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ORGANIZATION OF FEDERAL EXECUTIVE DEPARTMENTS AND AGENCIES

REPORT
OF THE
COMMITTEE ON GOVERNMENT
OPERATIONS
UNITED STATES SENATE

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ORGANIZATION OF FEDERAL EXECUTIVE DEPARTMENTS AND AGENCIES

COMMITTEE REPORT NO. 26

Introduction

This committee report with accompanying chart, the 26th in a series which began in 1947, is compiled pursuant to the provisions of the Legislative Reorganization Act of 1946, which imposes upon the Committee on Government Operations “. . . the duty of . . . evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government . . .”. This report sets forth organizational and personnel changes in the executive branch of the Government including, also, the independent agencies for the calendar year 1965.

Reorganizations effectuated and significant personnel changes enumerated herein, and statements relative to resultant savings and increased operating efficiency, are based upon information supplied to the committee by the department or agency head, or his designee, and do not represent the views or findings of the committee.

Accompanying this report is a chart outlining, as of January 1, 1966, the organization of Federal executive departments and agencies, with personnel assignments to each major operating unit down through the division level.

EXECUTIVE BRANCH AGENCIES CREATED

<i>Agency</i>	<i>Established by—</i>	<i>Approved</i>	<i>Status</i>
Appalachian Regional Commission.	P.L. 89-4----	Mar. 9, 1965.	Created by the Appalachian Regional Development Act; designed to administer the programs authorized by the act
Department of Housing and Urban Development.	P.L. 89-174--	Sept. 9, 1965.	Transfers to, and vests in, the Secretary the functions of the Housing and Home Finance Agency.
National Foundation on the Arts and the Humanities.	P.L. 89-209--	Sept. 26, 1965.	To develop and promote a broad national policy of support for the humanities and the arts of the United States.
Water Resources Council.	P.L. 89-80--	Jan. 5, 1965.	To maintain a continuing study of the adequacy of the water supply.

2 ORGANIZATION OF EXECUTIVE DEPARTMENTS AND AGENCIES

EXECUTIVE BRANCH AGENCIES TERMINATED OR TRANSFERRED

<i>Agency</i>	<i>Established by—</i>	<i>Approved</i>	<i>Status</i>
Housing and Home Finance Agency.	Reorganiza- tion Plan No. 3 of 1947.	July 27, 1947.	Functions, powers, and duties transferred to and vested in Secretary of the Department of Housing and Urban Development by P.L. 89-174, Sept. 9, 1965.
National Council on the Arts.	P.L. 88-579.	Sept. 3, 1964.	Terminated by P.L. 89-209, Sept. 26, 1965, and functions transferred to National Foundation on the Arts and the Humanities.

Section I

TOTAL EMPLOYEES

The total of 2,535,690 employees reported by the executive branch represented a net increase of 62,337 during the last calendar year: an increase of 1,465 in the Executive Office of the President, an increase of 81,234 in the executive departments and a decrease of 20,362 in the independent agencies. There was an overall increase of 43,133 in the civilian executive departments.

The total figures include 115,570 WAE (when actually employed) and part-time employees in a pay status as of January 1, 1966.

Employees serving without compensation (WOC's) aggregating 97,698 on January 1, 1966, or 4,173 less than a year ago, are not included in the totals.

For security reasons, no employees of the Central Intelligence Agency are reported.

EXECUTIVE DEPARTMENTS

The executive departments reported a total of 2,166,280 paid employees as of January 1, 1966, an increase of 81,234 since the beginning of calendar year 1965.

Departmental increases or decreases for the calendar year 1965 is reflected in the table below.

INCREASE OR DECREASE OF EMPLOYEES

	<i>Increase</i>	<i>Decrease</i>
Agriculture.....	5, 257	-----
Commerce.....	-----	24, 019
Defense.....	9, 435	-----
Health, Education, and Welfare.....	9, 718	-----
Interior.....	1, 996	-----
Justice.....	-----	106
Labor.....	41	-----
Post Office.....	35, 214	-----
State.....	-----	752
Treasury.....	2, 302	-----

