairman, is supply for the record the definitive titles of the people that we requested the additional supergrades for.

Mr. HENDERSON. Very good.

I notice you have 84 executive positions that the Civil Service Commission describes to us only as "other systems." I believe these positions are designated in the agency as "GG" positions as opposed to GS, or general schedule.

By what authority were they established?

Mr. SIMON. These are excepted by section 5102, (c) (14) of title 5 of the U.S.C. They are in the area of the Comptroller of the Currency and the Exchange Stabilization Fund and handle bank examining and our international affairs, two very narrowly defined areas, Mr. Chairman.

Mr. HENDERSON. At what level of GS would your auditing of say a corporate account be made? Are we talking about a supergrade?

Mr. ALEXANDER. In an audit of a fairly sizable corporation, you are talking about probably a 13, which is a really top grade for a revenue agent who is in a nonsupervisory capacity.

Mr. HENDERSON. Would it normally be done by an auditing team, or is it usually one person assigned to the responsibility?

Mr. ALEXANDER. We are shifting over, in the case of large corporations, in an effort to get current and stay current, to using a team approach rather than a single agent. The single agent approach had the effect in the case of the largest corporations, of the agents getting further and further behind in their work each year, which was not good for the IRS nor good for the taxpaying corporation.

We are shifting to a team approach. In a team approach you have various needs, you have needs for highly experienced and competent people, grade 13's, and you have needs for people that don't have to carry that experience or that grade. So the team is not composed of a lot of 13's. The team is composed of some team leaders and some others carrying considerably lower grades, and we hope to introduce paraprofessionals here to help us out to do the most work for the Government at the minimum cost to the Government.

Mr. DULSKI. Would the Chairman yield?

Mr. HENDERSON. Yes, of course.

Mr. DULSKI. What about the appellate division? How many supergrades do you have there?

Mr. ALEXANDER. I would have to supply that to you, Congressman. The regular appellate conferee would be a 13 or a 14. For instance in our Manhattan office, where the appellate conferees are dealing with very large and very complicated cases on a regular basis, a number of those would be 14's.

We have a pretty serious layering problem there, because if you have a grade 14 working cases, who is going to be supervising that 14's work when the highest you go in, say the branch office in Manhattan, is a grade 15? You have a 15 over a 15 or a 14.

Mr. DULSKI. Do you have any wage differential in New York City or San Francisco?

Mr. ALEXANDER. No, we don't. We think that would be an excellent idea to have that in New York City, because in New York City we have just about our greatest need for really competent, really good people, and we have our greatest difficulty in getting them and retaining them.

Mr. DULSKI. Did you ever make any serious attempt to get them?

Mr. ALEXANDER. Yes, we have. We didn't come out so well. I wanted to make another attempt—I am new in town—and I said, surely we are entitled to a differential in New York. I was told we tried and had been beaten back, but I have this on my list to try again.

Mr. DULSKI. Thank you, Mr. Chairman.

Mr. HENDERSON. You might, by way of explanation for the record, let us know when that attempt was made. I presume it was a request of the Civil Service Commission under the authority of the law with regard to recruitments.

Mr. GROSS. Would the Chairman yield?

Mr. HENDERSON. Yes.

Mr. GROSS. We are not, in this case, called upon to introduce more supergrades into the Federal Government simply to cover per diem expenses in such places as Fun City, are we?

Mr. ALEXANDER. The point we are on right now, Congressman Gross, is a differential, which I consider highly justifiable, based upon the very high cost of living in certain areas, as compared to the areas you and I come from.

Mr. GROSS. Why not deal with this on a per diem basis, that is expenses and cost of living in these high priced, but bankrupt cities, instead of a salary increase by way of more supergrades. Thank you, Mr. Chairman.

Mr. DULSKI. Would the chairman yield?

Mr. HENDERSON. Yes.

Mr. DULSKI. Mr. Gross, you say increase the per diem. These people are stationed there, they are residents of that city. That is what I had reference to. If you increase the per diem, that means they would be getting additional funds only when they travel away from home on official business.

Mr. GROSS. I was thinking of those who, for example, have to go from Washington to carry on investigations and trials or court proceedings in New York City and other locations.

Mr. HENDERSON. On that point, Mr. Gross, the reason I asked about their last request, is that the cost of living is no higher for an employee of IRS or Treasury in New York than it is for anyone else. I am sure that what the Civil Service Commission had before it, if they were the ones that turned this down, was the fact that if they authorized a special request here, it had to be done on the basis of the problem of recruitment. Unless you make that the test, you might as well give a cost of living in that area across the board to every other Federal agency.

Our subcommittee is certainly well-aware of this problem and has been for many years.

Mr. DULSKI. Pursuing that, could I ask you this question: Do you have wage differential in Hawaii or Puerto Rico?

Mr. ALEXANDER. We have a differential, as I understand it, in Alaska and in Hawaii. That is all.

Mr. DULSKI. Thank you.

Mr. HENDERSON. And that is a question, I wonder how long we ought to continue that one in Hawaii.

Mr. DULSKI. I don't want to step in a lion's den. I will stay neutral.

Mr. HENDERSON. Let me get back to the point I was making. Would you just touch for a minute on your GS-13 auditors who are drawing \$10,000 or \$20,000 on the present scale. What kind of salary would a comparable comptroller or auditor in a corporation be making in a typical auditing situation?

Mr. ALEXANDER. I would guess $1\frac{1}{2}$ times that. Maybe two times that.

Mr. HENDERSON. Very good. I want to thank you for your appearance here this morning and certainly on this first opportunity that I have had a chance to say to you—and I would say the same thing to Mr. Alexander as it relates to IRS—the experience that we have had on the subcommittee in working with your personnel and administration people in the Department and in IRS has been excellent. Certainly I think you should be commended for doing an excellent job I personally doubt that I would ever want—and I doubt you would really ever want—to get all the pressures off tight top controls. But on the other hand, we will do our best to keep this system.

I especially appreciate what you had to say about taking your chances in this system, and I think the only way we can keep that system workable is to respond and to call the agency heads as well as the Commission before us from time to time.

I think we all ought to recognize that Esther Lawton has a great reputation in personnel work and we are delighted to have her with us this morning also.

Ms. LAWTON. Thank you very much.

Mr. SIMON. Thank you, Mr. Chairman, and thank you, gentlemen.

[Subsequent to the hearing, the following information was furnished:]

THE DEPARTMENT OF THE TREASURY,
Washington, D.C., October 24, 1973.

Mr. ROY MESKER,
Staff Director, Subcommittee on Manpower and Civil Service,
House of Representatives, Washington, D.C.

DEAR Mr. MESKER: I am forwarding herewith the materials requested on October 16, 1973 by the Subcommittee on Manpower and Civil Service during the hearing on H.R. 10419 to increase supergrades.

They are as follows:

- Attachment A. A statement on budgeted supergrades.
- Attachment B. A statement on the relationship between the number of existing supergrades, vacancies and number of employees.
- Attachment C. A list of supergrade needs.
- Attachment D. The number of appellate positions in supergrades.
- Attachment E. Pay differentials in New York City.
- Attachment F. A statement on suggested legislation for nonquota specialized Treasury jobs.

If you need additional information we will be happy to supply it.

Thank you again for giving Treasury the opportunity to present its case.

Sincerely yours,

WARREN F. BRECHT,

Assistant Secretary for Administration.

Attachments.

ATTACHMENT A

STATEMENT ON BUDGETED SUPERGRADES

According to OMB Circular A-11, Sec. 13.4, positions above grade GS-15, "will be reflected in the schedules only to the extent that positions *have been allocated* to those grades by the Civil Service Commission or other allocating authority, or are *specifically authorized* in substantive law."

This means that we cannot budget specifically for planned or projected supergrades. In fact, if the Civil Service Commission approves additional supergrades in the interim between two budget presentations, we would have to make adjustments in funds. In view of the current pay scale compression the budgetary impact, however, would be minimal even if additional supergrades were added. In some instances there would be no changes at all because of the frozen \$36,000 rate.

ATTACHMENT B

DEPARTMENT OF THE TREASURY, 10-YEAR COMPARISON OF TOTAL EMPLOYMENT AND QUOTA EXECUTIVE RESOURCES

Date	Total paid employees on board ¹	Total quota supergrades on board	Total quota supergrades authorized	Ratio/on board supergrades/employees	Ratio/authorized supergrades on board/on board employees
June 30, 1963.....	85,058	286	301	297	283
December 31, 1963.....	83,248	283	300	294	277
June 30, 1964.....	85,208	275	300	310	284
December 31, 1964.....	83,997	284	300	296	280
June 30, 1965.....	87,074	291	301	299	289
December 31, 1965.....	86,124	273	301	315	286
June 30, 1966.....	89,707	294	302	305	297
December 31, 1966.....	88,707	290	302	306	294
June 30, 1967.....	87,680	(²)	299	(²)	293
December 31, 1967.....	84,053	296	299	284	281
June 30, 1968.....	87,230	289	⁴ 294	302	297
December 31, 1968.....	82,714	289	293	286	282
June 30, 1969.....	86,508	286	⁶ 293	302	295
December 31, 1969.....	86,905	283	293	307	297
June 30, 1970.....	90,500	287	⁶ 295	315	307
December 31, 1970.....	89,095	281	295	317	302
June 30, 1971.....	94,671	272	⁶ 296	348	320
December 31, 1971.....	96,133	278	297	346	324
June 30, 1972.....	102,346	260	⁶ 302	⁶ 394	⁶ 339
December 31, 1972.....	105,463	278	303	⁶ 379	⁶ 348
June 30, 1973.....	104,003	256	⁶ 295	⁶ 406	⁶ 353

¹ Does not include comptroller of the currency organization.

² No June 1966 breakdown by bureau available—split difference between May and July.

³ No record of vacancies.

⁴ No tabulation for June 1968. As both the May and July tabulation indicated the same number of quota supergrades, we have used that figure.

⁵ Used July 1 reports.

⁶ The number of supergrade vacancies proliferated as a result of a large number of retirements and the freeze on supergrades. Beginning with refinement of our system to keep vacancies at a minimum in July 1973, the number of supergrade vacancies has dwindled to the point that we have authorized recruitment for a few more positions than we have vacancies.

LIST OF SUPERGRADE NEEDS

(Prepared at the Direction of the Subcommittee on Manpower and Civil Service at hearings on H.R. 10419 on October 15, 1973)

This list supersedes all previous lists of supergrade needs and is based on Bureau requests. Some of the titles on the list were previously in the grades being recommended but the slots were given up for other more pressing priorities. Some of the positions are identical to already existing supergrades but are in different locations and some are quite comparable. It also includes the upgrading of some existing positions. This is a carefully screened list and represents *only* those positions which we feel warrant the approval of the Civil Service Commission for supergrades; some of the others submitted by our bureaus are doubtful and require additional justification, and others do not, in our opinion, warrant supergrades at all. If appropriate justifications are forwarded to us, this list at some future time could be supplemented.

The order of supergrades is by priority within a bureau.* If severe restrictions are placed on the additional number of supergrades that we may have, we would have to develop an overall Treasury list in priority order of the programs requiring earliest attention.

*The order was changed in only a few instances.

SUPERGRADE NEEDS

OFFICE OF THE SECRETARY

Deputy General Counsel, GS-18.
 Director, Office of Law Enforcement, GS-16.
 Special Assistant to Deputy Secretary, GS-16.
 Executive Assistant to Deputy Secretary, GS-16.
 Director, Computer Services, GS-16.
 Director, Equal Employment Opportunity Program, GS-16.
 Assistant to Fiscal Assistant Secretary, GS-16.
 Assistant to Fiscal Assistant Secretary (Cash Position), GS-16.
 Manager, Systems and Operations (Revenue Sharing), GS-16.
 Director, Office of Trade and Tariff Affairs, GS-16.
 Associate Director (Government Actuary), GS-16.
 Associate Director (Tax Analysis), GS-16.
 Chief Counsel (Revenue Sharing), GS-17.*
 Director, Office of Audit, GS-17.*
 Deputy Assistant General Counsel, GS-16.
 Deputy Assistant General Counsel, GS-16.
 Deputy Assistant General Counsel, GS-16.
 Deputy Assistant General Counsel, GS-16.
 Assistant Director (Tax Programming), GS-17. (reinstatement)
 Assistant Fiscal Assistant Secretary, GS-17.
 Associate Director, Office of Debt Analysis, GS-16.
 Manager, Compliance and Evaluation (Revenue Sharing), GS-16.
 Associate General Counsel, GS-16.
 Associate General Counsel, GS-16.
 Deputy Director, Office of Management and Organization, GS-16.
 Deputy Director, Computer Sciences, GS-16.
 Deputy Director, Administrative Programs, GS-16.
 Deputy Special Assistant to Secretary (Public Affairs), GS-17.
 Assistant General Counsel, GS-18.
 Assistant General Counsel, GS-18.
 Associate Director (Econometrics), GS-16.
 Associate Director (Debt Analysis), GS-16.

BUREAU OF ACCOUNTS

Executive Assistant to Commissioner, GS-16.
 Deputy Director, Fiscal Service Operations (Planning and Research), GS-16.
 Deputy Commissioner of Accounts, GS-17.
 Assistant Commissioner (Government Accounting), GS-17.
 Assistant Commissioner (Banking and Investment), GS-17.
 Assistant Commissioner (Financial Management), GS-17.
 Director, Data Processing Division, GS-16.

*Upgradings.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Director, GS-18.*
 Assistant Director, Criminal Enforcement, GS-16.
 Chief Counsel, GS-17.*
 Assistant Director, (Administration), GS-16.
 Deputy Director, GS-17.*
 Assistant Director, (Inspection), GS-16.
 Deputy Chief Counsel, GS-16.
 Regional Director, Western Region, GS-16.
 Assistant Director (Technical and Scientific), GS-16.
 Regional Director, Southwest Region, GS-16.

U.S. CUSTOMS SERVICE

Chief Counsel, GS-17.*
 Director, Inspection and Control, GS-17.*
 Regional Commissioner, New Orleans, GS-16.
 Deputy Chief Counsel, GS-16.
 Deputy Assistant Commissioner (Operations), GS-16.
 Assistant Chief Counsel, Customs Court Litigation, GS-16.
 Deputy Assistant Commissioner (Investigation), GS-16.
 Deputy Assistant Commissioner (Administration), GS-16.
 Area Director, New York, GS-16.
 Regional Director (Investigation), New York, GS-16.
 Regional Commissioner (Los Angeles), GS-17.*
 Deputy Director (Inspection and Control), GS-17.*
 Assistant Commissioner (Investigation), GS-17.
 Director, (Carrier, Drawback and Bonds), GS-16.
 Deputy Director (Appraisal and Collections), GS-16.
 Director (Fraud Investigations), GS-16.

BUREAU OF ENGRAVING AND PRINTING

Assistant Director (Manufacturing), GS-16.
 Assistant Director (Administration), GS-16.

INTERNAL REVENUE SERVICE

Director, Tax Administration Systems, GS-16.
 Assistant District Director, Jacksonville, GS-16.
 Director, General Litigation Division, GS-17.*
 Assistant Regional Commissioner (Administration), Southeast, GS-16.
 Assistant Regional Commissioner (Administration), Central, GS-16.
 Regional Counsel, Central, GS-17.*
 Assistant Director, Taxpayer Services, GS-16.
 Assistant Regional Counsel, Newark, GS-16.
 Deputy Assistant Commissioner (Technical), GS-17.*
 Director, Planning and Analysis Division (AC Planning and Research), GS-17.
 Assistant Regional Commissioner (Audit), Southwest, GS-16.
 Director, Refund Litigation, GS-17.*
 Assistant Regional Counsel, Tax Court Litigation, Chicago, GS-16.
 Assistant Regional Commissioner (ACTS), Southwest, GS-16.
 Assistant Regional Commissioner (Intelligence), Southwest, GS-16.
 Assistant Regional Commissioner (Administration), Southwest, GS-16.
 Assistant Director (Internal Audit), GS-16.
 Assistant Director (Internal Security), GS-16.
 Director, Systems Development Division (A/C Planning & Research), GS-17.*
 Assistant Regional Counsel (Washington Branch Office), GS-16.
 Assistant Regional Counsel (Tax Court Litigation), Philadelphia, GS-16.
 Director, Statistics Division (A/C Planning & Research), GS-17.*
 Director, Research Division (A/C Planning & Research), GS-17.*
 Assistant Regional Counsel (Tax Court Litigation), San Francisco, GS-16.
 Assistant Regional Counsel (General Litigation), New York, GS-16.

*Upgradings.

Associate Director (Accounts & Data Processing), (Computer Systems, AC (ACTS)), GS-16.
 Associate Director (Accounts & Data Processing) (Accounts & Services, AC (ACTS)), GS-16.
 Chief, Pension Trust Branch, (A/C Technical), GS-16.
 Chief, Appellate Branch, Manhattan, GS-16.
 Chief, Appellate Branch, Los Angeles, GS-16.
 Assistant Regional Counsel, Miami Branch, GS-16.
 Assistant Regional Counsel, Detroit Branch, GS-16.
 Director, Planning Staff AC (ACTS), GS-16.
 Assistant Director, Office of International Operations, GS-16.
 (15) Chief, Audit Division, GS-16.**
 (11) Chief, Appellate Branch, GS-16.**
 (14) District Directors, GS-16.**
 Assistant District Director, Buffalo, GS-16.
 (3) Chief, Intelligence Division, GS-16.**
 (7) Chief, Collection (ACTS), GS-16.**
 Assistant Regional Commissioner (Administration), Western, GS-16 (reinst.).
 Principal Advisor to Assistant Commissioner (Technical), GS-16 (reinst.).
 Technical Advisor, Chief Counsel, GS-16 (reinst.).

SUPERGRADES REQUIRED FOR PENSION TRUST PROGRAM

Assistant Commissioner, GS-18.
 Deputy Assistant Commissioner, GS-17.
 (3) Division Directors, GS-17.**
 (3) Assistant Division Directors, GS-16.**
 (6) Branch Chiefs, GS-16.**
 (7) Assistant Regional Commissioners, GS-16.**

BUREAU OF THE MINT

Assistant Director (Public Services), GS-16.
 Assistant Director (Administration), GS-16.
 Assistant Director (Production), GS-16.
 Superintendent, U.S. Mint, Philadelphia, GS-16.
 Superintendent, U.S. Mint, Denver, GS-16.
 Superintendent, U.S. Assay Office, GS-16.

BUREAU OF PUBLIC DEBT

Assistant Deputy Commissioner, GS-16.
 Technical Assistant to Commissioner, GS-16.

U.S. SAVINGS BONDS DIVISION

National Director, GS-18.
 Director of Sales, GS-16.
 Director of Advertising and Promotion, GS-16.
 Regional Director, New York, GS-16.
 Executive Director, GS-16.

U.S. SECRET SERVICE

Special Agent in Charge, Foreign Dignitary Protection, GS-16.
 Chief, Data Systems, GS-16.
 Legal Counsel, GS-16.
 Special Agent in Charge (Presidential Protection), GS-16.
 Deputy Assistant Director (Executive Protection Service), GS-16.
 Deputy Assistant Director (Investigations), GS-16.
 Special Agent in Charge (Washington), GS-16.
 Special Agent in Charge (Technical Security Division), GS-16.