PERSONNEL SUMMARY—JAN. 1, 1947, TO JAN. 1, 1966¹

Organization	Jan. 1—					
	1947	1952	1957	1962	1965	1966
Executive Office of the President	1, 027	1, 252	1, 217	1, 609	1, 924	3, 389
Executive departments	1, 790, 264	2, 124, 156	2, 075, 807	2, 050, 529	2, 085, 046	2, 166, 280
Department of State	22, 704	30, 194	33, 595	39, 718	41, 328	40, 576
Department of Defense:						
Office of the Secretary of Defense		2, 157	1, 690	3, 146	39, 855	56, 842
Department of the Army	629, 194	530, 883	430, 212	397, 499	361, 691	373, 001
Department of the Navy	377, 284	462, 835	393, 332	352, 927	326, 653	335, 358
Department of the Air Force		281, 052	350, 681	305, 488	291, 183	292, 282
Department of the Treasury	102, 447	89, 409	78, 424	80, 191	85, 524	87, 826
Department of Justice	24, 280	31, 306	30, 520	30, 861	32, 439	32, 333
Post Office Department	458, 988	511, 609	523, 416	586, 235	598, 234	633, 448
Department of the Interior	40, 693	54, 964	48, 578	53, 946	61, 616	63, 612
Department of Agriculture	80, 325	66, 162	82, 421	91, 644	98, 162	103, 419
Department of Commerce	37, 600	55, 747	47, 065	28, 334	55, 901	31, 892
Department of Labor	7, 749	7, 638	5, 927	7, 669	9, 043	9, 084
Department of Health, Education, and Welfare			49, 946	72, 871	83, 417	93, 135
Department of Housing and Urban Development						13, 472
Independent agencies	471, 334	359, 004	299, 489	366, 726	386, 383	366, 02
Advisory Commission on Intergov- ernmental Relations				36	32	33
American Battle Monuments Com- mission	87	466	628	424	423	448
Appalachian Regional Commission						10
Atomic Energy Commission		5, 790	6, 673	6, 784	7, 217	7, 209
Civil Aeronautics Board	502	570	603	776	827	773
U.S. Civil Service Commission	3, 440	4, 053	4, 450	3, 833	3, 762	3, 758
Civil War Centennial Commission					5	3
Commission on Civil Rights				65	102	117
Commission of Fine Arts	2	2	4	6	6	6
Delaware River Basin					2	2
District of Columbia Redevelopment Land Agency			38	103	89	132
Export-Import Bank of Washington	118	133	188	258	297	278
Farm Credit Administration			570	239	230	226
Federal Aviation Agency				43, 315	44, 921	43, 914
Federal Coal Mine Safety Board of Review			8	7	7	7
Federal Communications Commis- sion	1, 393	1, 148	1, 147	1, 361	1, 529	1, 462
Federal Deposit Insurance Corpora- tion	1, 181	1, 002	1, 139	1, 275	1, 387	1, 437
Federal Home Loan Bank Board			698	1, 139	1, 248	1, 220
Federal Maritime Commission				142	238	248
Federal Mediation and Conciliation Service		357	341	361	437	439
Federal Power Commission	790	715	707	900	1, 110	1, 067
Federal Radiation Council					5	6
Federal Trade Commission	554	753	717	984	1, 150	1, 114
Foreign Claims Settlement Commis- sion			114	61	201	160
General Services Administration		28, 152	27, 100	30, 598	34, 821	36, 477
Housing and Home Finance Agency		12, 318	9, 935	12, 261	13, 713	(2) 22
Indian Claims Commission		11	14	20	20	22
Interstate Commerce Commission	2, 286	1, 863	2, 098	2, 400	2, 398	2, 284
National Aeronautics and Space Ad- ministration				19, 104	33, 503	33, 659
National Capital Housing Authority	280	337	253	420	434	408
National Capital Planning Commis- sion	24	19	34	56	51	54
National Capital Transportation A- gency					41	34
National Food Marketing Commission					7	63
National Foundation on the Arts and the Humanities						21
National Labor Relations Board	788	1, 179	1, 115	1, 848	2, 136	2, 229
National Mediation Board	91	95	104	139	127	133

See footnotes at end of table, p. 4.

4 ORGANIZATION OF EXECUTIVE DEPARTMENTS AND AGENCIES

PERSONNEL SUMMARY—JAN. 1, 1947, TO JAN. 1, 1966¹—Continued

Organization	Jan. 1—					
	1947	1952	1957	1962	1965	1966
Independent agencies—Continued						
National Science Foundation-----		57	485	1,154	1,426	1,514
Panama Canal Company-----	27,418	18,981	14,425	14,409	15,112	14,965
Railroad Retirement Board-----	2,559	2,215	2,251	2,115	1,769	1,686
Renegotiation Board-----		51	442	249	191	169
St. Lawrence Seaway Development Corporation-----			42	161	163	166
Securities and Exchange Commission-----	1,209	904	788	1,179	1,384	1,309
Selective Service System-----	7,906	8,551	7,243	7,044	7,442	8,731
Small Business Administration-----			950	2,876	3,518	3,897
Smithsonian Institution-----	822	864	1,094	1,463	2,022	2,183
Subversive Activities Control Board-----		22	33	27	26	24
Tariff Commission-----	227	199	206	267	281	261
Tax Court of the United States-----	122	127	144	149	151	146
Tennessee Valley Authority-----	13,431	20,593	14,887	18,545	16,500	16,572
U.S. Arms Control and Disarmament Agency-----					234	230
U.S. Information Agency-----			11,496	10,957	11,798	11,541
United States-Puerto Rico Commission-----					15	25
Veterans' Administration-----	226,896	178,317	177,378	176,458	171,560	163,135
Virgin Islands Corporation-----				531	315	12
Temporary commissions and agencies-----	179,208	69,250	8,952	227	75	4
Total-----	2,262,625	2,484,412	2,376,513	2,418,864	2,473,353	2,535,690

¹ Covers 5-year periods, except for Jan. 1, 1965, which is included for comparative purpose.

² Functions transferred to the Department of Housing and Urban Development established pursuant to Public Law 89-174, approved Sept. 9, 1965.

INDEPENDENT AGENCIES

The independent agencies reported a total of 366,021 paid civilian employees, a net decrease of 20,362 since January 1, 1965. The overall increase or decrease in each Federal agency for calendar year 1965 is reflected in the table below.