OFFICE OF THE TREASURER, U.S.

Chief, Check Claims Division, GS-16.

**This figure represents the same position in several different locations.

ATTACHMENT D

LIST OF APPELLATE POSITIONS CURRENTLY CLASSIFIED AS SUPERGRADES

Director, Appellate Division, National Office : GS-17.
 Assistant Director, Appellate Division, National Office : GS-16.
 Assistant Regional Commissioner (Appellate) 7 positions GS-16.

PREVIOUSLY RECOMMENDED TO TREASURY FOR SUPERGRADE CLASSIFICATION

Chief, Appellate Branch Office, New York City : GS-16
 Chief, Appellate Branch Office, Los Angeles : GS-16

ADDITIONAL APPELLATE POSITIONS CURRENTLY RECOMMENDED TO TREASURY FOR SUPERGRADE CLASSIFICATION

11 Positions : GS-16.

Chief, Appellate Branch Office :

Chicago.
 San Francisco.
 Boston.
 Philadelphia.
 Washington.
 Dallas.

Miami.
 Cleveland.
 Detroit.
 Cincinnati.
 Newark.

ATTACHMENT E

SPECIAL PAY RATES

There are no Special Pay Rates applicable to supergrades in New York City, however, there are special rates which are applicable world wide to accountants and Internal Revenue Agents, GS-5/7 and Auditors, GS-7, a large number of whom are employed by Treasury in New York City. These special rates were approved by the Civil Service Commission because the positions were difficult to fill at the lower rates considering the specialized skills required.

ATTACHMENT F

STATEMENT IN SUPPORT OF NON-QUOTA POSITIONS FOR SPECIALIZED POSITIONS IN THE TREASURY DEPARTMENT: SUGGESTED LANGUAGE FOR LEGISLATION

Non-quota supergrade positions were established to facilitate the recruitment and retention of certain professional and scientific jobs that were difficult to recruit for and that involved highly specialized skills, such as doctors, physical scientists, engineers and the like. Such occupations do not occur in the Treasury Department in great numbers—we have only three—but are found in abundance in other Departments.

In addition, Sec. 5108 of Title 5 of the U.S. Code excerpts other occupations or special categories of positions.

The Treasury Department also has highly specialized positions that affect (1) very significantly, the collection of revenues, both taxes and customs duties, (2) the national and international economies, (3) the protection of citizens against crime and the enforcement of revenue-producing laws, and (4) national security.

At the present time we have about 150 nonsupervisory (staff or advisory personnel) and managerial (supervisory) supergrade positions primarily concerned with the special activities noted above. Most of them are career positions; furthermore, a number of these positions took supergrade slots away from then existing quota positions. We believe that these supergrades and other comparable positions not now in supergrades in the same categories should be non-quota positions, i.e., no restriction as to total number. We would expect them, of course, to be approved by the Civil Service Commission both for grade and a determination as to whether they would fit an agreed-upon definition of non-quota positions. The enactment of such legislation would, incidentally, release a significant number of quota supergrades now occupied by the types of jobs in question. In addition it should be noted that many of the positions listed in Attachment C on supergrade needs would be non-quota types of positions if such legislation were enacted.

We would therefore recommend an amendment to Sec. 5108 which would place in the non-quota supergrade category the following general types of Treasury occupations:

(a) *Revenue-Producing Activities*

1. Positions involved in the analysis of tax needs; the administration of tax collection processes; interpretation, application and development of tax laws and regulations; and integrally related matters.

2. Positions involved in the analysis of customs duties and related tariff and trade matters; the administration of customs, tariff and trade matters; interpretation, application, and development of duties, tariff and trade laws and regulations, and integrally related matters.

(b) *Monetary and Fiscal Activities*

(b) *Monetary and Fiscal Activities*

Positions involved in either domestic or international activities involving the public debt, inflation and economic stabilization, international monetary matters and other fiscal, monetary and financial positions affecting the national or international economies.

(c) *Law Enforcement Activities*

Law enforcement positions in the fight against organized crime, maintenance of national security (both physical and financial), and protection of revenues. This includes such positions as those actively engaged in activities involving smuggling, counterfeiting, illicit liquor, firearms and explosives control, tax fraud or evasion, protection of the President and other VIP's, as well as foreign diplomats and other VIP's and their residential and official headquarters; and comparable activities.

There follows below suggested language for a proposed bill.

A BILL To amend Section 5108 of Title 5, U.S. Code, to provide supergrade positions for certain activities of the Department of the Treasury

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that subsection (a) of section 5108 of Title 5, U.S. Code, as amended is further amended by—(1) striking the end of parenthesis in the middle of the paragraph and inserting", and in addition to certain positions in the Treasury Department involved in revenue-producing, monetary and fiscal activities, or law enforcement as fixed by the Civil Service Commission)."

Mr. HENDERSON. Our next witness is Mr. James T. Clarke, Assistant Secretary for Management, Department of Interior.

Mr. Clarke, you might present your associates and then proceed in any way you would like.

STATEMENT OF HON. JAMES T. CLARKE, ASSISTANT SECRETARY FOR MANAGEMENT, DEPARTMENT OF INTERIOR, ACCOMPANIED BY JOHN F. McKUNE, DIRECTOR, ORGANIZATION AND PERSONNEL MANAGEMENT, AND LARRY LANE, CHIEF, PROGRAM OPERATIONS

Mr. CLARKE. Thank you, Mr. Chairman. I would like to introduce, to my right, John McKune, The Director of the Office of Organization and Personnel Management, Department of Interior, and on my left, Larry Lane, one of his Division Chiefs, both of whom are very familiar with and competent to deal in the subject of supergrades.

Mr. Chairman, with your permission I would like to read a brief opening statement. I apologize that it did not reach your desk until this morning.

Then I have some slides that I will use to try to describe exactly what our supergrade requirements are, and then we would be prepared to respond to any questions you might have.

Mr. HENDERSON. Very good, sir. Go right ahead.

Mr. CLARKE. Mr. Chairman and members of the committee, it is a pleasure to appear before you today to discuss the Department of the Interior's requirements for additional supergrade positions.

In order to place my discussion in context, I would first like to outline the current executive manpower resource situation in the Department:

First, our present authorized supergrade staffing is as follows: Quota, 95; nonquota, 131; Administrative Law Judge, 23; Public Law 313, 8; and other, 3. The total is 260.

Of these authorized positions, 62—(23.8 percent)—are allocated to the noncareer executive service. The number of quota and nonquota positions is virtually unchanged since 1968.

Second, at the time of the withdrawal of all vacant quota supergrade positions by the Civil Service Commission in December 1972, the Department was authorized 99 quota slots, 84 of which were occupied. Now, when our current appointment actions are completed, we will have only 95 authorized quota slots, a reduction of 4 since last December.

Third, the fact that over half of our executive positions are in the nonquota area is an accurate reflection of Interior's heavy involvement in scientific and engineering research activities. The Geological Survey with its earth sciences, the Bureau of Mines with its fuels and minerals research, and the Bureau of Sport Fisheries and Wildlife with its biological research account for the bulk of our nonquota positions. By and large, these programs have adequate executive staffing. However, nonquota positions do not help us in those critical programs which do not have a scientific base. Our Indian programs, for example, where our executive staffing is woefully inadequate, requires additional quota slots. In the energy area, additional quota slots are essential in such activities as the fuels allocation program, economic and data analysis, and project management.

Recognizing the existing inadequacy of "supergrade" quota positions available to the Department, we have moved forcefully to establish centralized management of our executive manpower resources. Under the leadership of Under Secretary Whitaker we established in July a strong Executive Manpower Resources Board, and we have developed executive manpower plans within every major function of the Department. We are now determining centrally "supergrade" priorities, allocating resources, and implementing new concepts in career executive recruitment and development.

Under this new system, we have been able to meet additional requirements for quota supergrade positions through internal redistribution of existing positions. Also, the Commission has responded to our requests for support by restoring 11 of the 15 quota positions withdrawn in December 1972.

With the full cooperation of the Civil Service Commission, we have exerted every effort to meet our urgent requirements from within the

manpower resources available to us. However, our program responsibilities especially in the fields of energy and Indian Affairs have burgeoned to the point that neither our resources, nor those available to the Commission, are sufficient.

With the committee's permission, I would like to discuss very briefly the situation in these critical areas.

First, the energy area. Within the past few months we have organized the Department to meet the several aspects of the energy challenge which are more and more a part of everyday American life. We have established Offices of Energy Data and Analysis, Energy Conservation, and Energy Research and Development.

We are at this very moment embarked on an urgent and critical staffing program in the petroleum allocation area. To meet the most immediate needs for these programs we have already utilized executive quota resources from other areas of the Department.

For example, we have already reassigned quota spaces to the energy area from the Solicitor, land and water, and management areas of the Department. In addition, we have reduced the grade levels of other positions in the Department in order to make available GS-17 positions to the energy area. We still have 18 urgent fiscal year 1974 requirements for quota spaces in the energy area with no more internal resources.

Second, the Indian program. Fulfilling our responsibilities to the Indian people is an extremely difficult task, requiring the most capable executive talent available.

With a new Commissioner of Indian Affairs to be appointed in the very near future, we must find the executive resources to assist him in revitalizing and reinforcing the Indian programs. The Bureau of Indian Affairs has roughly 15,400 permanent positions with a budget of \$720 million. It presently has only six supergrade allocations. Our current most conservative estimate of the total essential executive positions is 25. (See attachment No. 2.) Unfortunately, we have no more quota positions to allocate.

In summary, the essential executive requirements of only two of our many sensitive, controversial, and important programs exceed the quota manpower resource capabilities of the Department and of the Civil Service Commission. In addition, we require four quota positions for the new Mining Enforcement and Safety Administration (MESA). A breakdown of our overall resources and requirements is included as attachment No. 3.

We seek the help of the Congress, in the interest of improved public administration. Our request is confined to the quota supergrade area—we seek no relief in any other personnel category. I might add in closing that the Department has not received an increase in its quota of supergrades since 1963, which I consider tangible evidence of our efforts to meet the demands of our programs within our resources, and to enforce austerity in executive staffing.

Thank you, gentlemen. I will be happy to answer any questions you may have.

[The attachments follow:]

Attachment No. 1

DEPARTMENT OF THE INTERIOR

ANALYSIS OF NEW ENERGY SUPERGRADE QUOTA REQUIREMENTS

	GS-18	GS-17	GS-16	Total
Energy conservation.....			2	2
Energy data and analysis.....			1	1
Petroleum allocation.....		1	7	8
Coal research.....	1		2	3
Energy research and resource development.....	1	1	2	4
Total.....	2	2	14	18

ATTACHMENT NO. 2

ANALYSIS OF NEW BUREAU OF INDIAN AFFAIRS SUPERGRADE QUOTA REQUIREMENTS

	GS-18	GS-17	GS-16	Total
Deputy Commissioners.....	1	1		2
Directors, central office.....		6		6
Assistant directors, central office.....			3	3
Division chiefs, central office.....			5	5
Area office directors.....		3	5	8
Assistants to Commissioner.....			1	1
Total.....	1	10	14	25
Available.....			6	6
Required.....	1	10	8	19

ATTACHMENT NO. 3

QUOTA SUPERGRADE RESOURCES AND REQUIREMENTS

	GS-18	GS-17	GS-16	Total
Existing resources.....	8	29	58	95
New Indian program requirements.....	1	10	8	19
New energy program requirements.....	2	2	14	18
MESA.....		1	3	4
Total.....	11	42	83	136
Additional quota spaces required.....	3	13	25	41

MR. CLARKE. Before proceeding to questions, if I might, in order to describe the particular requirements with which we are faced, I would like to refer to several slides and to try to describe for the benefit of the committee what we are doing in the Department to utilize those resources which are already available to us.

I have referred in my testimony to the establishment recently of an Executive Manpower Resources Board. This is composed of the Under Secretary, the Assistant Secretary for Program Development and Budget, myself, and the Assistant to the Secretary.

That board is responsible for establishing program priorities, assignments of supergrade slots to those mission priorities, and allocating vacant slots as they occur.

It was constituted in July. To date, it has been a very effective mechanism for reassigning supergrade positions within the Department. We have chosen to put these slots into our more urgent program priorities.

It is a two-edged sword. If you give something to one area, you take it away from another. We have reassigned, out of the management area, which is the area of my responsibility, four quota supergrade

positions to other areas of the Department where we felt the need was more severe. These were supergrades assigned to deputy positions, and other areas where we felt a GS-15 would be sufficient.

Mr. HENDERSON. Are you talking about transferring the positions or the person and the position?

Mr. CLARKE. At the time a vacancy occurs in a position, the position in effect accrues to the Board. At this point we have asked each Assistant Secretary to define his supergrade requirements. When a vacancy occurs, we make a decision as to whether we want to retain the vacancy within that mission area.

If the decision of the Board is that we have more urgent requirements, which we have particularly in the energy area, we have reassigned that slot.

We have only assigned vacancies at the moment, Mr. Chairman, so a man is not moved.

Mr. GROSS. You wouldn't have the authority to move the man, would you?

Mr. CLARKE. That is correct.

Here is a breakdown of our supergrade requirements as best we know them today in what I have characterized in my opening statement as the "Energy Area."

The Office of Energy Conservation was established earlier this year and is presently staffed with reassigned positions from within the Department.

For the Office of Energy Conservation, the Office of Energy Data and Analysis, the petroleum allocation program, and the Office of Research and Development, which is a part of this caption "Energy Resource and Research Development," there are supplemental requests for funding, which I expect will be before Congress momentarily.

At the moment, all of these offices are staffed at a minimum level, with positions which we have in effect borrowed from other areas of the Department, and with funding which we have similarly, with the agreement of the substantive committees, temporarily borrowed to initialize their operations.

What we see at the moment in supergrade requirements is a manifestation of the requests which are before Congress. In the Office of Energy Conservation, two supergrade positions. In the Office of Energy Data and Analysis, one. In the petroleum allocation program, eight. In the Office of Coal Research, three. In the Energy Research and Resource Development, which is a part of our Bureau of Mines, as well as the Office of Research and Development, four positions.

Now, these are based on our present staffing and organizational plans that have been recently developed. I must, however, add one caveat. These programs have not been funded at the moment at the level we expect they will be in the near future. Your request for these hearings caught us right in the middle of our supplemental funding request. But this is what we will be asking the Commission for, if the appropriations are approved essentially at the level which we expect they will be.

Mr. GROSS. Mr. Chairman, may I interrupt?

Mr. HENDERSON. Yes.

Mr. GROSS. These are all separate entities: Energy conservation, energy data and analysis? They are not all under one head; they are separate entities, is that correct?

Mr. CLARKE. That is correct. They are all under the Assistant Secretary for Energy and Minerals.

Mr. GROSS. And all are recent creatures of congressional enactment?

Mr. CLARKE. Or Presidential initiative, yes, sir; with the exception of the Bureau of Mines, which has been in existence for some time.

Mr. GROSS. They were created by the Executive, through Executive order, or Presidential determination, whatever they are called.

Mr. CLARKE. Yes, sir. In the instance of the Office of Energy Conservation, the Office of Energy Data and Analysis, and the Office of Research and Development, these were created by Presidential initiative last spring.

Mr. GROSS. Yes; but there was no provision for staffing these new programs, is that what you are saying?

Mr. CLARKE. That is correct. We have not—

Mr. GROSS. But there was funding, is that correct?

Mr. CLARKE. We have advised the substantiative committees in both the House and Senate that we were setting up small core staffs. For example, in the Office of Energy Conservation there are six positions, which we have taken from the Office of Management and Budget, temporarily, to get a small staff in place.

In the Office of Energy Data and Analysis, we are using positions from the Science Advisor staff which is no longer a separate office in our Department.

This is with the full knowledge of the substantiative committees and has been done as a temporary measure pending congressional action on the supplemental request.

I might add, Mr. Gross, in none of those supplemental requests are we asking for supergrade positions. We are in all instances treating this as a separate action.

Mr. HENDERSON. Have you made requests to the Civil Service Commission for these?

Mr. CLARKE. Yes; we have.

Mr. DERWINSKI. For all 18 of these?

Mr. CLARKE. Yes, sir. In our working relationship with the Commission, we have established our priorities for supergrade positions. We have advised them that pending congressional action, these are what we see as our needs.

We do not have any assurance from the Commission that they will actually provide us with these positions. I would be happy to come back to entertain questions at this point.

Mr. GROSS. Just one further question. Aren't these all related to energy conservation?

Mr. CLARKE. No, sir.

They are all related to energy, not related to conservation. The Office of Coal Research is a case in point. It deals with the coal research program which has been funded by Congress at \$90 million. That is not specifically related to energy conservation.

Mr. HENDERSON. Take the petroleum allocation—is that the area in which the actual allocation, or what we refer to as the mandatory control, is?

Mr. CLARKE. Yes, sir.

Mr. HENDERSON. Where would the Office of Oil and Gas fit in? Is that going out and this coming in?

Mr. CLARKE. The Office of Oil and Gas is still in place. We are not asking for any additional positions there.

Obviously, the legislation will determine whether the petroleum allocation program will be a part of the Office of Oil and Gas or a separate entity. That decision has not yet been made.

If it were made a part of that office, then we would be asking for positions for that office.

We have identified it at this point only as a program requirement.

Mr. HENDERSON. It is a little off of the supergrade point, but it seems to be a good point for me to ask one question.

Do you see any overlapping or duplication in your levels of responsibility and the responsibility of the Deputy Secretary of the Treasury as chairman of the Oil Policy Committee and, what you are describing, in the Department of Interior?

Mr. CLARKE. I am not knowledgeable about all of the aspects of the oil policy activities. However, the petroleum allocation program, in terms of where the implementation responsibilities are vested, are quite clear. There is no overlap; it would be totally within the Department of Interior.

Mr. DERWINSKI. Mr. Chairman?

Mr. HENDERSON. Yes.

Mr. DERWINSKI. This petroleum allocation area where you list a need for eight, I presume that is the operation under Governor Love?

Mr. CLARKE. No, sir.

Mr. DERWINSKI. No? What is it?

Mr. CLARKE. That is the implementation activity. That would be the field staff and the central office staff responsible for the mechanics of the allocation program.

Mr. DERWINSKI. Which was ordered by the President?

Mr. CLARKE. That is correct.

Mr. DERWINSKI. Congress has a pending mandatory allocation program.

Mr. CLARKE. That is correct.

Mr. DERWINSKI. Will the possibility of the bill passed by Congress which, as I understand it, is to be more restrictive, provide for more precise directions and guidelines, so you would then feel it necessary to request more supergrades as a result of that act of Congress?

Mr. CLARKE. Mr. Congressman, we think it is incumbent on us to do as much planning as we possibly can with the short timeframes that are facing us. We have tried to do that in this petroleum allocation program, to conceive of what the organizational structure and staffing would be.

This is our best guess. We do not have congressional authorization. So I must say quite candidly that this is only a plan and any congressional action could preempt it.

Mr. GROSS. H.R. 9681, the Emergency Petroleum Allocation Act is up for consideration in a day or two. In hastily looking at the report, I find no communication from the Department of the Interior stating a position on this bill.

Mr. CLARKE. Excuse me, sir, with respect to supergrades?

Mr. GROSS. With respect to supergrades or anything else. I find no communication from the Department of the Interior with respect to it.

Mr. CLARKE. There has been none in the supergrade area. I cannot speak authoritatively, but I am sure there has been departmental input in other aspects of that program.

Mr. MALLARY. Mr. Chairman?

Mr. HENDERSON. Mr. Mallary.

Mr. MALLARY. If I might pursue one other aspect of this energy overlap, perhaps, there is pending before the Congress now reorganization legislation that would make Interior the nucleus of a Department of Energy and Natural Resources and create a separate Energy Research and Development Administration. This plan would transfer to DENR sections of AEC, Commerce, Agriculture, and the Corps of Engineers.

Has any analysis been done as to the supergrade needs of a subsequent DENR and whether in fact by consolidating those particular areas it would be possible to eliminate some of the needs that we have here by eliminating overlap?

Mr. CLARKE. Congressman, we are presently in the process of developing the detail of an organizational structure for DENR in the context of the legislation which has been proposed. We have not at the moment defined it in terms of supergrade requirements.

Mr. HENDERSON. Would the gentleman yield?

I am sure Mr. Gross and Mr. Derwinski would agree with me that any time you take supergrade functions and put them together they are never reduced, they have a way of multiplying.

If you look at the history of the Department of Transportation—where we brought these agencies together to get a better organization and management—you will find more need for supergrades rather than a savings of them.

Mr. DERWINSKI. Mr. Chairman, you sound like a pessimist.

Mr. HENDERSON. No, I am a realist based upon experience.

Mr. GROSS. Mr. Chairman, If I could just read one sentence from this report accompanying the Emergency Petroleum Act, which certainly we are going to be confronted with later:

Although no official comment has been forwarded to the committee, some administration spokesmen have been quoted as suggesting that an additional 500 lawyers and other professionals would be needed to fully implement and enforce a mandatory allocation program.

That will be a field day for the lawyers.

Mr. DERWINSKI. They would be out reading gas pumps I guess.

Mr. HENDERSON. Mr. Secretary, you may proceed.

Mr. CLARKE. I am sorry, Mr. Chairman, that I only brought one copy, but I do have an organizational chart of the Department here if it would assist the members as we talk about this subject.

The second area which we mention in our opening statement, where we have some particularly urgent quota supergrade positions, is in the Indian area.

The Bureau of Indian Affairs has roughly 16,000 employees and an annual budget of about \$800 million. Historically that has been a Bureau, under an Assistant Secretary, most recently the Assistant Secretary for Public Land Management.

It was elevated to a direct reporting relationship to the Secretary about 10 months ago, and there is legislation pending, which has

passed the House but is still in the Senate, to make the Commissioner of Indian Affairs an Assistant Secretary.

At the same time the funding has gone from about \$579 million in 1972 to \$720 million most recently, about a 25-percent increase.

It is one of the largest bureaus we have. It is one of the toughest to operate effectively, and presently—as well as historically—there has been only six supergrade positions in that Bureau.

One of the first actions of the Executive Manpower Resources Board was to recognize this deficiency. Unfortunately, we simply do not have sufficient quota slots to buttress what we believe is now an inadequate quota or number of supergrade positions for that Bureau.

We have also forwarded this request to the Commission in identifying our internal priorities. We are asking for one GS-18, 10 GS-17's, and 14 GS-16's, for a total of 25, or 19 new slots.

Mr. DERWINSKI. Before you flip that chart, may I commend you for a very concise and helpful statement, but when you get to Indian Affairs you raise some problems.

These 19 possible new supergrades, who are they to supervise, employees or Indians?

Mr. CLARKE. If you will turn to attachment 2 to the opening statement, we have attempted to define the titles of those individuals.

In all instances they are supervising BIA employees.

Mr. DERWINSKI. I was being slightly facetious but—

Mr. HENDERSON. Would the gentleman yield?

I thought you were going to ask if they were the chiefs.

Mr. DERWINSKI. I was about to come to that. We will have more supergrades than Indian chiefs.

But doesn't that create a protocol problem? Does a supergrade outrank an Indian chief, or vice versa? How would we handle that one?

But seriously, I have a vague recollection that you have 16,000 employees. I also have a vague recollection that there are about a half million Indians in the country.

Mr. CLARKE. About 500,000 reservation Indians.

Mr. DERWINSKI. This means we have basically one BIA employee for every 32 Indians. Isn't that a bad case of overmanagement?

Mr. Simon of the Treasury was just boasting about the fact that the management ratio of employees to supergrades was 1 to 350. And here we have 1 employee for every 32 Indians. It seems to me that that is part of the problem, the Indians are being overmanaged.

Mr. CLARKE. I think historically that is true. I believe we have underway, particularly with legislation which is before the Congress right now, an attempt to get BIA out of managing Indians, to use your term, to contract with the tribes for services that have been historically provided by BIA.

To take the field of education as a case in point. BIA schools provide educational facilities for about 25 percent of the Indian children residing on reservations, about 180 schools. We are hopeful that we will be able to contract for additional schools over time with the tribes or with local schools, public schools. The direction we have set for the Bureau at this time is to try to move toward a technical assistance role as opposed to the provider of services.

Presumably if we are successful in that effort, we could be justifiably criticized if the manning level within the Bureau does not decrease.

There has not been an appreciable change in the direction of the Bureau at the moment, however, to warrant any immediate reduction in staff.

Mr. GROSS. Mr. Chairman?

Mr. HENDERSON. Mr. GROSS.

Mr. GROSS. While we are still on this subject, I came back last fall, immediately after the election, and went through the Bureau of Indian Affairs building on Constitution Avenue.

I also attended the hearings in December, held by the Interior Committee of the House of Representatives. I attended every minute of the 2-day sessions, morning and afternoon.

It is my observation that you could have had supergrades standing on each other's toes and there wouldn't have been any difference in the outcome of what happened and in the delegation of power on the part of the Department of Interior to the poverty program and the White House to bribe the Indians to get out of Washington and stop their depredations on the Federal Government.

I don't think it would have made any difference if you had had 500 supergrades over there. And, until I am convinced that the Department of Interior has made a vast improvement in the administration of the Bureau of Indian Affairs, so far as I am concerned, you won't get one more supergrade.

That was the most sickening experience—both in visiting that building and then hearing the witnesses in December after those depredations had been carried out—that I have ever experienced in Government. It was the worst testimonial to the administration of the affairs of an agency of this Government that I have ever seen.

I say to you again that, until I am convinced that there has been a vast improvement, you won't get a supergrade through me.

Thank you, Mr. Chairman.

Mr. CLARKE. Congressman, if I might respond to two points. One, we are not asking for supergrades to manage or to control the kind of events which took place in the wrecking of that building.

Second, we are all too aware of the management problems that we have in that Bureau and that is precisely what we are trying to rectify.

Now I think you could argue, does it require additional supergrades to do that. Frankly, one of the problems we have had historically in the Department is we have some excellent people in the field, only 7,000 of our some 60,000 employees are in Washington. It is a widely dispersed Department. We have a great deal of difficulty attracting very qualified, competent line personnel out of the field offices to come to Washington. What inducement can we give them?

Frankly and candidly, a supergrade is an inducement. And we need to be able to have that tool to attract some of our very competent senior BIA employees in the field to take some of these critical management positions.

Mr. GROSS. Mr. Clarke, there is absolutely no question about the breakdown from the top to the bottom of the administrative setup in the Department of Interior with respect to the handling of that affair as far as I am concerned.

Mr. HENDERSON. You may proceed, Mr. Clarke.

Mr. CLARKE. I might begin by highlighting our overall quota resources and requirements as we see them now. This slide shows the

existing resources which are presently available to us, 95 quota slots, which we have either filled or committed to particular positions.

A number of those slots, as I mentioned before, have been reassigned from vacant positions into new program areas.

I agree with you that there is a tendency for the supergrade structure to grow. We are trying to counteract that by assigning supergrade positions where there is the greatest need.

The Indian programs, however, we believe could very successfully use and very seriously need 19 new supergrade positions.

Summarizing the energy area, we have identified 18 quota slots. In MESA, Mining Enforcement and Safety Administration, we have 4 additional supergrade requirements, for a total of 136, and a net need of 41.

Thank you.

MR. HENDERSON. Thank you very much, Mr. Secretary. There is just one point I would like to touch on again. It was significant to me to note, as you pointed out, that your quota and nonquota have not increased since 1968, but at the same moment I wondered about the very large number of nonquota.

Would you expand just a little on the point you make on page 2, that the nonquotas are in the Geological Survey, Bureau of Mines, and the Bureau of Sport Fisheries.

MR. CLARKE. Mr. Chairman, I will provide for the record a detailed breakout for you and your colleagues.

The nonquota supergrades totaling 131 have not changed markedly since 1968. Virtually all of those are in Geological Survey, Bureau of Sport Fisheries, and Bureau of Mines.

In Geological Survey, for example, we have 64 nonquota positions and only one quota supergrade.

I don't have at my fingertips the actual numbers in the other bureaus, but all of our nonquota slots are in those bureaus. The bulk of them are in Washington. I will provide for the record the exact dispersion of those nonquota slots.

MR. HENDERSON. Very good.

MR. DERWINSKI?

MR. DERWINSKI. I have no further questions.

MR. HENDERSON. Mr. Mallary?

MR. MALLARY. Just one question. With regard to nonquota slots, do you expect to either need or obtain additional nonquota slots in the coal research and energy research areas and do you have a rough estimate of what you will need or expect there?

MR. CLARKE. Congressman, we are going to attempt, depending upon the nature of the positions, to classify those as nonquota slots, if in fact they do have a sufficient scientific base. The classification work has not been completed.

Our speculation at the moment is that it would be a very small percentage.

MR. MALLARY. But it is possible that some of the 18 you show here in the energy area may not be required as quota positions?

MR. CLARKE. That is correct. There would be no instance in the Indian area, and probably only two or three instances in the energy area.

Most of them are management positions. They simply do not qualify under the existing definition for nonquota.

Mr. MALLARY. Thank you.

Mr. CLARKE. I do have a quick assessment of the 131 nonquota positions, Mr. Chairman. There are 37 of them in the field, 94 in Washington.

Mr. HENDERSON. Mr. Secretary, we are right on time, so I would like to take about 1 more minute. What was your background?

Mr. CLARKE. I am a newcomer to Government, Mr. Chairman. I joined the Department of Interior in May. Prior to that time, I spent 10 years with a public accounting firm and most recently was a partner with that firm. The firm is Coopers & Lybrand.

I spent the last 8 years in the management consulting area of the firm in Detroit.

Mr. HENDERSON. I commend you for a very fine statement and a very responsive appearance.

Mr. DERWINSKI. Mr. Chairman, I think it should be noted that Mr. Gross has been especially upset about the radical Indian takeover of the BIA building, that he properly attributes to an attempt to embarrass the Great White Father a week before the election. I concur with him that it was the most disgraceful thing, to pay off those wild radicals, and nobody has benefited from it. It was as disgraceful a thing as this administration or any administration could ever do. But obviously, we are not holding you responsible.

Mr. HENDERSON. Thank you, Mr. Secretary, and your colleagues.

Our next witness is Mr. Floyd Hyde, Under Secretary, Department of Housing and Urban Development.

Mr. Hyde, it is a pleasure to welcome you this morning, and I note you have some colleagues with you, so perhaps you would present them to the committee and proceed as you like.

STATEMENT OF HON. FLOYD H. HYDE, UNDER SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ACCOMPANIED BY W. B. CHRISTENSEN, ASSISTANT SECRETARY FOR ADMINISTRATION; AND VINCENT J. HEARING, DEPUTY ASSISTANT SECRETARY FOR ADMINISTRATION

Mr. HYDE. Thank you, Mr. Chairman and gentlemen of the committee.

To my left is our, you might say, brand new Assistant Secretary for Administration, who just joined us this past week. And to my right is the Deputy Assistant Secretary for Administration, Mr. Vincent Hearing.

The new Assistant Secretary is Mr. W. B. Christensen.

We have just delivered, Mr. Chairman, and apologize for it being this late, a prepared statement which is rather brief, and with the chairman's permission, I will go through it rather quickly. I think it is succinct and to the point.

Mr. HENDERSON. Yes, sir. Proceed in any way you would like, sir.

Mr. HYDE. Mr. Chairman and members of the committee, I appreciate the opportunity to present the views of the Department of Housing and Urban Development on H.R. 10419 regarding the needs of the

executive branch for additional positions in grades GS-16, GS-17, and GS-18. I'll try to keep my remarks as brief and succinct as possible in highlighting the existing situations in our field and headquarters offices.

FIELD SUPERGRADE NEEDS

It is well recognized that HUD as a department has taken the lead in carrying out the 1969 Presidential directive concerning decentralization of Federal authority and control. Under former Secretary Romney, HUD established a field structure which, through its 10 regional and 39 area offices, was capable of providing a full range of services to State and local governments on an onsite basis.

While we have given our area offices a great deal of program, financial, managerial, and policy implementation responsibilities, we have never been able to staff the top jobs at a salary level commensurate with the responsibilities involved.

Even with the program terminations and suspensions in fiscal year 1973, on an average, each of our larger area offices exercised financial authority in excess of \$110 million. This breaks down to over \$8 million in contract authority, over \$50 million in loan authority, and over \$55 million in grants. It should be noted that the use of \$8 million of contract authority obligates the Government to payment of similar amounts, annually, for periods as long as 30 or 40 years, necessitating monitoring and constant supervision.

Total HUD outlays for fiscal year 1973, most of which were made through our field offices, came to \$3.59 billion. Estimated fiscal year 1974 expenditures are \$4.5 billion.

This explains why 43 of the 73 additional supergrades needed by the Department are for key field positions. At present, our area offices have up to three levels of supervision all being paid at the GS-15 level. This makes it very difficult to attract top people to serve as directors, and creates an inequitable situation for those whose grade is not equal to their duties and responsibilities. While we have managed to upgrade five area offices to GS-16 by sacrificing other priorities, only by receiving a sufficient number of additional supergrades can we ever meet our total field needs.

In discussing our field operation, I would like to comment directly upon a question which the subcommittee members are doubtless asking themselves—that is, in light of the decline in HUD's activities this year and the concomitant reductions in staff, how can we be asking for more supergrades in our field offices?

While some programs have been or are being terminated, the Department does have a great deal of ongoing activity which has not been affected. We have 110,000 subsidized housing units in the pipeline, and the President has authorized 200,000 additional subsidized units—up to 150,000 through new construction, the rest through the use of existing units.

There has been no interruption in the unsubsidized insurance programs—except for a 2-month period during which Congress failed to extend the insuring authority—and indeed in some States FHA-insured mortgages are presently the only mortgages available. Our Housing Management Office is experiencing substantially increased

demands on its resources both in dealing with the over 1 million units of public housing which have undergone substantial increases in cost and often a deterioration in services and in dealing with the disposition of properties under control of the Secretary, which are expected to climb to an inventory figure of 250,000 units by the end of this fiscal year.

In the community development area, we have over 5,000 different project activities to monitor during fiscal year 1974.

So the fact is in this area, our workload is actually increasing as we attempt to monitor, evaluate and close out project activities that were started several years ago.

Congress now has before it a number of recommendations—including the Better Communities Act, the Responsive Governments Act, the Federal Disaster Act and a variety of housing proposals—which, when enacted, will create sweeping changes in the way we handle the responsibilities currently assigned to HUD. As a package, these recommendations clearly recognize that we have not effectively addressed the problems of housing and community development, that the problems are complex, and that the future demands more innovative, practical, and effective approaches if we are to begin to solve these problems.

The new role proposed by HUD calls for an even more sophisticated organization characterized by fewer “paperpushers” and more professional and technical experts.

Within the context of this new role, HUD will continue to exercise overall responsibility for the management of the multibillion dollars of resources being devoted to housing and community development, and this will require our area office directors to be more expert problem solvers, more sophisticated managers, more effective communicators, better informed representatives of the Federal Establishment—in short, more capable of delivering the kind of help needed by our State and local governments.

HEADQUARTERS SUPERGRADE NEEDS

At the same time as our field operations have grown more complex and challenging to manage, a number of new and expanded programs have created the need for 30 new supergrades in headquarters. Historically, since HUD was a latecomer as a Department, it never has been able to obtain enough supergrades to take care of its legitimate needs.

In fact, even though historically our workload has grown and a number of new priorities have emerged, we have actually experienced a small decrease in the number of supergrades allotted to us. The only way we have been able to operate is by “borrowing from Peter to pay Paul”; that is, shifting supergrades from positions which justified them to other positions with more urgent priorities.

Some examples of new programs and increased emphasis are:

1. In order to develop, experiment with, and evaluate new policies and programs, we have established at the Assistant Secretary level an Office of Policy Development and Research.
2. A growing new communities program requires additional supergrade staffing for our New Communities Development Administration. The cumulative commitment and guarantees made in this area

were over \$290 million in fiscal year 1973, and are estimated at \$450 million by fiscal year 1974, and it can be expected to grow in the future.

3. Our Federal insurance programs have received increasing interest and have grown significantly. We are dealing in areas such as flood insurance and crime insurance, which are important public protection programs. For example, over 2,500 communities are now participating in flood insurance programs—representing almost 300,000 individual policies totaling in excess of \$5 billion. One year ago we had less than 100,000 individual policies totaling \$1.6 billion.

4. Another important area of public concern relates to protecting consumers from land swindles. The number of registrations with our Office of Interstate Land Sales Registration was 4,240 in fiscal year 1971; this is expected to increase to 5,800 in fiscal year 1974, a 39-percent increase. As consumer awareness grows, inquiries and complaints have risen from 2,500 per year to 15,000 per year in the last 18 months.

5. Emphasis on equal opportunity in housing and housing construction has greatly increased. Complaint workload will almost double from fiscal year 1972 to fiscal year 1974.

6. In order to improve our various financial and accounting systems, we have combined a number of organizations into a new Office of Finance and Accounting. This Office is responsible for over 5 million insured mortgages which represents a potential liability of over \$80 billion.

7. At the beginning of the fiscal year, the Department assumed most of the functions of the former Office of Emergency Preparedness and established the Federal Disaster Assistance Administration. There were a record 53 major disasters in fiscal year 1972, and while we have no way of predicting future disasters, the continuing "clean up" work alone represents a formidable task.

8. We have established at the Assistant Secretary level an Office of Legislative Affairs. This is in recognition of the need to give appropriate attention to maintaining effective working relationships with the legislative branch.

I have not covered all of our programs which have emerged or grown significantly, but I believe you can get a good picture of the work of the Department from the areas I have mentioned. While we have met our needs in the shortrun by shifting our limited supergrade resources as much as we could, our longrun requirement is for more executive positions to provide effective leadership to a variety of vital programs.