INCREASE OR DECREASE OF EMPLOYEES

	Jan. 1, 1965, to Jan. 1, 1966	
	Increase	Decrease
Advisory Commission on Intergovernmental Relations-----	1	-----
American Battle Monuments Commission-----	25	-----
Atomic Energy Commission-----	8	-----
Civil Aeronautics Board-----	-----	54
Civil Service Commission-----	4	-----
Civil War Centennial Commission-----	-----	2
Commission on Civil Rights-----	15	-----
Commission of Fine Arts-----	-----	-----
Delaware River Basin Commission-----	-----	-----
District of Columbia Redevelopment Land Agency-----	43	-----
Export-Import Bank of Washington-----	-----	19
Farm Credit Administration-----	-----	4
Federal Aviation Agency-----	1,007	-----
Federal Coal Mine Safety Board of Review-----	-----	-----
Federal Communications Commission-----	-----	67
Federal Deposit Insurance Corporation-----	50	-----
Federal Home Loan Bank Board-----	-----	28
Federal Maritime Commission-----	10	-----
Federal Mediation and Conciliation Service-----	2	-----
Federal Power Commission-----	-----	43
Federal Radiation Council-----	1	-----
Federal Trade Commission-----	-----	36
Foreign Claims Settlement Commission-----	-----	41
General Services Administration-----	1,656	-----

Jan. 1, 1965, to Jan. 1, 1966

	Increase	Decrease
Indian Claims Commission.....	2	-----
Interstate Commerce Commission.....	-----	114
National Aeronautics and Space Administration.....	156	-----
National Capital Housing Authority.....	-----	26
National Capital Planning Commission.....	3	-----
National Capital Transportation Agency.....	-----	7
National Commission on Food Marketing.....	56	-----
National Labor Relations Board.....	93	-----
National Mediation Board.....	6	-----
National Science Foundation.....	88	-----
Panama Canal Company.....	-----	147
Railroad Retirement Board.....	-----	83
Renegotiation Board.....	-----	22
St. Lawrence Seaway Development Corporation.....	3	-----
Securities and Exchange Commission.....	-----	75
Selective Service System.....	1, 289	-----
Small Business Administration.....	379	-----
Smithsonian Institution.....	161	-----
Subversive Activities Control Board.....	-----	2
Tariff Commission.....	-----	20
Tax Court of the United States.....	-----	5
Tennessee Valley Authority.....	72	-----
U.S. Arms Control and Disarmament Agency.....	-----	4
U.S. Information Agency.....	-----	257
United States-Puerto Rico Commission.....	10	-----
Veterans' Administration.....	-----	8, 425
Virgin Islands Corporation.....	-----	303

LEGISLATIVE AND JUDICIAL BRANCHES

As of January 1, 1966, the following designated components reported a total 25,149 employees in the legislative branch, and 5,925 in the judicial branch.

INCREASE OR DECREASE OF EMPLOYEES

	Jan. 1, 1966	Jan. 1, 1965	Increase (+) or decrease (-), since Jan. 1, 1965
LEGISLATIVE BRANCH			
Government Printing Office ¹	² 7, 241	7, 437	-196
General Accounting Office.....	4, 048	4, 217	-169
U.S. Congress:			
Senate.....	3, 300	3, 200	+100
House.....	5, 169	5, 031	+138
Library of Congress.....	3, 351	3, 297	+54
Architect of the Capitol (includes the Botanic Garden, Senate and House restaurants, grounds of the Capitol, the Supreme Court, the buildings and grounds of the Library of Congress, and the Capitol Power Plant).....	2, 040	2, 289	-249
Total, legislative branch.....	25, 149	25, 471	-322
JUDICIAL BRANCH			
U.S. circuit and district courts.....	5, 328	5, 278	+50
U.S. Supreme Court.....	209	214	-5
Administrative Office of the U.S. Courts.....	178	169	+9
Court of Claims.....	82	84	-2
Court of Customs and Patent Appeals.....	27	28	-1
Customs Court.....	101	89	+12
Total, judicial branch.....	5, 925	5, 862	+63

¹ A provision of law requires the Public Printer to keep on the rolls only the number of employees the workload demands.

² Includes 236 field and 486 WAE employees.

EMPLOYEES OUTSIDE UNITED STATES

Departments and agencies are requested to submit the number of employees engaged in carrying on Federal activities in foreign countries indicating the number of such employees who are American citizens, and those who are nationals of other countries. A recapitulation of employees engaged in overseas activities follows:

EMPLOYEES ENGAGED IN ACTIVITIES OUTSIDE THE UNITED STATES

	Jan. 1, 1966	Jan. 1, 1965	Increase (+) or decrease (-) since Jan. 1, 1965
American citizens.....	49,296	54,834	-5,538
Nationals of other countries.....	92,034	105,206	-13,172
Grand total.....	141,330	160,040	-18,710
EXECUTIVE DEPARTMENTS			
Agriculture.....	1,305	1,246	-59
Commerce.....	579	1,004	-425
Defense.....	105,909	96,474	+9,435
Health, Education, and Welfare.....	729	670	+59
Housing and Urban Development.....	213		
Interior.....	632	641	-9
Justice.....	409	357	+52
Labor.....	61	79	-18
Post Office.....	1,669	1,613	+56
State (including AID and Peace Corps).....	29,105	30,450	+1,300
Treasury.....	719	675	+44
Total, executive departments.....	141,330	133,209	+8,121
INDEPENDENT AGENCIES			
American Battle Monuments Commission.....	437	411	+26
Atomic Energy Commission.....	36	34	+2
Civil Service Commission.....	3	2	+1
Federal Aviation Agency.....	1,016	1,124	-108
Federal Communications Commission.....	7	4	+3
Federal Deposit Insurance Corporation.....	2	2	
Foreign Claims Settlement Commission.....	11	11	
General Services Administration.....	29	28	+1
National Aeronautics and Space Administration.....	20	148	-128
National Labor Relations Board.....	31	33	-2
National Science Foundation.....	11	13	-2
Panama Canal Company.....	14,829	14,947	-118
Selective Service System.....	174	157	+17
Small Business Administration.....	83	57	+26
Smithsonian Institution.....	22	21	+1
Tennessee Valley Authority.....	5	3	+2
U.S. Information Agency.....	8,071	8,334	-263
Veterans' Administration.....	951	975	-24
Virgin Islands Corporation.....	12	315	-303
Total, independent agencies.....	25,750	26,831	-1,081

CONTRACT EMPLOYEES OUTSIDE UNITED STATES

Data furnished to the committee reflects a net decrease of 3,103 contract employees outside the United States. The figures in the following table apply only to foreign nationals and do not include American citizens under contract for personal services either at home or abroad.

FOREIGN NATIONALS PROVIDED BY CONTRACTUAL AGREEMENTS

	Jan. 1, 1966	Jan. 1, 1965	Increase(+) or decrease(-) since Jan. 1, 1965
DEPARTMENT OF AGRICULTURE			
India.....			
Italy.....	1	1	
Total, Department of Agriculture.....	1	1	
DEPARTMENT OF LABOR			
Mexico.....		4	-4
Total, Department of Labor.....		4	
DEPARTMENT OF STATE			
Moscow.....	97	96	+1
Berlin.....		113	
Total, Department of State.....	97	209	-112
DEPARTMENT OF THE ARMY			
France (French nationals).....	11,584	11,847	-263
Germany (local economy or 28 funds).....	55,638	56,154	-516
Japan (master contract).....	13,335	14,325	-990
Korea (Korean Service Corps).....	5,607	5,450	+157
Other.....	107	107	
Total, Department of the Army.....	¹ 86,271	87,883	-1,612
DEPARTMENT OF THE NAVY			
France.....	19	9	+10
Germany.....	79	70	+9
Greece.....	46	38	+8
Japan.....	12,284	12,412	-128
Morocco.....	546	557	-11
Trinidad.....	364	367	-3
United Kingdom.....	104	91	+13
Total, Department of the Navy.....	13,442	13,544	-102
DEPARTMENT OF THE AIR FORCE			
Canada.....			
Crete.....	48	81	+3
France.....	3,074	3,310	-336
Germany.....	10,074	10,615	-541
Greece.....	281	276	+5
Greenland.....			
Japan.....	14,712	15,153	-441
Morocco.....			
Netherlands.....	48	53	-5
United Kingdom.....	1,725	2,368	-643
Total, Department of the Air Force.....	29,998	31,856	-1,858
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Total, National Aeronautics and Space Administration.....	1,228	643	+585
Grand total.....	131,037	134,140	-3,103

¹ Preliminary.

EXECUTIVE OFFICE OF THE PRESIDENT

There were four executive branch agencies created, and two terminated, during calendar year 1965.

The organizational unit previously referred to as "Executive Mansion and Grounds" is now officially designated as "Executive Mansion."

The Department of Housing and Urban Development was established as the 11th Cabinet Department by Public Law 89-174, dated September 9, 1965. The President appointed Dr. Robert C. Weaver as Secretary and Dr. Robert C. Wood as Under Secretary of the Department of Housing and Urban Development on January 13, 1966; Senate confirmation of these appointments came on January 17, 1966.

In addition, the President nominated two Assistant Secretaries on January 17, 1966: Mr. Charles Haar, to be Assistant Secretary for Metropolitan Planning and Development, and Mr. Phillip Brownstein, to be Assistant Secretary for Mortgage and Finance. On January 27, 1966, the Senate confirmed these appointments.

Section II

REORGANIZATIONS: EXECUTIVE DEPARTMENTS

The following internal reorganizations in the executive branch were effected during calendar year 1965, including administrative and personnel changes as reported by the respective departments.

DEPARTMENT OF AGRICULTURE

The Assistant Secretary for Administration reported the following principal organization changes and realignments within the Department of Agriculture during the past calendar year.

DEPARTMENTAL STAFF OFFICES

Minor changes were made in the organization structure in the Office of Personnel and in the New Orleans Management Data Service Center of the Office of Management Appraisal and Systems Development. Adjustments were made for the purposes of effectively meeting demands placed upon the offices involved.

More significant organization changes were made in the Office of Plant and Operations. A new Contract Equal Employment Opportunity Management Division was established to provide professional staff assistance necessary to implement Executive Order 11246 and applicable sections of the Civil Rights Act of 1964. The functions of the Secretary's Records and Communications Division were expanded to include responsibility for a centralized departmental mail distribution system which will result in increased effectiveness and reduced costs of providing mail and messenger service.

OFFICE OF THE SECRETARY

A Board of Forest Appeals was established in the immediate Office of the Secretary on May 3, 1965, to review appeals of decisions made by Forest Service officials relating to those national forests or other lands under the Forest Service administration.

RURAL COMMUNITY DEVELOPMENT SERVICE

The Rural Community Development Service was established on February 4, 1965. This Service with newly assigned expanded responsibilities superseded the former Office of Rural Areas Development. The Service provides staff coordination of Department activities directed to rural areas development and facilitates the effective extension into rural areas of assistance programs administered by other departments and agencies of the Federal Government.

FARMERS HOME ADMINISTRATION

The increase in both full-time and WAE employees was due to Congress recognizing the need to expand and accelerate programs to aid low-income families and communities.

FOREST SERVICE

Significant changes in the Forest Service for calendar year 1965 were: Abolishment of region 7 headquarters at Upper Darby, Pa., and administration of the area combined with existing regional headquarters at Milwaukee, Wis., and Atlanta, Ga.; the North Central Research Experiment Station was created by combining the Lake and Central States Research Experiment Stations; two State and private forestry area offices were created in the Northeastern and Southeastern States with headquarters at Upper Darby, Pa., and Atlanta, Ga., respectively.

In the Washington office, the position of Associate Chief was created and the functions of resource management and protection and development were combined under a new Deputy Chief position established over a primary organizational segment designated "National Forest System."