SUMMARY

At present, HUD has 118 supergrade positions, 15 of those are vacant, and we are currently in the process of filling them. To meet new and expanded program requirements, and to "repay" the supergrade spaces we have had to shift to higher priorities, we need 73 additional supergrades. When one considers the cost of these supergrades against the billions of dollars for which our managers are responsible, the increase is a small fraction indeed. I believe we should be doing all we can to attract and retain the very best people to manage our multi-billion dollar investment in housing and community development.

I will be pleased to answer any questions you may have.

Mr. HENDERSON. Thank you, Mr. Secretary.

On page 6, with regard to the assumption of the functions of the former Office of Emergency Preparedness, did you get any supergrades with that function?

Mr. HYDE. Yes, sir. We got 8, but there are as you know 10 regional offices and only 2 of the 8 are in the field. Our request then is to add eight to the eight that are presently available to us.

Mr. HENDERSON. Did those eight come with the responsibility, only eight?

Mr. HYDE. Yes, sir, only eight came with it.

Mr. HENDERSON. Mr. Mallary, you will note the point I was making.

Mr. MALLARY. Yes.

Mr. HYDE. Those are field positions, regional directors, as I indicated.

Mr. HENDERSON. With regard to the Office of Legislative Affairs, which you mention on page 7 of your statement, my comment would be that perhaps this ought to be one of great interest for the members of the subcommittee and the Congress, because from some of the performance we have seen in some departments—and I will hasten to say I am not being any more critical of HUD than any others—I wonder about the appropriateness of a supergrade in that position.

But if we get to the point that we go that deep into the specific request, I will inquire off the record with regard to that particular slot.

Mr. HYDE. I might say, Mr. Chairman, that position has been created, as I mentioned, at the Assistant Secretary level, and I mentioned that it is only one of the expanded activities and we think it does deserve better attention.

An the request that is included in our supergrade request would provide a Deputy at the supergrade level for that position.

Mr. HENDERSON. Mr. Derwinski?

Mr. DERWINSKI. Thank you, Mr. Chairman. Mr. Secretary, for your own entertainment, I regret Mr. Gross had to leave.

Mr. HYDE. I enjoyed the colloquy that ensued earlier; since I wasn't the recipient of it, it was a little more enjoyable.

Mr. DERWINSKI. I think I would be accurate if I said that if Mr. Gross were still here he would be very pleased with your statement on page 4 when you make note that your sophisticated organization has eliminated paper pushing. That is the kind of thing he looks for.

But I think he would have been less than amused with your statement at the bottom of page 4 that since HUD is a late comer as a department you have never been able to get your fair share of supergrades.

But let me get directly to the key figure we are working with.

You sum up your statement quite properly and you indicate a need for 73 additional supergrades.

Now very often what we get here, we realistically have sort of a shopping list. Have you indicated along the way, of those 73 that you need, what you realistically hope to get?

Mr. HYDE. Let me put it this way, Mr. Derwinski. As you know, I have been with the Department for almost 5 years now, the first 4 years as an Assistant Secretary, so I am somewhat familiar with this whole transition, reorganization, and establishment of field offices.

I honestly would say that it has been a difficult situation for us to have the creation of the area office, the 39 area offices I mentioned, with

final signoff responsibility in these many, many multimillion-dollar projects, and not be able to staff them with a supergrade director.

And that of course is the reason why, of the 73, our major concern, the 40 positions, would be for meeting those field office needs, primarily the area office director, and some other field needs that are included.

But I would have to tell you in all candor that if I were to prepare a request for something less than that, I think that I would want to give that some additional thought and perhaps submit it for the record.

But I would give you a general response at this point. Certainly my first priority, by and large, would be those field positions. They are very very critical to our operation.

But I also think there are a certain number of very critical positions in the central office, where we have expanded some of the activities. So I would have to give that some consideration to really give you a complete answer.

Mr. DERWINSKI. In the other departments we have heard from, in each case, in addition to the figures they call for in their statement before us, they keep reminding us that any additional legislation passed by Congress would make their request greater.

You in HUD have either a pending or I assume a forthcoming major legislative request of the Banking and Currency Committee.

Is this figure of 73 in anticipation of that legislation or would you then require additional people to administer that new housing law?

Mr. HYDE. It is a little hard to tell. Let me put it in perspective.

If our proposals, both in connection with Community Development or Better Communities Act, and our housing proposals, are passed by the Congress substantially as we have submitted them, I would not anticipate the need for additional supergrades. There may be some rare exceptions to that. What I would anticipate is generally a potential reduction of overall staffing, and a move to a more professional oriented organization, and even less paperwork.

We are definitely moving in that direction. But I think the most candid answer I can give you is really it depends on the degree to which the simplification we have asked for is in fact adopted by the Congress.

Mr. DERWINSKI. Thank you.

Thank you, Mr. Chairman.

Mr. HENDERSON. Mr. Mallary?

Mr. MALLARY. Just one question relating to your request. In the light of your agency total of 113 supergrades, you are not involved in the nonquota ones particularly I note—

Mr. HYDE. No, sir.

Mr. MALLARY. How does this proportionately relate to your total employees? Does your total force vary from the 1968 to 1973 figures we have here which markedly increased during that period of time?

Mr. HYDE. As of the present time, our employment levels, Mr. Mallary, are a total high of 16,400, that was our high about 1 year to 18 months ago. We are now at a total employment level of 15,500. By June 30, 1974, we expect the employment that we are shooting for to be 14,000. And based on the latter figure, our ratio would be 1 to 120.

If given the requested additional supergrades, it would be a ratio of 1 to 80. I might say this: I think it is a little misleading—I am

sure this is no surprise to any of the members of this subcommittee—to compare simply numbers, as I pointed out in my prepared statement. The magnitude of responsibility to me is of utmost importance.

For example, just in my mind I have been totaling up what our obligation or potential liability is out there in the field, that these men are responsible for, particularly in the field.

If you take, as I mentioned, the insured programs, there is some \$80 billion in the mortgage insurance in potential liability. We have anywhere from \$65 to \$90 billion in our subsidy programs. We have at least \$5 billion in the yet unexpanded community development program activities.

So we are talking about somewhere in the neighborhood of potential actual Federal liability, both direct and indirect, of something in the neighborhood of \$200 billion of responsibility out there.

I think that test is one that should be taken into account, along with the figures that you have asked about.

Mr. MALLARY. I think it is just as well Mr. Gross is not here.

One other question. Let me first confirm what you have said—that it is your feeling that if we adopt or if the Congress adopts a different basic strategy on housing, in other words, moving away in some cases from programs of production to programs for subsidization or housing allowances, that this will require less staff than the current style of housing programs we have been dealing with?

Mr. HYDE. Ultimately I think that would be the result, Mr. Mallary, along with our proposal for the Better Communities Act, which would replace seven existing categorical programs in the community development field.

I think taken together, after we go through some transition together with the cleaning up of the pipeline and the backlogs of the existing programs, the answer to your question is “yes.”

Mr. MALLARY. Thank you.

Thank you, Mr. Chairman.

Mr. HENDERSON. Mr. Dulski?

Mr. DULSKI. Thank you, Mr. Chairman.

Mr. Secretary. I noticed in the colloquy and also in your statement you emphasize the importance of funding these programs. I mean—take all of the programs you have outlined on page 5. I notice you have \$450 million for one program.

Now I am not too much interested in the money part of it per se, but whether there is a relationship between the amount of funding for a program and the category of the man in charge. Is he a super-grade or an assistant or what? How do you qualify these individuals to serve these units?

Mr. HYDE. The Federal Insurance Administrator is a level 4 position, the man in charge of that entire program. But the nature of the responsibilities in that area do vary.

Mr. DULSKI. My question is: Since these individuals have responsibility for large sums of money and are involved in policymaking, what are their qualifications—real estate, lawyers, or what?

Mr. HYDE. Yes; in many cases, for example, in the Federal Insurance Administration you either need persons with legal experience, experience in the actuarial field, that kind of technical expertise.

Mr. DULSKI. Let me be more specific. I would like to know about the supergrades you have reference to, the 73.

Mr. HYDE. All right. Let me deal with the overall then. I was limiting myself to your reference to the Federal Insurance Administrator.

Let me give you just a flavor of the 40 positions mainly out in the field, the bulk of those, the area office directors.

Putting aside the dollar amounts involved, that area office director has a staff ranging anywhere from 150 to 500 persons. He has final decisionmaking authority on the allocation of our community development grants, our housing programs. He has a responsibility to work directly with the Governor in his State, in many cases it is several States. He has a direct responsibility to deal with the mayors and local officials. So he has a very broad area of responsibility. And I think, as I mentioned earlier, that is the key responsibility I am concerned about.

Mr. DULSKI. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Mr. HENDERSON. Mr. Secretary, I noticed that from 1968 to 1973 your nonquota positions were reduced from 5 to 1. Do you want to comment on that? Why is that so?

Mr. HYDE. Perhaps Mr. Hearing could answer that. I am not familiar with that situation.

Mr. HEARING. Mr. Chairman, I don't think it was any planned program in that direction. As you know the nonquotas are based on the qualifications and skills of the individuals involved and it just happens that the one nonquota position we now have is in our research activity.

Mr. HENDERSON. I am surprised you don't have more, that is why I raised this question. Of course I am glad you don't have, but I think the point could be made that you are totally dependent upon the quota system. And if we aren't responsive to your needs, you can't very well use the nonquotas as we have seen.

The Department of Interior has a very high ratio of nonquota positions, which gives them more flexibility.

I think, Mr. Secretary, the one thing that I would observe at the conclusion of your testimony, as it relates to the three agencies we have heard from this morning and the testimony of Chairman Hampton the other day, is that there were large numbers of requests for supergrades from throughout the departments that had been cut down. Then as we looked at the testimony this morning, it appears to me that, to a great extent, the requests are for the district and area offices.

You certainly have articulated quite well the so-called reorganization or the reallocation of the authorities to those levels. But I think the big question that would be posed to the Commission and certainly would be posed in our minds, if we were attempting to specifically allocate supergrades by way of levels of responsibility, would be something of the same question I had with regard to the functions that came over to you from the Office of Emergency Preparedness, and that is, how many supergrades did you pick up there?

Obviously when you decentralize this authority, you don't send any supergrades down to the district or area. So I think we are really at a point in which the difficulty of the executive is going to be to clearly demonstrate to the Civil Service Commission its level of responsibility.

ties of the district managers, the district officers, the area program managers, and so on.

I would hope that our subcommittee and the Congress will be responsive enough to the Commission that it would bring about that, so that the departments and agencies could go there and make the case for this need, rather than to depend upon the Congress.

I do not anticipate, Mr. Chairman, that our committee is going to try to decide, for example, how many are needs within a department or at what level they ought to be distributed, within a department.

Mr. DULSKI. We are in a good position to vote right now.

Mr. HENDERSON. Do you think we ought to report the bill before we adjourn? We usually see eye to eye, and I have been quoted on the record so much that the problem is not the same to my left here as to the right. The chairman is quite aware of this.

Mr. Secretary, I thank you for a very fine statement. I was very apprehensive earlier this morning, not being able to get hold of the statements of the witnesses, that we might not be able to conclude.

But, Mr. Dulski, I think that it shows—with the attendance we had this morning of our subcommittee members—that by pressing on we were very fortunate in getting through at this time.

Within the next few days it would be my intention to decide whether or not we need to take any more testimony from the other agencies or whether we can have an executive session and come right to grips with reporting out the legislation.

Thank you, gentlemen, very much.

Mr. DULSKI. Thank you, Mr. Secretary.

[Thereupon, at 11:45 a.m., the hearing was adjourned subject to the call of the Chair.]

[A copy of the bill, H.R. 10419, and administration reports received, follow:]

A BILL To amend title 5, United States Code, to provide for additional positions in grades GS-16, GS-17, and GS-18

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5108(a) of title 5, United States Code, is amended by striking out "2,754" and inserting "2,994" in place thereof.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., October 16, 1973.

HON. THADDEUS J. DULSKI,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to H.R. 10419, now pending before your Committee, which would amend section 5108(a) of title 5, United States Code, to provide for an additional 240 positions in grades GS-16, GS-17, and GS-18.

The additional positions provided for in H.R. 10419, would be for the executive branch of the Government. Supergrade positions for the General Accounting Office are provided for separately under section 5108(c) (1) of title 5. As a result of the action taken by the Congress in 1969, Public Law 91-187, the General Accounting Office now has authority for 90 supergrade positions. At the present time, 88 of these positions are filled, or have been designated to be filled and are awaiting final approval of the Civil Service Commission.

Since 1969 the work of the General Accounting Office has expanded and changed. As the Federal Government has become increasingly engaged in new and complex programs, the General Accounting Office has had to change its organizational structure, its methods of operation, the scope of its work, and the make up of its staff. We are now organized along functional lines and have a highly qualified professional staff of nearly 3,400 persons engaged in accounting

and auditing, overall financial management, program evaluation, legal interpretations and analyses, systems analyses, and other areas of specialization.

We are continually increasing our assistance to Congress in two ways for the central purpose of improving the management of Federal programs and operations. First, by providing direct assistance to congressional committees and members to the extent that twenty-five percent of our professional staff support the needs of Congress in meeting its responsibilities of legislative oversight. Second, by increasing the number of reviews designed to evaluate the effectiveness of Federal programs in achieving the objectives intended by the Congress. We consider the evaluation of program effectiveness as a very important part of our work and about one-third of our professional staff time is devoted to this work.

Congress each year has given the General Accounting Office additional responsibilities. Of particular significance is the Legislative Reorganization Act of 1970. The general purpose of certain sections of this act is to provide for use of the General Accounting Office as an arm of the Congress in examining and analyzing the management of Federal programs, and the use of General Accounting Office assistance by committees during consideration of proposals for new or revised Federal programs.

The Federal Election Campaign Act of 1972, and the Presidential Election Campaign Fund Act approved December 10, 1971, gave us responsibilities which led to the establishment of the Office of Federal Elections within the General Accounting Office.

In addition, the following more significant legislative actions occurring since January 1, 1972, have increased the workload of the General Accounting Office:

The Water Pollution Control Act Amendments of 1972 which requires the Comptroller General to conduct a Governmentwide review of the research, pilot, and demonstration programs related to the prevention of water pollution.

The State and Local Fiscal Assistance Act of 1972 (Revenue Sharing) directs GAO to review the work done by the Secretary of the Treasury and the State and local governments to enable the Congress to evaluate compliance and operations.

The Amendment to the National School Lunch Act dated September 26, 1972, requires the Comptroller General to evaluate a pilot program administered by the Department of Agriculture to provide supplemental foods to eligible mothers and infants determined to be nutritionally disadvantaged because of an inadequate income.

The Education Amendments of 1972 established a number of new education programs and also made changes in existing programs. It contained a specific provision placing responsibility upon the Comptroller General to evaluate education programs.

Perhaps even more important over the long run than legislative actions which directly require action by GAO is legislation which creates new Federal programs or expands existing program levels. These actions require additional work by the GAO. A few examples follow:

The Social Security Amendments of 1972 which provides for Federal administration of programs for the aged, the blind, and the disabled, which replace existing Federal-State cooperative programs will increase our staff requirements in the income security area.

The Education Amendments of 1972 which made major changes to existing programs and established a number of new educational programs. We have had to increase our audit effort in connection with this legislation.

The Public Buildings Amendments of 1972 authorizes the General Services Administration to charge agencies for space occupied in Federal buildings and related services based on comparable commercial charges. We are cooperating with GSA in developing an accounting system which meets GAO requirements.

We continually receive requests from committees which have a serious impact on the work of the General Accounting Office. For example:

Reporting on the Department of Defense appropriation for fiscal year 1973, the House Committee on Appropriations in its September 1972 report directed us to make a comprehensive review of the Navy's ship overhaul and repair programs for fiscal years 1972 and 1973.

The Senate Committee on Armed Services in its report of September 6, 1973, requested our Office to undertake an examination of five major weapon sys-

tems giving consideration to the development and utilization of dual competitive prototype contracts.

The Chairman of the Subcommittee on Research and Development of the Senate Committee on Armed Services and the Chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee requested that we undertake a comprehensive study of Federal expenditures for independent research and development and submit a report with recommendations by April 1, 1974. This request was printed in the Congressional Record of October 11, 1973 (S-19051-2), and includes 22 broad questions on the subject.

In order to carry out our broad and increasing responsibilities, it is essential that we have top quality leadership in our many fields of endeavor. By training and careful selection of staff personnel responsible for directing our reviews on a day-to-day basis, we believe we have been able to achieve a considerable measure of success. However, it is also essential that the staff personnel who are performing this work be appropriately compensated.

After giving careful consideration to our organizational structure and to our operational responsibilities, I have concluded that there is an essential need for additional supergrades in our Office. I strongly urge, therefore, that your Committee and the Congress give favorable consideration to amending H.R. 10419 to provide authority for ten additional supergrade positions for the General Accounting Office.

If any further information is desired by your Committee, we will be very glad to furnish it promptly.

Sincerely,

ELMER B. STAATS,

Comptroller General of the United States.

THE LIBRARIAN OF CONGRESS,
Washington, D.C., October 17, 1973.

HON. THADDEUS J. DULSKI,
*Chairman, Committee on Post Office and Civil Service,
U.S. House of Representatives, Washington, D.C.*

DEAR MR. DULSKI: This is in reply to your recent request for the Library's views with respect to H.R. 10419, a bill to amend title 5, *United States Code*, to provide for additional positions in grades GS-16, GS-17, and GS-18.

After careful consideration of the Library's need for supergrade positions in the near future, I respectfully request that the Library of Congress' quota be increased from 44 to 52, a gain of eight such positions.

The Library of Congress has endeavored to hold the line with respect to escalation of grade structure, but in order to meet our many national and international responsibilities, certain executive staffing needs must be recognized.

The Legislative Reorganization Act of 1970 directs the Congressional Research Service (CRS) to advise and assist all Congressional committees in analyzing and evaluating legislative proposals, in determining the advisability of their enactment, in estimating the probable results of those proposals, and in evaluating alternatives to them. It directs the Service to provide committees, at the opening of each Congress, with lists of subjects and policy areas the committees might profitably analyze in depth. It directs the Service to provide committees with lists of programs and activities scheduled to expire during an upcoming Congress, and to provide any committee or Member with memoranda relating to any legislative measure scheduled for hearings.

Provision was made in the 1970 Reorganization Act for Specialists and Senior Specialists to be compensated at the GS-16, GS-17, and GS-18 rates of pay, subject to the approval of the Joint Committee on the Library, without regard to provisions of law relating to supergrade quotas. The 1946 Reorganization Act had provided only for Senior Specialists, not Specialists. Thus, Specialist positions were formerly quota positions. For the information of your Committee, we were able to transfer three GS-16 CRS Specialists from the Librarywide quota to the Specialist provisions authorized under the 1970 Act. This Act did not, however, provide for exemption from the supergrade quota of CRS positions that were not in Senior Specialists and Specialists categories, such as automation data processing, and management and administrative personnel. Thus, one GS-16 non-

Specialist position in CRS is now charged to the LC quota. It is evident that if the Service is to carry out the responsibilities outlined in the Act, it needs and will continue to need such personnel and will have to draw from the Librarywide quota.

The Director now has pending before me three such requests for quota positions and has outlined his needs with respect to the Library quota in the next few years.