No significant changes in personnel resulted from this reorganization.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service established a new foreign post in Santo Domingo, Dominican Republic, during the year, due to the need for agricultural representation in that area.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The principal organization changes and realignments in the Agricultural Stabilization and Conservation Service were as follows: The agency defense function was reassigned from the Disaster and Defense Services Staff to the national headquarters reporting to an Assistant to the Secretary. However, the Agricultural Stabilization and Conservation Service continues to perform a coordinating service for the Assistant to the Secretary in this area.

Abolishment of Conservation and Land Use Division: Functions were assigned to the Farmer Programs Division in order that all of the farmer-oriented operating policy, programs, and procedures would be vested in one major unit of the agency.

CONSUMER AND MARKETING SERVICE

Secretary's Memorandum No. 1567, supplement 1, dated February 8, 1965, changed the name of the Agricultural Marketing Service to Consumer and Marketing Service and transferred all the functions administered by the Meat Inspection Division of the Agricultural Research Service. The transfer was effected to strengthen and more closely coordinate the consumer protective and marketing service activities of the Department. Concurrent with the change in agency name and transfer of meat inspection functions, the Office of Deputy Administrator, Consumer Protection, was created. The warehouse examination function was transferred from the Agricultural Stabilization and Conservation Service and assigned to the Transportation and Warehouse Division (formerly Special Services Division).

A new organizational structure under a Deputy Administrator, Consumer Food Programs, was established to carry out increased responsibilities in the area of food distribution and related programs, due to the passage of the Food Stamp Act, the Civil Rights Act, and the Economic Opportunity Act. This new structure composed of three divisions and two staffs, namely, Commodity Distribution Division, Food Stamp Division, School Lunch Division, Consumer Food Programs Services Staff, and Food Trades Staff, replaced the Food Distribution Division.

ECONOMIC RESEARCH SERVICE

Significant organization changes were made in the Economic Research Service. A new Economic Development Division was created and made operative by transfer of functions and personnel from other divisions in the Economic Research Service.

Other minor organizational realignments were made in the Economic Research Service. These revisions in organizational structure represent the reorientation of programs to meet the economic research and service needs of a changing agriculture.

AGRICULTURAL RESEARCH SERVICE

The Animal Health Division was assigned the import and export animal and animal products inspection activities previously performed by the Animal Inspection and Quarantine Division. Veterinary biologics activities previously performed by Animal Inspection Quarantine were reorganized into a separate division designated as the Veterinary Biologics Division. The Animal Inspection and Quarantine Division was abolished concurrent with these actions. The staff of the Animal Inspection and Quarantine Division was transferred to the Animal Health and the Veterinary Biologics Divisions.

DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

Within the Office of the Secretary the position of the National Export Expansion Coordinator was abolished. The position was established in 1962 to oversee and expedite efforts to penetrate foreign markets as a part of the administration's efforts to relieve the balance-of-payments deficit. The Secretary of Commerce has assumed the responsibility for these functions.

The new position of Assistant Secretary of Commerce, created by Public Law 89-136, Public Works and Economic Development Act of 1965, was designated Assistant Secretary of Commerce and Director of Economic Development. This Assistant Secretary serves as the principal adviser to the Secretary of Commerce on matters concerning economic development, including the responsibilities of the Department under the Appalachian Regional Development Act of 1965, Public Law 89-4. He exercises policy direction and general supervision of the Economic Development Administration and the Office of Regional Economic Development, and supervises the staff and support offices for economic development activities.

In April 1965, the Deputy Assistant Secretary for Administration was designated and authorized to act for the Secretary in supervising and coordinating the Department's responsibilities and activities in connection with accomplishing the purposes of title VI of the Civil Rights Act of 1964, and Department Regulations issued thereto. In November 1965, this function was transferred to the newly established Office of Equal Opportunity in the Office of the Secretary. The Office of Equal Opportunity is responsible for providing departmentwide leadership over and coordination of all equal opportunity programs and activities throughout the Department, and for providing staff services to bureaus and offices on equal opportunity matters.

In the Office of the Under Secretary for Transportation several organizational improvements were carried out to implement research programs enlarged and newly established by Congress, to provide more specific attention to policymaking problems, and to intensify activity on programs under the supervision of the Under Secretary for Transportation.

New Offices of Transportation Policy Development and Transportation Programs were established, replacing Transportation Staff. These Offices are now under the supervision of the Deputy Under Secretary for Transportation, who is also responsible for executive management of the Office of the Under Secretary for Transportation and for supervising the Office of Emergency Transportation, a constituent operating unit of the Department.

A new position of Deputy Under Secretary for Transportation Research was created with responsibility for supervising the research, development, and statistics activities under the Office of the Under Secretary for Transportation, coordination of R. & D. programs in the Bureau of Public Roads and Maritime Administration, and maintenance of liaison with private and public R. & D. efforts in transportation.

The Office of High-Speed Ground Transportation was established to conduct a program of research and development in improved high-speed ground technology. This Office has a staff of 19 employees.

CONSTITUENT OPERATING UNITS

The Office of Transportation Data Systems was established to coordinate Federal efforts to obtain meaningful transportation statistics. Recruitment is currently underway to staff this Office at an authorized permanent strength of nine.

With the establishment of the Office of Transportation Research the transportation research staff was increased from 23 to 30 to meet the increased emphasis on, and interest in, transportation research.

BUREAU OF THE CENSUS

During calendar year 1965, the Bureau reduced employment from 29,636 to 5,293. This reduction of more than 24,000 was due principally to temporary field employees having completed their assignments on the 1964 Census of Agriculture. Passage of legislation, by the Congress, relating to voting rights and hospital insurance for the aged required the addition of 450 temporary employees during December.

The 36 American citizens employed on a full-time basis outside the continental United States are mainly assigned to programs within the cooperative arrangement between the Bureau and the Agency for International Development.

The 1,085 employees serving without compensation within the continental United States are generally employees of other agencies who assist the Bureau in various joint projects and must be sworn in as Census employees to comply with statutes relating to non-disclosure of individual census returns. Similarly, the 42 employees serving without compensation outside the continental United States are with the Puerto Rico Planning Board and must be sworn as Census employees to accomplish the missions of mutual interest in which they are associated.

ECONOMIC DEVELOPMENT ADMINISTRATION

The Area Redevelopment Administration, established May 8, 1961, pursuant to the Area Redevelopment Act (42 U.S.C. 2501) was abolished by expiration of the act on August 31, 1965.

The Public Works and Economic Development Act of 1965 (Public Law 89-136) was approved on August 26, 1965.

The Economic Development Administration was established on September 1, 1965, to carry out the responsibilities assigned to the Secretary of Commerce by titles I, II, III, IV, V, VI, and VII of the Public Works and Economic Development Act of 1965. The Economic Development Administration is designed to provide new industry and permanent jobs in areas where they are most needed through public works, industrial and commercial loans, and a wide variety of technical assistance. The personnel, equipment, property, as well as the assets, contracts, loans, liabilities, commitments, authorizations, allocations and records of the Area Redevelopment Administration, which was abolished, were transferred to the Economic Development Administration.

The Office of Regional Economic Development was formally established on January 6, 1966, to carry out the responsibilities assigned the Secretary of Commerce by title V of the Public Works and Economic Development Act of 1965 relating to the designation and establishment of multiplestate regional action planning commissions and to stimulate economic development programs within the regions.

The Appalachian Assistance Staff was established on May 25, 1965, to assist in administering the responsibilities assigned to the Secretary of Commerce by the Appalachian Regional Commission Act of 1965 and Executive Order 11209 of March 25, 1965. The Appalachian Assistance Staff, which initially reported to the Secretary, was transferred to the Assistant Secretary of Commerce and Director of Economic Development on September 1, 1965.

ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION

The Environmental Science Services Administration was created under the President's Reorganization Plan No. 2 of 1965. ESSA is a consolidation of the Weather Bureau and the Coast and Geodetic Survey and the coincident transfer to it of the Central Radio Propagation Laboratory from the National Bureau of Standards. The new organization comprises all the environmental science services activities

of the Department of Commerce and provides a single national focus for efforts to describe, understand, and predict the state of the oceans the state of the lower and upper atmosphere, and the size and shape of the earth.

The organization of ESSA was accomplished within the combined personnel and budgetary ceilings of the consolidated components, without interruption to serve the public.

Five major-line components were established under the new ESSA organization. These components are the Environmental Data Service, the Weather Bureau, the Institutes for Environmental Research, the Coast and Geodetic Survey, and the National Environmental Satellite Center. In addition, the following centralized staff functions were established at ESSA headquarters to provide services for all the major-line components: administration, planning and program evaluation, science and engineering, international affairs, public information, management information center, user affairs, aviation affairs, and internal audits staff.

Upon the establishment of ESSA, the Office of the Federal Coordinator for Meteorological Services and Supporting Research was transferred to ESSA. The office, which is responsible for coordinating Federal programs in meteorology, formerly reported directly to the Office of the Secretary. Also, the Office of Radio Frequency Management, which exercises staff management over the assignment and use of radio frequencies by the Department of Commerce, was transferred to ESSA from the National Bureau of Standards.

PATENT OFFICE

An Office of Internal Audits reporting directly to the Commissioner was established. An Office of Research, Development, and Analysis was established comprising three divisions previously assigned elsewhere in the Patent Office. These include the Management and Organization Division, formerly part of the Office of Administration, the Research and Development Division which was reassigned from the direction of an Assistant Commissioner, and the Planning and Program Evaluation Division which was part of the Commissioner's Office. The patent examining operations and the Office of Examining Control were placed under the immediate direction of an Assistant Commissioner who also had direction of the related functions of the Office of Patent Classification, and Scientific Library. The Office of the Solicitor which previously reported to the Commissioner was assigned to the First Assistant Commissioner, giving to that official direction of all of the internal appellate and juridical proceedings of the Patent Office. No change in total staffing requirements resulted from the reorganization, although some internal shifting of positions was involved.

BUREAU OF PUBLIC ROADS

A new Equal Opportunity Division was established in the Office of Audits and Investigations to carry out the Bureau's responsibilities under the Civil Rights Act of 1964, pertinent Executive orders and Department of Commerce regulations. Initially, this Division will consist of a staff of 33. Seven employees were reassigned to the new Division from within the Office of Audits and Investigations, and 26

new positions were reallocated to that Office from other sources within the Bureau's employment ceilings.

Under the Appalachian Regional Development Act of 1965, coordinating responsibilities in connection with the Appalachian highway program were assigned to the Office of Right-of-Way and Location. In addition to designating an Appalachian Project Coordinator, 24 engineering positions were assigned to the Public Roads field offices handling the additional highway construction projects generated by the Appalachian highway program.

Under Public Law 307, 87th Congress, which conveyed a portion of the Shirley Highway to the Commonwealth of Virginia, the responsibility for maintenance of the Pentagon road network and Shirley Highway, and road construction and repair work by force account method on a reimbursable basis for other Government agencies, which had been carried out by region 15, was discontinued. Thirty positions associated with the former maintenance responsibilities of region 15 were abolished.