The Library of Congress, as you know, serves as the de facto national library of the United States. Much of the major research in library automation, bibliographic developments, microphotography, and preservation of library materials is done at the Library of Congress.

With the ongoing increase in automation and the move toward a national bibliographic network, the Library of Congress has taken a major and central role in attempting to apply automated techniques to cope with the information explosion. Not only do we need highly talented managers in systems analyses, but bibliographic and cataloging experts are a necessity. These are often rare (and highly priced) persons with great subject-matter depth and with advanced technical skills who must develop the intellectual means by which information can be retrieved. With the knowledge explosion and rapidly advancing technology, competition for such persons is heavy. The information industry constantly competes with governmental and educational institutions for this talent. As we progress toward national and regional information networks, there is going to be more and more need for such managerial skills, the result of which pushes salary levels higher.

The collections of the Library of Congress currently contain 72 million items. It is no doubt the most comprehensive collection of library materials in the world. Because of the cost of acquiring the material and storing and preserving it, the development of the collections must be well thought out and planned. Specialists in every subject and in every language known to man are needed to provide an orderly development of the collections, to provide reference service on the collections, and to supervise the preparation of bibliographies, guides, etc., in order that scholars can have access to the material housed in the Library of Congress. These individuals are equivalent to heads of departments in large universities.

Within the last 2 years, the Library of Congress has equipped and staffed one of the finest preservation laboratories in the world. We are currently involved with a large program to preserve materials in the Library's collections. This involves the restoration of irreplaceable manuscripts, maps, prints and photographs, and books. In addition a massive microfilming project is underway to microfilm more recent books and newspapers that have deteriorated because of the high acid content of the paper. Paper conservators, chemists, and other highly specialized personnel are at work on this project. We can only predict a large growth in the operation in the future if the deteriorating materials are to be preserved for posterity. This expanded program will require the finest talent available in the field.

The Copyright Office of the United States is one of the six departments of the Library of Congress. In addition to serving as the official registering agent for copyrights in the United States, it provides the leadership for this country in the international meetings relating to copyrights and the infringement of intellectual property. Public Law 92-140, approved October 15, 1971, directed the Copyright Office to provide for the creation of a limited copyright in sound recordings, protecting against unauthorized duplication. In addition, experts on the staff have provided leadership on the international scene in obtaining a Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms.

In order to recruit and maintain a highly expert legal staff in copyright matters, it is necessary to have additional supergrade positions. It is contemplated that the long-awaited Copyright Revision Bill will be enacted in the next session of Congress. This expected revision will result in significantly expanded rule-making and arbitration responsibilities and a measurable increase in staff. This would then present a need for an additional nationally known copyright expert at a supergrade level.

I would like to emphasize to your Committee that unlike some other governmental agencies, the Library of Congress has a very restricted number of statutory supergrade or Executive Level positions. In fact, we only have four such positions—the Librarian of Congress who is compensated at the rate of Level IV of the Executive Pay Schedule; the Deputy Librarian of Congress who is com-

compensated at a rate of level V; the Director of the Congressional Research Service at the rate of Level V; and the Deputy Director of the Congressional Research Service at a GS-18.

Finally, I would like to request a technical amendment in order that Title 5 United States Code 5108(b)(1) conform to the language and changes resulting from the Legislative Reorganization Act of 1970. The amendment would make no substantive change in existing law.

Section 5108(b)(1) of title 5 should be amended to read:

"The number of positions of Specialist and Senior Specialist, and the position of Deputy Director, in the Congressional Research Service, Library of Congress, placed in GS-16, 17, and 18 under section 203(a) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 166(c)(2)), are in addition to the number of positions authorized by subsection (a) of this section."

The suggested amendment would alter 5108(b)(1) in four ways. First, it would include "Specialist," in addition to "Senior Specialist," positions among those exempted from the quota established in 5108(a). Second, it would include the position of CRS Deputy Director among those exempted from 5108(a). Third, it would change "Legislative Reference Service" to "Congressional Research Service." Finally, it would correct the inaccurate reference to section 166(b)(1) of title 2 of the Code.

I would be happy to provide any additional information should your Committee so desire.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

NEED FOR INCREASED SUPERGRADE POSITIONS IN THE EXECUTIVE BRANCH

DECEMBER 13, 1973

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON MANPOWER AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met at 10 a.m., in room 210, Cannon House Office Building, Hon. David N. Henderson (chairman of the subcommittee) presiding.

Mr. HENDERSON. The subcommittee will come to order.

The Subcommittee on Manpower and Civil Service is today continuing its hearings on recommendations for additional GS-16, GS-17, and GS-18 positions in the Federal Government.

On November 29, 1973, the subcommittee ordered reported to the full House Post Office and Civil Service Committee H.R. 10419, a bill to increase the governmentwide quota of supergrade positions from 2,754 to 2,994, an increase of 240 positions. In addition to the increase in quota positions, the subcommittee has received requests from the Federal Bureau of Investigation, the Administrative Office of the United States Courts, the Library of Congress and the General Accounting Office for increases in supergrade positions allocated to these agencies outside of the governmentwide quota. Prior to the subcommittee's consideration of H.R. 10419, the subcommittee staff discussed the additional requests with officials from the requesting agencies, resulting in my recommendation to the subcommittee for increases that were less than the numbers requested. The subcommittee decided that hearings should be held on these additional requests prior to making any recommendation to the full committee.

It has been a number of years since the subcommittee has received testimony from agencies other than the Civil Service Commission in considering the needs of the Government for additional nonquota supergrades. The subcommittee recognizes and appreciates the critical need for top executives in Government. However, at the same time, the subcommittee believes very strongly that requests for any additional supergrades must be closely scrutinized. The testimony we have received thus far in our hearings has been very helpful. I sincerely hope we will be able to meet the most critical needs of the agencies and, as a result, we will not be faced with additional requests in the near future.

We are very pleased to have with us today Mr. Nicholas P. Callahan, Associate Director, Federal Bureau of Investigation; Mr. Rowland F. Kirks, Director, Administrative Office of the United States Courts;

Dr. L. Quincy Mumford, Librarian of Congress; and Mr. Smith Blair, Jr., Director, Office of Congressional Relations, General Accounting Office.

Gentlemen, it is my pleasure to welcome you this morning.

As I just discussed with you, we have some conflicts this morning. The House is going in at 11, and, in view of that, I want to rearrange the order of appearance of our witnesses.

We will first call Mr. Smith Blair, Director of the Office of Congressional Relations of the U.S. General Accounting Office.

It is my pleasure to welcome you this morning.

STATEMENT OF SMITH BLAIR, DIRECTOR, OFFICE OF CONGRESSIONAL RELATIONS, U.S. GENERAL ACCOUNTING OFFICE

Mr. BLAIR. Thank you very much, Mr. Chairman. I will attempt to summarize my statement.

I think it is important to point out that the additional positions that appear in H.R. 10419 would be for the executive branch. Supergrade positions for our office are provided for separately under section 5108 (c) (1) of title 5. As a result of action by the Congress in 1969, our office did receive authority for 90 supergrade positions. At the present time, 88 of these positions are filled or have been designated to be filled and are awaiting final approval by the Civil Service Commission. Although these positions are allocated to us independently of the general pool superintended by the Civil Service Commission, all appointments and position classifications are subject to the approval of the Commission, and we do have rigid standards for recommending to the Commission the allocation of our positions at the supergrade level.

As you are aware, since 1969 the work of our office has increased and changed to keep pace with the expanded and complex programs authorized by the Congress. As a result, we have had to change our organizational structure, our methods of operation, the scope of our work, and the makeup of our staff to meet the increasing responsibilities under new and enlarged programs and the growing number of requests we are receiving from the Congress for assistance.

As you know, the Comptroller General reorganized our office—it was completed in 1972—along functional lines. We now have nearly 3,400 professional employees; and, as a result of the action of the Congress in 1969, we were able to use some of the additional supergrade positions granted them to meet the needs of the office at the time of our reorganization in 1972. With the new legislation before the Congress, it is, of course, essential for the Comptroller General to be able to react to the demands placed upon him specifically by the Congress, as well as to carry out his responsibilities for investigating all matters relating to the receipt, disbursement and application of the public funds authorized under these new and expanded programs.

We view all of our work as being of assistance to the Congress in carrying out its legislative and oversight functions. We are doing this in two ways. One, providing direct assistance to the Congress where we provide staff to the committees, testify before the committees, and respond to requests for information, and the like, and second, directing

our staff resources to meet the anticipated needs of the Congress in our self-initiated reviews. Most recently, we have attempted to improve and enlarge the work we are doing in evaluating the effectiveness of the Federal programs, to the extent that 35 percent of our staff effort is now directed to that effort.

I think you would be interested in the fact that our direct assistance to the Congress has increased over the last 7 years. Back in 1966, it amounted to only 238 man-years. We anticipate that increasing to approximately 1,050 man-years in the current year. This would add up to approximately 25 percent of our staff. However, based upon the number of requests that we received this year, we may have underestimated. For example, this time last year we had received 1,200 requests for assistance from the Hill. So far, through the end of November of this year, we have received some 1,600 requests. So there has been a 31-percent increase this year over last year in the number of congressional requests so we may have been conservative in estimating an increase of only 25 percent.

In the interest of saving time, I will not identify the different acts that we cite in the statement where Congress has given us additional responsibility but I do think it is important to cite the Legislative Reorganization Act of 1970, which has had a significant impact upon our work. The general purpose of some of the sections of that act was to provide for the Congress to call more directly upon our office for assistance. One section which has had a material impact on our staff resources, relates to the requirement that we serve as agent for you in working with the Treasury and OMB in developing and assuring that the Congress information needs for budgetary and fiscal data are complied with.

For example, that staff was initiated with eight men. Mr. Staats has now authorized that group to increase to a total of 25 because of the increasing demands being placed upon it by the Appropriations Committee and other committees and Members.

I think it is important to point out that, following the granting of the additional 26 supergrades in 1969, the Comptroller General, following his normal, conservative approach, did not fill all those positions at that time. And, as you know, in 1972—I think it was April of 1972—the Federal Election Campaign Act was adopted, giving heavy responsibility to our office, and we were very fortunate in getting Mr. Sam Hughes, formerly Deputy Director of BOB, to head up that office, and some of the supergrade positions went into that office.

Mr. Staats has to look into the future to anticipate what responsibilities are going to be imposed upon us, and he needs additional supergrades to be able to respond to those responsibilities.

I would like to cite specifically work that we are particularly proud of, where we were required by an act of Congress, the Comprehensive Health Manpower Training Act, to study the feasibility of reducing the cost of constructing health facilities assisted under the Public Health Services Act. Congress was interested in our analysis of how hospitals and other medical facilities could be built to reduce their operating costs over their life, thereby reducing the ever-increasing cost of medical care. We have been told that our report, which was

issued in November of 1972, is going to be extremely helpful to the committees of Congress, the Secretary of HEW, and the hospital planners who are considering this subject. This study was accomplished by a special task force of experts drawn from throughout the office, who were able to accomplish the study in a timely manner, in time to be of assistance to the Congress. This use of special task forces is a technique that our office is now following, and, of course, this illustrates the need that we have for having expertise in all areas and people of the highest quality.

I could mention some of the other acts under which we have been given added responsibilities. Again, the statement will show this, but a very important study is one called for by the Water Pollution Control Act Amendments of 1972, which requires us to conduct a governmentwide review of the research, pilot, and demonstration programs relating to the prevention of water pollution. Again, this is being undertaken by a highly capable staff of experts, using the task force approach.

The Congress has just enacted the Alaska Pipeline Act, approved by the President on November 16. This is going to place additional responsibilities upon us. Included is an amendment to the Federal Reports Act of 1942, substituting us for OMB in reviewing the information-gathering activities of the independent regulatory agencies in an effort to avoid duplication of effort and to minimize the compliance burden upon business enterprises and others required to furnish information.

Again, a new act, establishing another independent agency of the Congress—the Office of Technology Assessment—and we are providing the administrative support to this agency. The personnel actions will flow through our office; the accounting, finance, the handling of the records, legal assistance. That is not mentioned in the statement.

The budget reform bill is a subject of great interest to the Congress. The House, as you know, on December 5, passed H.R. 7130, which, among other things, will require our office to provide the Congress with information concerning impoundments reported by the President to assist it in determining the need to enact a resolution within 60 days disapproving any impoundment action he has initiated. The bill also directs the Comptroller General to notify the Congress of any impoundments not reported by the President, and in such cases, that notification would trigger the disapproval procedure. Also, the Comptroller General is authorized, with the approval of the Congress, in any particular case, to bring civil actions on behalf of the Congress to enforce compliance with the requirements of this bill. This review of the executive branch reports of impoundments will require determining the legality of such impoundments and pursuing judicial remedies where necessary.

My formal statement discusses some of the acts establishing new and expanded Federal programs which require us, under our basic 1929 authority, to audit. The ones mentioned are the Social Security Amendments of 1972 and the Education Amendments of 1972, which have made major changes in existing programs and established a number of new educational programs. We have had to increase our audit

effort because of the requirements of this legislation, which also requires the Comptroller General to evaluate the effectiveness of these educational programs.

In planning our self-initiated reviews of the economy, efficiency, and results of Federal programs and activities, we attempt to select those programs and agency operations in which there is strong present or potential congressional interest, as well as opportunity for improvement.

As you know, we maintain continuous contact with the committees of the Congress and your staffs, and, through briefing sessions, we attempt to determine what programs you are going to be looking into next year and where we can be of assistance to you.

Another endeavor of the Comptroller General is to establish a strong long range planning program in which this group is attempting to look ahead down the road to determine the problems that are going to be facing the Congress and what impact that will have on our organization, in order to respond to these needs.

A very good example, I think, of where we have responded to congressional interests and one in which, of course, your committee has had intense interest, is in the performance of the Postal Service in rendering service to the people of the United States. Because of the problems encountered there, the congressional offices were flooded with complaints, and we, working with your committee and the Senate committee, undertook a wide scale review of the quality of the mail service. What we were interested in determining were the standards that the Postal Service had established for delivering first-class letter mail, as well as the current status of the national bulk-mail system and the proposed preferential mail system. Many of these reviews at particular locations were undertaken at the request of individual Members of the Congress, and individual reports and briefings have been given to these Members. As you know, we have worked with you in your oversight hearings in this matter. We are now in the process of developing an overall report on the problems the Postal Service has had in meeting these delivery standards. We hope to have the report issued to the Congress early next year.

In the energy-conservation area, we currently have 23 ongoing assignments underway on our own initiative, together with 10 congressional request reviews, including a study of Federal energy data collection of the Senate Interior and Insular Affairs Committee. The Comptroller General saw this problem coming down the road, and, as a result of this, he established, again, a special task force within our office to have oversight responsibilities for this growing critical area and to coordinate the work of the various divisions of our office that are engaged in this activity.

Another example where we have worked with the committees, and with your committee and the Senate Post Office Committee, is the study assessing the reasonableness of the bases used in determining pay comparability under the principles established by the Federal Salary Reform Act of 1962 and reaffirmed by the Federal Comparability Act of 1970. We have found that a very small adjustment in Federal pay involves hundreds of millions of dollars. We think it is important

for GAO to inform the Congress whether the process by which comparability adjustments are being made is adequate and accurate.

Our first report, which was issued on May 11 of this year, covers our review of the design and conduct of the annual survey of private enterprise salaries used as the basis for assessing and adjusting Federal white collar salary rates. Our continuing review, as we have discussed with you, and the subsequent reports will cover the use of the survey data in assessing and adjusting these rates and the structure of the statutory pay systems.

I have cited in the formal statement examples of the requests made upon us by various committees of the Congress. For example, the House Committee on Appropriations, in its 1972 report covering the DOD appropriation for 1973, directed us to make a comprehensive review of the Navy's ship overhaul and repair programs for fiscal years 1972 and 1973.

The Senate Committee on Armed Services, in its report of September 6, 1973, requested our office to undertake an examination of five major weapons systems, giving consideration to the development and utilization of dual competitive prototype contracts.

A joint request from the Senate Committee on Armed Services and the Joint Economic Committee has asked us to undertake a comprehensive study of Federal expenditures for independent research and development and submit a report with recommendations by April 1, 1974.

In order to carry out our broad and increasing responsibilities as an independent and nonpartisan agency of the Congress, we feel it is essential that we have top-quality leadership in our many fields of endeavor. And by training and careful selection of staff personnel responsible for directing our reviews on a day-to-day basis, we believe we have been able to achieve a considerable measure of success in meeting this challenge. The only way we feel that this can be done effectively is to offer positions comparable to the responsibility.

After giving careful consideration to our organizational structure and to our operational responsibilities, we have concluded that there is an essential need for additional supergrades in our office. We strongly urge, therefore, that your committee and the Congress give favorable consideration to amending H.R. 10419 to provide authority for 10 additional supergrade positions for the General Accounting Office.

That concludes my statement, Mr. Chairman. I hope I was able to brief it for you.

[The complete prepared statement follows:]

PREPARED STATEMENT OF SMITH BLAIR, DIRECTOR, OFFICE OF CONGRESSIONAL
RELATIONS, U.S. GENERAL ACCOUNTING OFFICE

Mr. Chairman and members of the subcommittee, we appreciate this opportunity to appear before you during your consideration of H.R. 10419 to present the Comptroller General's views on our need for additional supergrade positions in the General Accounting Office due to increased world-wide responsibilities associated with our work throughout the Federal Establishment.

The additional positions in grades GS-16, GS-17 and GS-18 provided for in H.R. 10419, would be for the executive branch of the Government. Supergrade positions for the General Accounting Office are provided for separately under section 5108(c) (1) of title 5. As a result of the action taken by the Congress in

1969, Public Law 91-187, the General Accounting Office now has authority for 90 supergrade positions. At the present time, 88 of these positions are filled, or have been designated to be filled and are awaiting final approval of the Civil Service Commission. Although these positions are allocated to the GAO independently of the general pool superintended by the Civil Service Commission, all appointments and position classifications are subject to approval of the Commission. We have rigid standards for recommending to the Civil Service Commission the allocation of positions in grades GS-16, GS-17 and GS-18. We are mindful, Mr. Chairman, of the Committee's efforts to assure that they be used to attract and keep the talent and ability in the Government necessary to the successful conduct of programs and activities authorized by the Congress.

Since 1969 the work of the General Accounting Office has expanded and changed. As the Federal Government has become increasingly engaged in new and expanded complex programs, the General Accounting Office has had to change its organizational structure, its methods of operation, the scope of its work, and the make up of its staff to meet these increasing responsibilities and the growing number of requests for assistance from the Congress as a whole, from committees of the Congress, and from individual members. We are now organized along functional lines and have a highly qualified professional staff of nearly 3,400 persons engaged in accounting and auditing, overall financial management, program evaluation, legal interpretations and analyses, systems analyses, cost benefit studies, and other areas of specialization.