To implement the Department's responsibilities under the Highway Beautification Act the position of Highway Beautification Coordinator was established together with several new organization elements. The Coordinator will provide direction to bring into common action the efforts of the several organization elements involved in accomplishing the objectives of the program relating specifically to the control of outdoor advertising, control of junkyards, and landscaping and scenic enhancement. A total of 156 additional positions will be required for administration of the beautification program.

Under section 4, Public Law 89-139, approved August 28, 1965, the Department of Commerce was assigned the responsibility to promote the establishment of highway safety programs by each of the States in accordance with uniform standards approved by the Secretary of Commerce, designed to reduce traffic accidents on highways on the Federal aid systems. Sixteen additional positions have been allocated within the Office of Highway Safety to carry out these responsibilities.

NATIONAL BUREAU OF STANDARDS

Establishment of the Center for Computer Sciences and Technology.—The need for such a center was explicitly recognized in Senate Document 15, "Report to the President on the Management of Automatic Data Processing in the Federal Government," prepared by the Bureau of the Budget. The report, which the President approved and forwarded to Congress on March 2, 1965, recommended an expanded role for the National Bureau of Standards in assisting other Federal agencies to make effective use of computers and related techniques.

Bureau of the Budget Circular A-71 specifically assigned new responsibilities to the Department of Commerce in connection with the administration and management of automatic data processing activities. These responsibilities, which are to be carried out by the the National Bureau of Standards, required the establishment of the Center for Computer Sciences and Technology. The Center incorporates all of the existing Information Technology Division in the Institute for Applied Technology and the Computation Laboratory from the Applied Mathematics Division of the Institute for Basic Standards.

The establishment of the Center for Computer Sciences and Technology makes it possible to have an integrated organization providing computer programming and operating services and related advice, information and research support to other Federal agencies.

Transfer of the Central Radio Propagation Laboratory to the Environmental Science Services Administration.—The Central Radio Propagation Laboratory located in Boulder, Colo., was transferred to the Environmental Science Services Administration under the provisions of Reorganization Plan No. 2 of 1965. The National Bureau of Standards will be responsible for the maintenance of facilities housing the ESSA activities at Boulder, Colo. Administrative and technical support services for the NBS and ESSA programs in Boulder are provided under a cross-servicing agreement, with one agency acting as the manager of each major service.

Transfer of the Office of Radio Frequency Management to the Environmental Science Services Administration.—This activity was transferred to ESSA on October 1, 1965. The functions of the Office of Radio Frequency Management relate to ESSA's mission.

OFFICE OF STATE TECHNICAL SERVICES

The Office of State Technical Services was established September 14, 1965, as a primary operating unit of the Department of Commerce by Public Law 89-182 of the 89th Congress.

The principal objective of the Office of State Technical Services is to raise the technological level of American business, making American products more competitive in foreign and domestic markets and creating new employment opportunities, by providing planning and matching Federal grants to the States for cooperative State-university-industry technical service programs, designed to stimulate the use of new technological developments in local businesses and industries.

A staff of (23) permanent positions has been authorized. The staff will be augmented by the use of consultants on a WAE basis.

U.S. TRAVEL SERVICE

To further the goals of the promotion of travel from overseas to the United States the U.S. Travel Service opened an office in Amsterdam.

The Washington staff was increased to include an audit staff to make comprehensive internal audits for the Director of USTS including audits of financial statements of reports or transactions and of procurement and contract activities.

DEPARTMENT OF DEFENSE

ORGANIZATION AND MANAGEMENT

Continuing progress toward greater efficiency and economy in both structure and operational effectiveness within the Defense Department has been achieved. Vigorous surveillance over management practices and organizational arrangements at all levels has served to insure that the Department remains abreast of the times and capable of keeping pace with the changing needs of a dynamic society. Some of the more significant organizational and management accomplishments and undertakings during the last year are as follows.

Basic force level and weapon systems changes which require the realignment of military forces and which permit the consolidation, reduction, or discontinuance of military facilities have enabled announcement during 1965 of 149 actions to close or substantially reduce installations. These actions include 16 major installations, 11 of which are airbases. Twenty-three of the 149 actions are overseas. These actions will produce an annual savings of approximately \$410 million. Jobs eliminated total 43,681 military and 9,329 civilian. Military personnel released become available for assignment to other duties and placement at other installations is offered civilians whose jobs are eliminated. In addition, these actions will release 93,174 acres of land for other uses.

The Defense Contract Audit Agency was established to consolidate the activities of the 3,600 employees of the various contract audit units of the military departments. This consolidation action should save almost \$2 million per year and improve efficiency and responsiveness as compared with the former fragmentation of this activity among the military departments. Under this single agency approach, contractors will be required to deal with only one defense auditor rather than with several separate service auditors as in the past.

The Office of the Director of Defense Research and Engineering (D.D.R. & E.) was extensively reorganized and restructured in order to combine or abolish some offices and create others in recognition of the changing pattern and emphasis in research and engineering.

When the incumbent Deputy Director of D.R. & E., who was an Assistant Secretary of Defense (ASD) in his own right, resigned, the vacancy occurring among the seven ASD positions authorized by law was used to establish the systems analysis function at assistant secretarial level. The Office of the Assistant Secretary for Systems Analysis was created to give greater recognition and emphasis to this important aspect of facilitating Defense decisionmaking. Creation of the systems analysis office makes the function more accessible to all elements of the Department of Defense and will enhance systems analysis applications throughout the Department.

A special task force was established in July 1965 to insure that responsible elements of the Department of Defense expedite the provision of required resources to the military effort in Vietnam. This task force, operating under the functional supervision of the Assistant Secretary of Defense (Administration), reports to the Secretary of Defense. It is the mission of this task force to keep abreast of resource requirements for Vietnam and to isolate problem areas so corrective action can be taken to prevent problems from arising before they actually arise.