A principal objective of GAO is to render maximum assistance to the Congress, its committees, and Members consistent with our responsibilities as an independent, non-political agency. We view all of our work as being of assistance to the Congress in carrying out its legislative and oversight functions. We, therefore, direct our staff resources in work that will produce information on the results of Federal programs and agency operations that will be most useful to the Congress and in areas which fulfill the greatest apparent need and benefit to the Government. This assistance to Congress for the purpose of improving management of Federal programs and operations is accomplished in two ways. First, by providing direct assistance to congressional committees and Members to the extent that twenty-five percent of our professional staff supports the needs of Congress in meeting its legislative oversight responsibilities. Second, by increasing the number and scope of self initiated reviews designed to evaluate the effectiveness of Federal programs in achieving the objectives intended by the Congress. We consider the evaluation of program effectiveness as a very important and growing part of our work. About thirty-five percent of our professional staff time is devoted to this work.

We believe the General Accounting Office has attained a position of leadership in the program evaluation field, not only for the Federal Government, but also in providing guidance for State and local audit organization. In this regard, Title VII of S. 1541, the so-called budget control bill reported by the Senate Government Operations Committee, provides for the Comptroller General to develop and prescribe principles and standards for the evaluation of Federal programs. It also requires him to assist Committees in developing legislative language in authorization bills for Federal agency programs evaluations and in analyzing and assessing program reviews prepared by or for Federal agencies.

Total staff resources applied to our direct assistance to the Congress have continually increased in the last seven years and will require the services of twenty-five percent of our professional staff this year. This upward trend reflects our continuing efforts to improve GAO's services as a reliable source of information to the Congress on Government program operations.

Congress each year has given the General Accounting Office additional responsibilities. Of particular significance is the Legislative Reorganization Act of 1970, P.L. 91-510 approved October 26, 1970. The general purpose of certain sections of this act is to provide for even greater use of the General Accounting Office as an arm of the Congress in examining and analyzing the management of Federal programs, and the use of General Accounting Office staff and other assistance by committees during consideration of proposals for new or revised Federal programs. Another provision (sections 201 and 202) has also resulted in increased assistance to the Congress where we, as agent of the Congress, cooperate with the Secretary of the Treasury and the Director of the Office of Management and Budget in developing, establishing and maintaining a standardized information and data processing system for budgetary and fiscal data. Title IX

of S. 1541, would expand our responsibilities in this latter field. Notwithstanding the fate of that bill, the staff resources we apply to this effort will have to be increased to meet the Congress' long-range goal of a truly effective budgetary and fiscal information system.

The Federal Election Campaign Act of 1972, and the Presidential Election Campaign Fund Act approved December 10, 1971, gave us responsibilities which led to the establishment of the Office of Federal Elections within the General Accounting Office.

In addition to these broad mandates placing continuing responsibilities upon the Office, Congress is increasingly calling upon us for comprehensive and complex studies which require expertise and leadership of the highest order. For example, the Comprehensive Health Manpower Training Act of 1971 required GAO to study the feasibility of reducing the cost of constructing health facilities assisted under the Public Health Services Act. Congress was interested in our analysis of how hospitals and other medical facilities can be built to reduce their operating costs over their life, thereby reducing the cost of medical care. We have been told that our report, issued in November 1972, is going to be extremely helpful to the committees of Congress, the Secretary of HEW, and to hospital planners who are considering this subject. This major study was accomplished in a timely manner by a special task force of highly qualified experts, a new technique we are resorting to in special circumstances such as this.

In addition, the following more significant legislative actions occurring since January 1, 1972, have increased this type of responsible workload of the General Accounting Office:

The Water Pollution Control Act Amendments of 1972 which requires the Comptroller General to conduct a Governmentwide review of the research, pilot, and demonstration programs related to the prevention of water pollution.

The State and Local Fiscal Assistance Act of 1972 (Revenue Sharing) directs GAO to review the work done by the Secretary of the Treasury and the State and local governments to enable the Congress to evaluate compliance and operations.

The Alaska Pipeline Act approved November 16, 1973 amended the Federal Reports Act of 1942 to substitute GAO for the Office of Management and Budget with regard to the review of information gathering activities by independent regulatory agencies to avoid duplication of effort and to minimize the compliance burden upon business enterprises and others required to furnish information.

The Amendment to the National School Lunch Act dated September 26, 1972, requires the Comptroller General to evaluate pilot program administered by the Department of Agriculture to provide supplemental foods to eligible mothers and infants determined to be nutritionally disadvantaged because of an inadequate income.

Pending legislation before the Congress will place additional significant responsibility upon the GAO to assist the Congress. For example, the impoundment section of the Budget Reform Bill, H.R. 7130, which the House passed last week on December 5, 1973, requires our Office to provide Congress with information concerning impoundments reported by the President to assist it in determining the need to enact a resolution within 60 days disapproving any impoundment action he has initiated. The bill also directs the Comptroller General to notify the Congress of any impoundments not reported by the President, and in such cases, that notification would trigger the disapproval procedure. Also, the Comptroller General is authorized, with the approval of Congress in any particular case, to bring civil actions on behalf of the Congress to enforce compliance with the requirements of the bill. This will involve our review of Executive branch reports of impoundments, determine the legality of such impoundments and pursue judicial remedies where necessary.

Perhaps even more important than legislative actions which directly require action by GAO is legislation which creates new Federal programs or expands existing program levels. These actions require additional work by the GAO requiring a highly qualified staff of experts in a broad spectrum of endeavors. A few examples follow:

The Social Security Amendments of 1972 which provides for Federal administration of programs for the aged, the blind, and the disabled, which replace existing Federal-State cooperative programs will increase our staff requirements in the income security area.

The Education Amendments of 1972 which made major changes to existing programs and established a number of new education programs. We have had to increase our audit effort because of the requirements of this legislation which also specifically places responsibility upon the Comptroller General to evaluate education programs.

The Public Buildings Amendments of 1972 authorizes the General Services Administration to charge agencies for space occupied in Federal buildings and related services based on comparable commercial charges. We are cooperating with GSA in developing an accounting system which meets GAO requirements.

In planning our self-initiated reviews of the economy, efficiency and results of Federal programs and activities we select those Federal programs and agency operations in which there is strong present or potential congressional interest as well as opportunity for improvement. We maintain continuous contact with committees and their staffs through briefing sessions and discussions of matters of mutual concern. We have also established long-range program and project planning systems by which we are trying to do more by way of looking ahead to the kinds of problems and issues we anticipate we will be faced with in the future in order to select our longer range programs and the impact upon our organizational capabilities to meet these needs. Consequently, we coordinate and plan our self-initiated work, as well as our direct assistance work, to assure that our reports are responsive to the Congress.

For example, in response to the considerable interest shown by the Congress and the public in the performance of the Postal Service we undertook an extensive review of the quality of mail service; that is to say, the extent to which the Postal Service is achieving its announced standards for delivering first-class letter mail as well as with the current status of the national bulk mail system and the proposed preferential mail system. Many of these reviews at particular locations were undertaken at the requests of individual Members and individual briefings and reports have been issued to these Members. Our overall report on the problems in meeting service delivery standards is now being developed for issuance early next year.

Our reviews of management processes and results cover a wide range of areas in which the Congress has demonstrated an interest and concern such as energy, environmental pollution, consumer services, health, housing, education, welfare, procurement, logistics, communications and Federal personnel and compensation programs which we approach on a Governmentwide basis.

In the energy-conservation area we currently have twenty-three ongoing assignments underway on our own initiative together with ten Congressional request reviews including a study of Federal energy collection for the Senate Interior and Insular Affairs Committee.

One example, where we have been maintaining contact with your Committee, is our present study assessing the reasonableness of the bases used in determining pay comparability under the principles established by the Federal Salary Reform Act of 1962 and reaffirmed by the Federal Comparability Act of 1970. A very small adjustment in Federal pay involves hundreds of millions of dollars. We think it is important for GAO to inform the Congress whether the process by which comparability adjustments are being made is adequate and accurate. Our first report issued on May 11, 1973, B-167266 covers our review of the design and conduct of the annual survey of private enterprise salaries used as the basis for assessing and adjusting Federal white-collar salary rates. Our continuing review and subsequent reports will cover the use of the survey data in assessing and adjusting these rates and the structure of the statutory pay systems.

The continually expanding requests from committees have a significant impact on the amount, scope and level of responsibility of the work of the General Accounting Office, for example:

The House Committee on Appropriations in its 1972 report on the Department of Defense appropriation for fiscal year 1973, directed us to make a comprehensive review of the Navy's ship overhaul and repair programs for fiscal years 1972 and 1973.

The Senate Committee on Armed Services in its report of September 6, 1973, requested our Office to undertake an examination of five major weapon systems giving consideration to the development and utilization of dual competitive prototype contracts.

The Senate Committee on Armed Services, Subcommittee on Research and Development and the Subcommittee on Priorities and Economy in Government

of the Joint Economic Committee jointly requested that we undertake a comprehensive study of Federal expenditures for independent research and development and submit a report with recommendations by April 1, 1974. This request was printed in the Congressional Record of October 11, 1973 (S-19051-2), and includes 22 broad questions on the subject.

In order to carry out our broad and increasing responsibilities as an independent and non-partisan agency of the Congress, it is essential that we have top quality leadership in our many fields of endeavor. By training and careful selection of staff personnel responsible for directing our reviews on a day-to-day basis, we believe we have been able to achieve a considerable measure of success in meeting this challenge. The only lasting way that this can be done is to offer positions comparable to responsibility.

After giving careful consideration to our organizational structure and to our operational responsibilities, we have concluded that there is an essential need for additional supergrades in our Office. We strongly urge, therefore, that your Committee and the Congress give favorable consideration to amending H.R. 10419 to provide authority for ten additional supergrade positions for the General Accounting Office.

Mr. HENDERSON. Thank you very much, Mr. Blair. You have contributed what the subcommittee wanted in connection with your request.

I thought the request was a modest one and I did recommend we approve the request for the 10 additional supergrades.

I certainly would like to respond to the point you made with regard to the assistance provided to all the committees, but specifically with regard to our committee's jurisdiction and work. Your assistance has been invaluable, and I want to personally thank you and General Staats for the fine assistance our subcommittee has had and the quality of personnel that have been assigned to us, Tom Metz and Joe Gregory. They are both very fine men. We are also looking forward to the return of Merle Stoner.

I would just ask you to keep us in mind, as you have in the past, in order to brief us after the fact as to any reorganizations or assignments of the 10 supergrade positions. I feel sure we will continue to have the full confidence and cooperation of the General Accounting Office with the Congress.

I appreciate your appearance here this morning, and give our best regards to the general.

Mr. BLAIR. Thank you very much, Mr. Chairman. I certainly appreciate the opportunity to appear before you.

Mr. HENDERSON. The next witness is Dr. Mumford.

Dr. Mumford, it is a pleasure to have you with us this morning.

Dr. MUMFORD. Thank you very much, Mr. Chairman.

I would like to introduce Ms. Adoreen McCormick, the legislative liaison officer.

Mr. HENDERSON. We appreciate the fine service you render to us, and if you could—with regard to your request for eight supergrades—explain how you expect to allocate these, if they are granted, it would be most helpful.

STATEMENT OF L. QUINCY MUMFORD, LIBRARIAN OF CONGRESS

Dr. MUMFORD. I have submitted a larger statement, Mr. Chairman, but I will simply try to point out the areas in which additional supergrades are needed to the greatest extent.

I am very glad to be here to speak of the supergrade needs of the Library of Congress, and I respectfully request that the Library's quota be increased from 44 to 52, a gain of 8 such positions.

The Library has endeavored to hold the line with respect to escalation of grade structure, but in order to meet our many national and international responsibilities, certain executive staffing needs must be recognized.

The Legislative Reorganization Act of 1970 directed the Congressional Research Service to expand its operations considerably. A great deal of additional responsibility was placed upon that service by the act.

Provision was made in the Reorganization Act for specialists and senior specialists to be compensated at the GS-16, GS-17, and GS-18 levels, subject to the approval of the Joint Committee on the Library, without regard to provisions of the law relating to supergrade quotas.

The 1946 Reorganization Act had provided only for senior specialists, not specialists. Thus, specialist positions at supergrade levels were formerly positions within the Library of Congress quota. The Reorganization Act did not, however, provide for exemption from the supergrade quota the Congressional Research Service positions that were not in senior specialist and specialist categories, such as computer specialists and management and administrative personnel. And, currently, one GS-16 nonspecialist position in the Congressional Research Service is charged to the Library of Congress quota. It is evident that if the Service is to carry out the responsibilities outlined in the act, it needs and will continue to need such personnel and will have to draw from the Library-wide quota.

The Library of Congress, as you know, serves as the de facto national library of the United States. Much of the major research in library automation, bibliographic developments, microphotography, and preservation of library materials is done at the Library of Congress.

With the ongoing increase in automation and the move toward a national bibliographic network, the Library of Congress has taken a major and central role in attempting to apply automated techniques to cope with the information explosion. Not only do we need highly talented managers in systems analysis, but bibliographic and cataloging experts are a necessity. These are often rare and highly priced persons with great subject matter depth and with advanced technical skills, who must develop the intellectual means by which information can be retrieved. The information industry constantly competes with governmental and educational institutions for this talent. As we progress toward national and regional information networks, there is going to be more and more need for such managerial skills. The National Commission on Libraries and Information Science contemplates that the Library of Congress will have a central role in such networks. Its recommendations could not be carried out unless the Library is in a position to recruit some of the top information scientists in the country.

The collection of the Library of Congress currently contain some 72 million items. Because of the cost of acquiring the material and storing

and preserving it, the development of the collections must be well thought out and planned. Specialists in almost every subject and every language known to man are needed to provide an orderly development of the collections, to provide reference service on the collections, and to supervise the preparation of bibliographies, guides, and so on, in order that scholars can have access to the material housed in the Library.

The Law Library in the Library of Congress is the largest library of America and foreign legal materials in this country, and no doubt in the world. Lawyers with expertise in foreign law are needed to provide information to the Congress, the Bench and bar, and to the general public.

Another area in which the Library of Congress has a national role is in providing reading materials for the blind and physically handicapped. This program has grown rapidly, and we are currently serving through 53 regional libraries and some 75 subregional libraries over 400,000 readers, and the number is gaining daily.

The Division for the Blind and Physically Handicapped conducts research and development in the area of specialized reading materials such as recordings, tape cassettes, and the machines on which to play them. We currently have only one supergrade position assigned to the Division, and the need for additional top management personnel is becoming extremely serious.

Within the last 2 years, the Library of Congress has equipped and staffed one of the finest preservation laboratories in the world. We are currently involved with a large program to preserve materials in the Library's collections. Basic research is being conducted on the best means to preserve deteriorating paper. Paper conservators, chemists, and other highly specialized personnel are at work on this project. We can only predict a large growth in these operations in the future if the deteriorating materials are to be preserved for posterity.

The Copyright Office of the United States is one of the six departments of the Library of Congress. In addition to serving as the official registering agent for copyrights in the United States, it provides the leadership for this country in international meetings relating to copyrights and the infringement of intellectual property. Public Law 92-140, approved October 15, 1971, directed the Copyright Office to provide for the creation of a limited copyright in sound recordings, protecting against unauthorized duplication.

In order to recruit and maintain a highly expert legal staff in copyright matters, it is necessary to have additional supergrade positions. It is contemplated that the long-awaited copyright revision bill will be enacted in the next session of Congress. This expected revision will result in significantly expanded rulemaking and arbitration responsibilities and a measurable increase in staff. With the ever-increasing activity on the international scene with respect to copyright, it is anticipated that an international copyright expert to devote his or her time to this exclusively will also be needed.

I would like to emphasize to your committee, Mr. Chairman, that, unlike some other governmental agencies, the Library of Congress has a very restricted number of statutory supergrade or executive level positions. In fact, we have only four such positions.

I have given the committee staff a draft of a technical amendment in order that title 5, United States Code, 5108(b) (1), conform to the language and changes resulting from the Legislative Reorganization Act of 1970. This amendment would make no substantive change in existing law.

I would be glad to answer any questions that you may have.

[The complete prepared statement follows:]

PREPARED STATEMENT OF L. QUINCY MUMFORD, LIBRARIAN OF CONGRESS

Mr. Chairman and members of the subcommittee, I am happy to appear here to speak of the supergrade needs of the Library of Congress. After careful consideration of the Library's need for supergrade positions in the near future, I respectfully request that the Library of Congress' quota be increased from 44 to 52, a gain of eight such positions.

The Library of Congress has endeavored to hold the line with respect to escalation of grade structure, but in order to meet our many national and international responsibilities, certain executive staffing needs must be recognized.

The Legislative Reorganization Act of 1970 directs the Congressional Research Service to advise and assist all Congressional committees in analyzing and evaluating legislative proposals, in determining the advisability of their enactment, in estimating the probable results of these proposals, and in evaluating alternatives to them. It directs the Service to provide committees, at the opening of each Congress, with lists of subjects and policy areas the committees might profitably analyze in depth. It also directs the Service to provide committees with lists of programs and activities scheduled to expire during an upcoming Congress, and to provide any committee or Member with memoranda relating to any legislative measure scheduled for hearings.

Provision was made in the 1970 Reorganization Act for Specialists and Senior Specialists to be compensated at the GS-16, GS-17, and GS-18 rates of pay, subject to the approval of the Joint Committee on the Library, without regard to provisions of law relating to supergrade quotas. The 1946 Reorganization Act had provided only for Senior Specialists, not Specialists. Thus, Specialist positions at supergrade levels were formerly positions within the LC quota. For the information of your Committee, we were able to transfer 5 GS-16 CRS Specialists from the Library-wide quota to the Specialist provisions authorized under the 1970 Act. This Act did not, however, provide for exemption from the supergrade quota the CRS positions that were not in Senior Specialists and Specialists categories, such as computer specialists and management and administrative personnel. Currently, one GS-16 non-Specialist position in CRS is charged to the LC quota. It is evident that if the Service is to carry out the responsibilities outlined in the Act, it needs and will continue to need such personnel and will have to draw from the Library-wide quota. The Director of CRS now has pending before me three such requests for quota positions and has outlined his needs with respect to the Library quota in the next few years. His estimation is that he will need an additional five such positions in this period of unprecedented growth for the Service in meeting the demands of the Congress.

The Library of Congress, as you know, serves as the de facto national library of the United States. Much of the major research in library automation, bibliographic developments, microphotography, and preservation of library materials is done at the Library of Congress.

With the ongoing increase in automation and the move toward a national bibliographic network, the Library of Congress has taken a major and central role in attempting to apply automated techniques to cope with the information explosion. Not only do we need highly talented managers in systems analysis, but bibliographic and cataloging experts are a necessity. These are often rare (and highly priced) persons with great subject-matter depth and with advanced technical skills who must develop the intellectual means by which information can be retrieved. With the knowledge/communications explosion and rapidly advancing technology, competition for such persons is heavy. The information industry constantly competes with governmental and educational institutions for this talent. As we progress toward national and regional information networks, there is going to be more and more need for such managerial skills, the result of

which pushes salary levels higher. The National Commission on Libraries and Information Science contemplates that the Library of Congress will have a central role in such networks. Its recommendations could not be carried out unless LC is in a position to recruit some of the top information scientists in this country.

The collections of the Library of Congress currently contain some 72 million items. It is no doubt the most comprehensive collection of library materials in the world. Because of the cost of acquiring the material and storing and preserving it, the development of the collections must be well thought out and planned. Specialists in almost every subject and every language known to man are needed to provide an orderly development of the collections, to provide reference service on the collections, and to supervise the preparation of bibliographies, guides, etc., in order that scholars can have access to the material housed in the Library of Congress. These individuals are equivalent to heads of departments in large universities and research institutions.

The Law Library in the Library of Congress is the largest library of American and foreign legal materials in this country and no doubt in the world. Lawyers with expertise in foreign law are needed to provide information to the Congress, the bench and bar, and to the general public. The Law Librarian has several requests before me for supergrades for his senior legal specialists. As you can imagine, such expertise is highly unique. Without it this world-famous collection of legal materials would be useless to this country. International communication and interchange has heightened our need for specialists in the laws of countries around the world.

Another area in which the Library of Congress has a national role is in providing reading materials for the blind and physically handicapped. This program has grown rapidly and we are currently serving through 53 regional libraries and some 75 subregional libraries over 400,000 readers and the number is gaining daily.

The Division for the Blind and Physically Handicapped conducts research and development in the area of specialized reading materials such as recordings, tape cassettes, and the machines on which to play them. We currently have only one supergrade position assigned to the Division for the Blind and Physically Handicapped and the need for additional top management personnel is becoming extremely serious.

Within the last 2 years, the Library of Congress has equipped and staffed one of the finest preservation laboratories in the world. It is expected to provide leadership in this unique field of research and application. We are currently involved with a large program to preserve materials in the Library's collections. This involves the restoration of irreplaceable manuscripts, maps, prints and photographs, and books. In addition, a massive microfilming project is underway to microfilm more recent books and newspapers that have deteriorated because of the high acid content of the paper. Basic research is being conducted on the best means to preserve deteriorating paper. Paper conservators, chemists, and other highly specialized personnel are at work on this project. We can only predict a large growth in these operations in the future if the deteriorating materials are to be preserved for posterity. The ever-increasing shortage of paper and binding materials will further tax the skills of these specialists and new personnel will need to be added to the staff. This expanded program will require the finest talent available in the field.

The Copyright Office of the United States is one of the six departments of the Library of Congress. In addition to serving as the official registering agent for copyrights in the United States, it provides the leadership for this country in international meetings relating to copyrights and the infringement of intellectual property. Public Law 92-140, approved October 15, 1971, directed the Copyright Office to provide for the creation of a limited copyright in sound recordings, protecting against unauthorized duplication. In addition, experts on the staff have provided leadership on the international scene in obtaining a Convention for the Protection of Producers of Phonograms against unauthorized Duplication of their Phonograms.

In order to recruit and maintain a highly expert legal staff in copyright matters, it is necessary to have additional supergrade positions. It is contemplated that the long-awaited Copyright Revision Bill will be enacted in the next session of Congress. This expected revision will result in significantly expanded rule-

making and arbitration responsibilities and a measurable increase in staff. This would then present a need for an additional nationally known copyright expert at a supergrade level. With the ever-increasing activity on the international scene with respect to copyright, it is anticipated that an international copyright expert to devote his or her time to this exclusively will also be needed.

I would like to emphasize to your Committee that unlike some other governmental agencies, the Library of Congress has a very restricted number of statutory supergrade or Executive Level positions. In fact, we only have four such positions—the Librarian of Congress who is compensated at the rate of Level IV of the Executive Pay Schedule; the Deputy Librarian of Congress who is compensated at the rate of Level V; the Director of the Congressional Research Service at the rate of Level V; and the Deputy Director of the Congressional Research Service at a GS-18.

Finally, I would like to request a technical amendment in order that Title 5 *United States Code* 5108(b) (1) conform to the language and changes resulting from the Legislative Reorganization Act of 1970. This amendment would make no substantive change in existing law.

Section 5108(b) (1) of Title 5 should be amended to read:

"The number of positions of Specialist and Senior Specialist, and the position of Deputy Director, in the Congressional Research Service, Library of Congress, placed in GS-16, 17, and 18 under section 203(a) of the Legislative Reorganization Act of 1946, as amended (2 *U.S.C.* 166(c) (2)), are in addition to the number of positions authorized by subsection (a) of this section."

The suggested amendment would alter 5108(b) (1) in four ways. First, it would include "Specialist," in addition to "Senior Specialist," positions among those exempted from the quota established in 5108(a). Second, it would include the position of CRS Deputy Director among those exempted from 5108(a). Third, it would change "Legislative Reference Service" to "Congressional Research Service." Finally, it would correct the inaccurate reference to section 166(b) (1) of Title 2 of the Code.

Mr. HENDERSON. Thank you very much, Dr. Mumford.

We have noted your request for the amendment to the law and will be as responsive as we can, because I think we do understand your request and the wisdom of your suggestions.

Let me ask you one question.

Are you prepared at the moment to be more specific as to the number of supergrades you need, say, in the area of the Law Library? And you mentioned the Division for the Blind and Physically Handicapped. Have you specifically decided how you would use the eight if they were granted?

Dr. MUMFORD. Yes; I can mention that.

In the Law Library there are three positions that are eligible for supergrades and that supergrades are needed for: Chief of the American/British Law Division; Chief of the Hispanic Law Division; Chief of the Near Eastern Law Division.

In the Division for the Blind and Physically Handicapped: An Assistant Chief for the Division.

In the Copyright Office: An Assistant Register of Copyrights for International Affairs.

In the Congressional Research Service, for the administrative positions that do not fall under the provisions of the Legislative Reorganization Act. There is the Executive Officer; Chief of the Congressional Reference Division; Chief of the Library Services Division; Coordinator of Research; Coordinator of Inquiry, Assignment, and Control; Head, Documentation and Status of Legislation; Coordinator of Systems Analysis; Coordinator of Automated Issues of the Legislative Briefing System.

And in our Processing Department, where we have specialists in great depth: Chief of the Decimal Classification Division; Chief of the Subject Cataloging Division; Chief of the Serial Record Division; and Chief of the Card Division. We would not, of course, fill these immediately. These are some of our projected needs.

Mr. HENDERSON. Very good. I am certainly grateful for the testimony that you have given, Dr. Mumford.

How long have you been a librarian?

Dr. MUMFORD. 19 years, Mr. Chairman.

Mr. HENDERSON. Are you going to be able to stay long enough to get into the new building over here?

Dr. MUMFORD. That is very doubtful, but it is gratifying to see it move up every day.

Mr. HENDERSON. When I ask that, I hope it would be your choice to stay until you see that building occupied. I am sure you could occupy it if it was your choice to do so.

And, finally, I hope that you are going to get an opportunity to go back to North Carolina.

Dr. MUMFORD. That would be a pleasure, Mr. Chairman. I remember our visit to Mount Olive College. It was a very pleasant one.

Mr. HENDERSON. You have distinguished yourself, and we in the State are very proud of you.

Thank you very much for your helpful testimony this morning.

Dr. MUMFORD. Thank you, Mr. Chairman.

Mr. HENDERSON. The next witness I will call will be Mr. Callahan, Associate Director of the Federal Bureau of Investigation.

I would like to welcome you here this morning, Mr. Callahan, and recognize the distinguished award which you recently received in the Department of Justice. Make yourself comfortable, and you may proceed as the others have.

Before you get started, I notice you are accompanied by Mr. David Bowers, who may not want to come to the witness table with you, but he certainly serves the Bureau well. It has been our pleasure to work with him for the past several years, and he has been helpful in all affairs affecting the Bureau.

STATEMENT OF NICHOLAS P. CALLAHAN, ASSOCIATE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Mr. CALLAHAN. Thank you, Mr. Chairman. I appreciate the opportunity to appear before this committee and try to present a case for the supergrade positions that you have under consideration in H.R. 10419. And I want to thank you, too, for the recognition with regard to the award yesterday. I view that, however, as a tribute to all the dedicated employees of the FBI with whom I have been privileged to serve for many years.

The statement that has been presented previously, Mr. Chairman, I will try to highlight to point out the need we feel is urgent with regard to the request for the 50 additional positions.

The last increase in our supergrade positions was December 30, 1969, in Public Law 91-187—approved December 30. There have been no

increases since. We recently did a survey to ascertain the need for adequately compensating our top officials who direct our ever-increasing responsibilities. The officials in the positions for which the additional supergrades are intended are relied upon to and do perform in leadership capacities, with the same degree of responsibility as other officials currently in supergrade positions, and we feel it is fitting to correct this inequity, if at all possible. The additional positions would permit the FBI to retain its highly experienced career executives and materially enhance our operations. The personnel for whom these supergrades are intended are experienced, dedicated employees, whom we feel should be recognized through this means.

I can point out the categories of the positions for which these supergrades are being requested: One inspector position, one No. 1 man, five No. 2 men of the operating divisions, one administrative assistant, seven section chiefs in our operating divisions, 26 assistant special agents in charge, and nine legal attachés who function in a liaison capacity at our foreign posts.

Mr. HENDERSON. I wonder if I may ask you a question?

As I understand, from staff discussions with the office, the FBI has 12 assistant directors as heads of divisions, and an inspector who heads one division. In your statement, you refer to a No. 1 man and a No. 2 man, who I understand are deputy assistant directors and associate deputy assistant directors; 11 of the deputy assistant directors, who have supergrade duties, are the No. 1 men. Your request includes one additional deputy, and the five No. 2 men in your request are for associate deputy positions?

Mr. CALLAHAN. That's correct, sir.

Mr. HENDERSON. Could you elaborate just a little bit on the terminology of the No. 1 and No. 2 men and how they fit into your organization?

Mr. CALLAHAN. Yes. A definition of the positions that I have enumerated are as follows, Mr. Chairman:

An inspector is one of several full-time inspectors assigned to our Inspection Division who head up teams conducting periodic inspections of our field offices and our headquarters divisions. They carry out, in addition, special assignments as needed and necessary, and they also head up onsite investigations in the field in major or special-type cases where there is a tremendous public interest.

The No. 1 man position is a first deputy to an assistant director in charge of an FBI headquarters division, one of the 12 divisions that we currently have, as you noted.

The No. 2 man would be a second deputy to an assistant director in charge of one of these FBI headquarters divisions, where the complexity of that division or the volume of personnel or other matters that require top-level attention make it necessary to have a second deputy.

The Administrative Assistant is a position in the Executive Office of the Director, the incumbent of which performs a wide range of functions in direct support of the Director.

The Section Chief heads a section which is the next organizational entity below the Division level at FBI Headquarters. Divisions have

a number of sections under them for operational and organizational purposes. We have 37 section chiefs at the FBI Headquarters at the present time.

The Assistant Special Agent in Charge position participates with the SAC in directing and administering an FBI field office, of which there are 59, and we have 66 assistant special agents in charge. In some of the larger field offices, such as New York, Detroit, Chicago, San Francisco, and Philadelphia, we have more than one Assistant Special Agent in Charge because of the complexity of the work there.

The Legal Attachés I have previously described as the FBI's top official in the Embassies abroad.

Is that a satisfactory response?

Mr. HENDERSON. Very good. Your response has been most helpful this morning, and I am most appreciative of your very frank testimony with regard not only to the need for the 50 positions that you present but also with regard to the possible alternative of the 26, and what effects that would have on the Bureau. I think you have very clearly outlined for us what there are and have provided us with a basis for a decision within the responsibility of the subcommittee. I commend you for your candor and certainly hope you will tell Director Kelley that the subcommittee will be as responsive as we can. We will certainly be in continuous contact with you in regard to the use of the numbers of supergrade positions that would be in order and certainly will continue to monitor any needs for those we might not authorize.

Mr. CALLAHAN. Thank you, Mr. Chairman. We are aware of the possibility that the 50 may not be forthcoming. However, we did want you to be aware the survey we made supported, we felt, our needs for 50, but we would be grateful for those the committee could see fit to legislate.

Mr. HENDERSON. I think the case has been well made, and I feel very confident, personally, that we will either give you the 50 or, if not, go to the alternative. We will keep in mind that by this action we were not able to fully respond to the need but at some future time we would certainly be delighted to review the situation again.

Mr. Mallary, do you have any questions?

Mr. MALLARY. No questions.

Mr. HENDERSON. Thank you, Mr. Callahan.

Mr. CALLAHAN. Thank you very much, Mr. Chairman.

[The complete prepared statement follows:]

PREPARED STATEMENT BY NICHOLAS P. CALLAHAN, ASSOCIATE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

HISTORY

Public Law 91-187 approved December 30, 1969, increased the number of supergrade positions in the FBI from 110 to 140, an increase of 30. There have been no increases since. A current survey discloses a need for 50 additional positions to adequately compensate top FBI officials who direct the ever-increasing responsibilities of the Bureau. The officials in the positions for which the additional supergrades are intended are relied upon to and do perform in leadership capacities with the same degree of responsibility as other officials currently in supergrade positions, and it is fitting, accordingly, to correct the inequity. The additional positions would permit the FBI to retain its highly experienced career executives and materially enhance our operations.

CURRENT NEED

Because of the absence of vacancies, the FBI has not been able to place the following categories in supergrade positions: Inspectors—1; Number One Men—1; Number Two Men—5; Administrative Assistants—1; Section Chiefs—7; Assistant Special Agents in Charge—26; and Legal Attachés—9, for a total of 50 positions we conclude are worthy of and soundly supportable at the supergrade level. The FBI has not been able to place these officials in grades comparable with their responsibilities. This has prevented properly allocating certain assistants who, in almost every instance, should justifiably be in a position one grade lower than their superiors.

JUSTIFICATION

Since 1969, when our supergrades were increased to their current level of 140, two new divisions have been established at FBI Headquarters, the Computer Systems Division and the Office of Planning and Evaluation. Also, since 1969, our number of field offices has increased from 58 to 59, and our overall complement has increased from 16,484 in 1969, to 19,630 an increase of 3,146 employees. The new FBI Academy facility at Quantico, Virginia, was opened in May, 1972, and greatly expanded our role with regard to training. We have increased our capability with respect to training of police officers from 200 to 2,000 per year and added substantially to the curriculum to meet the current needs in career law enforcement. National Crime Information Center has developed to a 24-hour-a-day, 7-day-a-week operation serving law enforcement agencies in the 50 states, the District of Columbia and the Royal Canadian Mounted Police. Automated systems for handling fingerprints and records continue progressive steps toward full automation. All of the foregoing operations and developments have been carried out without an increase in our supergrade strength.

Major increases have occurred in matters over which the FBI has jurisdiction and investigative responsibilities. A more significant increase has occurred in jurisdiction over matters relating to organized crime such as gambling, loan-sharking and racketeering activities. Although the FBI was delegated greatly expanded responsibilities under the Omnibus Crime Control and Safe Streets Act of 1968, full impact of carrying out the provisions of the legislation occurred in following years. Indicative of the increased emphasis in this field are organized crime convictions which have risen from 319 in 1969, to 1,114 in 1973. Organized crime is a top priority matter in the FBI. Responsibilities in the civil rights field have increased. Coverage under the Civil Rights Act of 1968 as relates to Discrimination in Housing was automatically expanded January 1, 1970. Additionally, Public Law 92-261, referred to as the "Equal Employment Act of 1972," which was approved March 24, 1972, greatly expanded our jurisdiction in matters involving discrimination in employment.

Following the Munich, Germany, terrorist incident, the President, on October 24, 1972, signed the Act for the Protection of Foreign Officials and Official Guests of the United States. The FBI was given exclusive jurisdiction over violations of the provisions of the Act which are aimed at potential terrorist activity in the United States. Additionally, because of the extreme importance of such matters, the FBI in May, 1972, in addition to investigating actual assaults against Congressmen, commenced investigating threats made against Congressmen as well. The President, by directive dated June 3, 1971, instructed the FBI, upon receipt of a written request by a chief of police or head of a local agency, to actively participate in investigations relating to police killings. And, in January, 1973, at the direction of the Department of Justice, the FBI commenced an investigative intensification program against the Interstate Transportation of Obscene Matter which is continuing and was substantially strengthened by the June, 1973, Supreme Court decisions relating to obscene matters.

In the fugitive category there has been a considerable increase as shown by the fact that in Fiscal Year 1968, the FBI was responsible for the location of 18,881 fugitives as compared to almost double that number, 37,543, located in Fiscal Year 1973. With an increase in the number of instances wherein law enforcement officers have been murdered or assaulted, there has been an increase in the fugitive investigations involving fugitives of this type, particularly in the category of cases growing out of the Fugitive Felon Act, which is the statute

whereby the FBI at the request of state and local authorities assists in the location of felons who flee interstate.

Further increases in responsibilities have been highlighted by stepped-up activities of revolutionary and racial extremists, frequently resorting to acts of violence and terrorism which have been particularly directed against law enforcement agencies, who have continued to plot against the Government and to engage in a wide range of disruptive and subversive activities. The activities of a number of foreign terrorist groups, especially militant Arab elements, have also imposed heavy new demands on the FBI. A long-term project in fingerprint identification work was begun in 1972, to consolidate the massive civil files and eliminate excess records. Excellent progress continues to be made in the automation of our fingerprint operation. Latent fingerprint work has reached an all-time high and the number of fugitives identified by fingerprints has risen sharply since 1969.

These ever-increasing responsibilities impose upon top FBI officials not only increased day-to-day direction of substantive matters, but also, deliberation and resolution of procedural and policy considerations, many ever-changing and flexible. The broadened responsibilities involve varied techniques, policy, procedure and law which must be applied and greatly complicate the role of our officials.

As cited heretofore, evaluation by the FBI has concluded that 50 additional supergrade positions for the FBI are soundly supported at this time, and our basic request remains that statutory authority be granted to increase our supergrade positions by that number. Recognizing the many and diverse considerations, the Congress must afford to the Government's overall supergrade needs, we respectfully implore the Congress to insure that, if in the final analysis it is not possible to grant our request for 50 additional supergrade positions, no less than 26 be authorized which we feel are absolutely essential. The 26 we conclude are absolutely essential are as follows: Inspectors—1; Number One Men—1; Number Two Men—3; Administrative Assistants—1; Section Chiefs—7; and Assistant Special Agents in Charge—13.

On behalf of Director Kelley and the FBI, I wish to add that we are pleased to have this opportunity to express our critical need to the Subcommittee, we are grateful for your consideration, and will be most appreciative for favorable action on our request.

Mr. HENDERSON. Our last witness this morning is Mr. Rowland F. Kirks, Director of the Administrative Office of the United States Courts.

Mr. Kirks, it is my pleasure to welcome you this morning.

STATEMENT OF ROWLAND F. KIRKS, ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

Mr. KIRKS. Thank you, Mr. Chairman, and members of the committee.

Recognizing the limitations of time, Mr. Chairman, I shall attempt to reduce a 25-minute statement to 5 minutes, if I may.

Mr. HENDERSON. I can assure you that the two members here would not only appreciate it, but we will do our best to persuade our colleagues that they ought to be more responsive.

Mr. KIRKS. I trust, Mr. Chairman, that I do not prejudice my case by synthesizing it to this extent.

We are here respectfully requesting 15 supergrades. Now at the present time the Administrative Office has six, so that we are actually talking about nine grades. Four of these six are authorized by statute, and two have been granted us by the Civil Service Commission. We have not received any additional supergrade positions for 15 years. In that period of time, not only the personnel in the Federal judicial system has doubled from approximately 4,500 to 9,000, but during

this same period of time, the Congress and the Judicial Conference of the United States have imposed upon the Administrative Office 58 additional responsibilities, and they are appended as an annex to my prepared statement. This has imposed a tremendous additional burden upon our system and upon my office, and due to the highly technical and complicated work that has been added to our responsibilities, it necessitates that we have men of some rank in order to supervise and oversee these responsibilities.

My office is organized into six divisions. We are faced with the necessity of adding two new divisions as soon as there is congressional authorization for these two divisions. The nature of their work is such that it would be our hope to head those two new divisions with supergrade rank.

In addition, at the present time there is a disparity among the division chiefs whose work is relatively comparable, because we do not have the supergrade positions to allocate to them.

I have set forth in my statement, I trust, an explanation and justification for attempting to correct these present inequities and explain why it is necessary for us to obtain the highest caliber of professional competence that we can. And it will take supergrade status in order for us to do that, sir.

I am aware that there are some questions that the committee would like to ask, and I would be happy to try to respond to them, sir.

[The complete prepared statement follows:]

PREPARED STATEMENT OF ROWLAND F. KIRKS, DIRECTOR, ADMINISTRATIVE OFFICE
OF THE U.S. COURTS

Mr. Chairman, my name is Rowland F. Kirks. I am the Director of the Administrative Office of the United States Courts. I appear today in support of an amendment to the bill, H.R. 10419, to authorize the Director of the Administrative Office of the United States Courts to place a total of 15 positions in grades GS-16, GS-17 and GS-18, with the proviso that no more than 8 positions may be placed in any one grade. The Administrative Office had previously considered a separate legislative request for this purpose, but we have been informed that the Committee desires to have this proposal considered as a part of this legislation rather than by separate legislation. I should also like to point out that the Civil Service Commission has indicated to us that we should request supergrade positions by legislation rather than by a request to the Commission although two supergrade positions are now allotted to the Administrative Office from the Commission. In reply to a 1970 request for the allocation of additional supergrade positions pursuant to Public Law 91-187, Mr. Robert Hampton, Chairman of the Civil Service Commission, advised as follows:

"Since your office is not a part of the Executive Branch, but is in the Judicial Branch, we feel that it is proper for you to have a separate statutory allotment of supergrade spaces. We also feel that it would be proper for you to request Congress for an increase in your statutory allotment of spaces to meet your changing workload needs."

PRESENT POSITIONS

Mr. Chairman, although our request specifies 15 supergrade positions in the Administrative Office of the United States Courts, actually the request is for only nine additional positions since there are already six supergrade positions authorized. As mentioned above there are two positions authorized by allocation of the Civil Service Commission—one at grade GS-18 and one at GS-16. In addition there are four positions at grade GS-17 authorized by a statute enacted in 1958, 5 U.S.C. 5108(c) (3). If the 15 positions requested at this time are approved, we would propose that this new authority would supersede the present authority for the appointment to supergrade positions.

There are only six supergrade positions authorized for the entire federal judicial system—four established by statute and two granted by the Civil Service Commission. The Civil Service Commission in response to our request for additional positions has declined to grant them and suggested that we seek statutory authorization which we are now doing.

Present personnel of the Administrative Office are the only employees in the Federal Judiciary who are graded in accordance with the Civil Service General Schedule. The statute provides that the Director of the Administrative Office must fix the compensation of Administrative Office employees according to the Classification Act of 1949, 28 U.S.C. 603. All other employees and supporting personnel of the federal judicial system, whose compensation is not established by law, are fixed by the Director of the Administrative Office of the United States Courts under the Judiciary Salary Plan approved by the Judicial Conference of the United States.

DUTIES AND RESPONSIBILITIES

Since the enactment of the Administrative Office Act in 1939, the Administrative Office of the United States Courts has been charged with the responsibility for the administrative affairs of the United States courts. In the 34 years since the enactment of this legislation the duties and responsibilities of the office have steadily increased.

Originally the office was organized into two divisions—the Division of Procedural Studies and Statistics and the Division of Business Administration. The Division of Procedural Studies and Statistics compiled data on the workload of the courts, undertook the inspection of court dockets, conducted studies of court procedures and court organization, and made reports to the Judicial Conference of the United States and to the Judicial Councils of the various circuits which have the direct responsibility over matters pertaining to the courts within their respective circuits. The Division of Business Administration had the responsibility for preparing the budget for the entire federal judicial system (excluding the Supreme Court), disbursing funds, auditing vouchers, purchasing supplies and equipment and arranging for court quarters through the Public Buildings Service of the General Services Administration.

Two additional divisions were established in the office within the first two years of operation. The Division of Probation came into existence in 1941 upon the transfer of supervision over United States probation and parole officers from the Bureau of Prisons in the Department of Justice to the Federal Judiciary. Subsequently in 1942 a Division of Bankruptcy was established to supervise matters pertaining to the operation of the bankruptcy system in the United States district courts. In 1946 that division was expanded to supervise the administrative affairs for the newly established system of salaried referees in bankruptcy and to administer the new Referees Salary and Expense Fund which was designed to make the entire bankruptcy system self-supporting out of the fees and charges assessed in bankruptcy cases.

By 1958 the duties and workload in the Administrative Office had expanded to the point where a complete reorganization was necessary. Two assistant directorships were established—one for legal affairs and the other for management. At the same time a new Division of Personnel was created to supervise matters of personnel administration for 4,500 employees of the Judicial Branch of Government (other than the Supreme Court) scattered among approximately 300 locations in the 48 states and in the Territories of Alaska, Hawaii, the Virgin Islands, Guam and the Canal Zone. The chiefs of the four divisions, not including the then newly created Division of Personnel, were placed in grade GS-17 and the two assistant directors were placed in grade GS-18. Subsequently, the position of Assistant Director for Legal Affairs was permitted to lapse. Later the position of General Counsel (in lieu of the position at grade GS-18) was established at grade GS-16.

RECENT CHANGES IN THE JUDICIARY

The Federal judicial system in the last decade or so has experienced significant growth in terms of judges, their supporting personnel and in duties and responsibilities. Not a single session of Congress passes without the enactment of legislation which places additional burdens and responsibilities on the judiciary. Occasionally the change is very substantial. In 1968, for example, Congress

abolished the offices of United States commissioners who were compensated by fees and established in their place a system of salaried United States magistrates with enlarged jurisdiction. To administer the duties of the Director under this new statute required the establishment of a separate Division of Magistrates within the Administrative Office.

In 1964 the Criminal Justice Act was passed, lodging in the Administrative Office the administration of the assigned counsel system. In 1970 the Criminal Justice Act of 1964 was amended to authorize the establishment of a system of full-time public defenders and community defenders. Public defender offices have now been set up in 11 United States district courts, 5 others are in the process of being established, and the number of such offices is expected to double within the next two years. In addition there are six community defender organizations operating on grants approved by the Judicial Conference of the United States. These new public defender offices will virtually parallel the offices of United States attorneys in the district courts in which they are established in the area of criminal law and criminal law enforcement. To service these offices properly we are now considering the establishment of a new division within the Administrative Office to supervise the assigned counsel and defender systems.

WORKLOAD AND SCOPE OF DUTIES

As you will observe from the titles of these divisions, the work performed in the Administrative Office of the United States Courts is critical to the operation of the Federal judicial system across the nation. It has been fifteen years since any supergrade positions have been authorized in the Federal Judiciary. In this interval the number of authorized judgeships and other officers and employees of the judiciary, for which the Administrative Office has administrative responsibility, has doubled from approximately 4,500 to more than 9,000, including 654 United States judges. At the same time we have counted some 58 additional tasks that have been imposed upon the office either by Congressional enactment or by resolution of the Judicial Conference. At the present time the Administrative Office administratively supports the 11 United States courts of appeals, the 94 United States district courts, the Court of Claims, the Court of Customs and Patent Appeals, the Customs Court, the Temporary Emergency Court of Appeals and the Federal Judicial Center. It also furnishes assistance and staff support to 12 standing and general committees and subcommittees, 5 special committees and 6 rules committees of the Judicial Conference of the United States—a responsibility shared by all divisions in the office.

I would like to outline for you very briefly, Mr. Chairman and members of the Committee, the duties that are now being performed by the various divisions in the Administrative Office:

(1) The Division of Business Administration is the largest. This division develops the annual and supplemental appropriation requests and justifications for support of the judiciary; disburses over \$200,000,000 in funds; audits all vouchers; prints court dockets and specialized forms; purchases supplies and equipment; negotiates with the General Services Administration for court quarters and services; and handles payroll, retirement and insurance for the entire judiciary.

(2) The Personnel Division is responsible for the administration of the personnel programs of the Federal Judiciary. It classifies positions in the Administrative Office and in the courts generally across the country pursuant to the Judiciary Salary Plan approved by the Judicial Conference of the United States; conducts surveys and examinations as to the personnel needs of courts; and maintains personnel records.

(3) The Division of Probation supervises the administrative affairs of the 1,148 United States probation and parole officers across the nation and their staffs and endeavors to promote professional competency in this field. The work of the probation officers in the last fiscal year included the conduct of 71,260 investigations of all types, while 30,628 persons were received for supervision. The current supervision caseload nationwide is 54,000 persons.

(4) Similarly the Division of Bankruptcy Administration supervises the administrative affairs of the 220 bankruptcy judges attached to the district courts; surveys and makes recommendations for additional positions; monitors the Salary and Expense Fund for the bankruptcy system; and promotes professional

competency among bankruptcy judges and members of their staff. In the last year bankruptcy judges terminated 180,467 cases, while 173,197 new filings were received.

(5) Likewise, the Division of Magistrates supervises the administrative affairs of the 112 full-time magistrates and 430 part-time magistrates on duty in the district courts across the country; surveys and makes recommendations pursuant to law on the numbers, locations and salaries of magistrates; and endeavors to promote competency in the work of these subordinate judicial officers. During the fiscal year 1973 the United States magistrates disposed of more than 251,000 separate items of judicial business.

(6) The Division of Information Systems (formerly the Division of Procedural Studies and Statistics) receives and processes statistical reports on the 314,000 civil, criminal and bankruptcy cases filed each year in the United States district courts and the 15,600 appeals filed annually in the United States courts of appeals; produces for the Congress reports on court authorized wiretaps in accordance with the provisions of the wiretap statute, 18 U.S.C. 2519; and publishes quarterly and annual reports on the business of the courts and the status of court dockets. The Division also operates the only computer in full-time operation in the Federal judicial system and provides computer services for other divisions in the office, including payroll and accounting.

(7) The General Counsel performs the important service of providing legal advice to the Director of the Administrative Office on all matters pertaining to the business and organization of the judiciary, and issues legal memoranda to court personnel throughout the judicial system on matters pertaining to the discharge of their duties and responsibilities.

At the present time the Deputy Director of the Administrative Office is directly supervising the organization and operation of the assigned counsel system and the federal public defender offices. It is already apparent that a separate division may have to be established to handle the administrative affairs of this system. In 1973 more than 56,000 defendants were assigned counsel under the Criminal Justice Act and the appropriations for assigned counsel and public defenders totalled \$17,742,000.

ALLOCATION OF SUPERGRADE POSITIONS

Thus the Administrative Office is organized into six separate divisions and the General Counsel's office. In addition there are two assistant directors who have general supervisory responsibility throughout the office. For these nine positions there are only six supergrades authorized. One assistant director is classified in grade GS-18 and the other in grade GS-17. The Chiefs of the Divisions of Information Systems, Business Administration, and Probation are classified in grades GS-17 and the General Counsel carries a classification of grade GS-16. The Chiefs of the Division of Bankruptcy, Magistrates and Personnel are classified in grade GS-15. Although the duties and responsibilities of division chiefs are very similar and despite the fact that the qualifications to hold these positions are all very high, there is an unfair disparity in salary classifications.

In addition there will undoubtedly be a need in the immediate future to establish two additional divisions. The first would be a division to supervise defender organizations and the assigned counsel system mentioned above. Secondly, the Judicial Conference of the United States has directed the Administrative Office to take over the field examination of court officers—a function authorized in the Administrative Office Act but now performed by examiners in the Department of Justice. This will clearly necessitate the creation of a unit within the office to perform this most important function. If provision is made for 15 supergrade positions, the needs for all of these divisions can be taken care of including the provision for an assistant chief or deputy chiefs in divisions where the workload may be heaviest.

I wish to emphasize, Mr. Chairman, that the chiefs of the divisions in the Administrative Office have a direct supervisory function to perform over the administrative affairs of the court officers in their particular areas. Judicial officers such as bankruptcy judges, clerks of court, United States magistrates, federal public defenders and probation and parole officers are professional people who are well paid. It is important that those government officers who have supervisory responsibilities be equally as well paid if we are to attract to these positions talented people of the highest quality. At one time, due to a

quirk of law, the Chief of the Bankruptcy Division in the Administrative Office, who had resigned his position as referee in bankruptcy to accept a position in the Administrative Office, was paid less than a referee in bankruptcy. I am sure that you will recognize that this is undesirable. We certainly do not want that to happen in the future.

COMPARATIVE SITUATIONS

The Administrative Office functions for a court system located throughout all the States and the Territories. No Washington-based agency without regional offices serves a larger area or constituency. The Administrative Office provides the central professional service and technical organization for the federal courts and the secretariat for the Judicial Conference of the United States and its committees. By any standard of measurement the importance of its services to the functioning of the Federal judicial system have increased through the years.

Today this office monitors and records through automated systems the flow of all judicial business; originates new judicial and administrative techniques to expedite and secure speedy trials; administers the national probation, United States magistrates, and bankruptcy programs; acts as liaison with Congress, congressional committees and other agencies of government; and serves as business agent, paymaster, auditor, personnel manager and supplier for the entire Third Branch of Government, with the exception of the Supreme Court. This calls for such diverse talents as systems analysts, statisticians, lawyers with both specialized and general training, legislative experts, business and fiscal managers, experts in bankruptcy administration, probation and correctional specialists, supply and building experts, and a number of other scarce talents. There are few positions in government which require more training, innovative imagination, and management ability than the staff of the Administrative Office.

In administering such a system it is necessary that the Director have recourse to the best talents of the legal and management communities and be able to select men of broad vision and deep commitment. No successful enterprise of this scope could succeed otherwise.

Let us consider, by analogy, the staffing of other agencies which similarly have a broad national constituency to serve. The United States Board of Parole, for example, has 14 supergrade positions. We do not disparage the important mission of this Board and its staff, but we do submit that the task of administering the entire Federal Judiciary is no less important.

Similarly the Immigration and Naturalization Service operates with 26 supergrade positions. The Law Enforcement Assistance Administration has 23 supergrades, and the Bureau of Narcotics and Dangerous Drugs, 13 supergrades. In the Bureau of Prisons there are now 22 supergrade positions. The United States Tax Court (which is not within the administrative authority of this office) has 10 supergrade positions. The number of agencies having more supergrade positions in their national headquarters than the entire Judicial Branch is rather extensive.

Today, more than ever, the Federal Judiciary needs highly talented administrators to assist in the management of a modern and growing judicial system.

I have tried to outline for you the need and justification for these nine additional positions and will be pleased to provide any additional information the Committee desires. Thank you for considering our request.

[The attachment listing 58 additional tasks that have been imposed upon the Administrative Office of the United States Courts, July 1, 1957 through December 31, 1972, was retained in the files of the subcommittee.]

Mr. HENDERSON. Thank you very much, Mr. Kirks.

You stated that the number of employees in the Judiciary had increased from 4,500 to 9,000, I believe.

Mr. KIRKS. That is correct, sir.

Mr. HENDERSON. How many employees do you have in the Administrative Office? How have increases occurred there?

Mr. KIRKS. At the present time, sir, we are authorized 277 employees in the Administrative Office. We do not have any branch offices, so we administer the administrative affairs of the Federal judicial system from my office here in Washington; although, of course, we have employees in all of the 50 States and territories.

Mr. HENDERSON. As I understand from your statement, Mr. Kirks, you have anticipated that, with the nine additional supergrades, three division chiefs would be upgraded from 15 to 16, two divisions would be added to the Administrative Office, and four supergrade assistant or deputy positions would be added in those positions warranting supergrade levels.

Mr. KIRKS. That is correct, sir.

Mr. HENDERSON. Could you tell us how soon you would anticipate establishing the two new divisions? Is that somewhat dependent upon our action?

Mr. KIRKS. Yes, sir; it is. As soon as we have legislative authority and an appropriation authorized to pay those positions, we will create them. It is my hope that it would be the pleasure of Congress to permit us to do that within the next 6 months.

Mr. HENDERSON. Before I yield to Mr. Mallary, as you are the last witness, I would like to direct the staff of our subcommittee to remain in touch with the witnesses that have been before us this morning; and if the members of the subcommittee that have not been here, or even if Mr. Mallary or I, have further questions, that the staff be directed to submit those questions to you and the others for specific responses. And I would like to ask unanimous consent that they be included in the record of the hearings.

Mr. KIRKS. We would be happy to cooperate with the committee.

Mr. HENDERSON. Mr. Mallary?

Mr. MALLARY. If I may, I gather of your positions, two are granted out of the Civil Service Commission.

Mr. KIRKS. That is correct, sir.

Mr. MALLARY. And, presumably, you have requested the Civil Service Commission for additional supergrades from the pool?

Mr. KIRKS. That is correct, sir. And it has been suggested by the Chairman of the Civil Service Commission that we should seek legislative relief because they don't have the resources, and what they have they feel are designed primarily for the executive branch of the Government. We, being the third branch, they feel we should come to Congress for them.

Mr. MALLARY. This was their indication, that they would prefer that you not be tapping the pool, so to speak, and that they not be given the responsibility for determining the appropriateness of supergrade positions for your office?

Mr. KIRKS. Yes, sir; that is correct.

Mr. MALLARY. I thank you very much.

Mr. HENDERSON. Mr. Kirks, they would continue to determine that the specific individuals were qualified for the positions, however.

Mr. KIRKS. Certainly, certainly, Mr. Chairman. We would be extremely circumspect about filling these positions, and the individual, his experience, and his entire background would be taken into consideration, and he would be appropriately graded.

Mr. HENDERSON. For the record, we have been informed by the Commission that they would much prefer the specific allocations be made by the bill that we have before us, but that they would continue to function in the normal oversight responsibility that we are familiar with.

Mr. KIRKS. Certainly, sir. We have a very fine working relationship with the Civil Service Commission and will continue to maintain that relationship, sir.

Mr. HENDERSON. Thank you very much, Mr. Kirks. Your statement was well prepared. I think it gives us the basis for appropriate action in the full committee. We are quite aware of the increasing workload throughout the Judiciary, and we will be as responsive as we can to the request.

We certainly appreciate your fine cooperation this morning.

Mr. KIRKS. Thank you very much, Mr. Chairman and members of the committee for the privilege of appearing before you.

Mr. HENDERSON. If there is no further business, the subcommittee will stand adjourned.

[Whereupon, at 11:00 a.m., the hearing was adjourned.]