On May 15, 1965, the Secretary of Defense approved a Joint Chiefs of Staff plan for consolidating Service missions in each Latin American country into an organization called a military group. This consolidation is designed to place all military advisory and assistance programs in a given country under one person, thus simplifying the military and ambassadorial controls over these programs. In addition, the approved plan calls for a country-by-country study of which administrative support functions can be transferred feasibly to the embassies. The study on arrangements in Chile is now being analyzed by State Department and Defense Department personnel.

Management of Armed Forces radio stations and dependent schools overseas have been consolidated on a geographical basis with one military department designated in each area to operate these facilities instead of having duplicate networks and school systems as had previously been the situation. In addition to simplifying operations, these consolidations contribute to gold flow reductions.

Joint Task Force 8, a subordinate command of the Defense Atomic Support Agency, has been moved from Washington, D.C., to Sandia Base, N. Mex. The mission of JTF 8 is to insure that facilities, contingency plans, and test organizations are ready and rehearsed to initiate testing in environments now prohibited by the limited nuclear test ban treaty should such testing ever become necessary. The move places JTF 8 in the heart of the atomic community, and will facilitate operation at reduced cost.

As an outgrowth of studies completed during the year to inventory personnel and space allocations in the National Capital area by function, a program for reviewing the desirability of decentralizing specific Defense activities from the National Capital area has been adopted in furtherance of the Presidential desires to minimize the concentration of executive agencies in the area where economically and operationally practical. The program is being conducted in close coordination with the Bureau of the Budget and shows promise of effectively fulfilling Presidential aims in this matter.

A study has been completed which focuses on methods of streamlining the decision-making and budget formulation machinery within the Department.

Several studies were initiated during the year and are currently underway to determine the best organizational and management arrangements in such fields as transportation services, communications services, and audiovisual services. All of these studies show promise and enabling increased efficiency and greater economy.

A major effort is currently underway in the Department of Defense to improve and modernize its resources management systems. The objective of this effort is to strengthen the capability of managers by establishing a system that aids and motivates managers at all levels of the Department in their function of assuring that resources are obtained and used effectively and efficiently. The present program structure, with some modifications, will be the nucleus of the system, and all recurring quantitative information and related systems will be incorporated into the overall system.

Machinery exists within the Office of the Secretary of Defense as well as within each of the other major components of the Department to insure that stress is maintained toward continued accomplishment of organizational and management improvements.

CIVILIAN EMPLOYMENT

The modest increase in OSD employment during the past year resulted principally from the establishment of the Office of the Assistant Secretary of Defense (Systems Analysis), and an augmentation of the internal audit capability of OASD (Comptroller). The strengthening of these activities will provide better management of Departmental programs and will lead to improved efficiency and economy within DOD. The increase in the Office of the Joint Chiefs of Staff

employment is due to increased recruiting aimed at bringing their clerical work force up to their authorized strength.

There was an increase of 16,423 in the number of full-time civilian employees assigned to other defense activities. Of these, 15,286 represent an increase in the Defense Supply Agency which was offset by a corresponding decrease in the military departments as part of a phased consolidation of functions and transfer of personnel. There were small increases in classified activities, the Defense Atomic Support Agency, and the Defense Communications Agency. The headquarters of the Defense Contract Audit Agency was organized in March 1965 with most of their staff coming from the military departments. Their field operations began after January 2, 1966, with a transfer of functions and personnel from the military departments at that time.

Department of the Army

The Chief of Legislative Liaison, Department of the Army, reported that during calendar year 1965 there was a net increase of 11,310 in Department of the Army direct hire civilian employment. Increases in strength were due to hirings in support of the southeast Asia operations, transfer of civilian personnel from other defense agencies for the newly established Military Traffic Management and Terminal Service, personnel to support an expanded civil works program, and hirings under the President's back-to-school drive. These increases were partly offset by decreases due to productivity improvement actions, station closures, the accelerated retirement program, budgetary adjustments and transfers of employees to other defense agencies.

There was a net decrease of 1,612 in indirect hire foreign national employees provided through contractual agreements with foreign governments during this period. This decrease can be attributed to 1965 reductions associated with the balance of payments situation.

The Department of the Army continued to take action during the calendar year 1965 to improve its organizational structure as part of the Department's continuing program of management improvement. The more noteworthy changes are discussed below.

(a) In November 1964, the Secretary of Defense designated the Secretary of the Army as the Department of Defense Single Manager for Military Traffic, Land Transportation, and Common-User Ocean Terminals. As a result of this designation, the Military Traffic Management and Terminal Service (MTMTS) was established February 15, 1965, as a major field command of the Department of the Army with headquarters at Washington, D.C. The Commander, MTMTS, is designated as the Executive Director for Military Traffic, Land Transportation, and Common-User Ocean Terminals. The MTMTS is jointly staffed and is responsible for regulating surface transportation of military cargo and personnel and for managing and operating military common-user ocean terminals within the contiguous 48 States. MTMTS is also responsible for worldwide management of the household goods moving and storage program, and for command of certain oversea Army terminal units in support of the Department of the Air Force. The operations of MTMTS are designed to reduce Department of Defense transportation costs and to result in substantial reductions in personnel and excess transportation facilities.

(b) U.S. Army counterintelligence operations in the United States were realigned during the year. A new U.S. Army Intelligence Command was established January 1, 1965, to provide counterintelligence support to all Army elements throughout the continental United States. Prior to January 1, 1965, each of the six numbered Armies in the continental United States and the Military District of Washington was responsible for counterintelligence activities throughout its geographic area, and each controlled an intelligence corps group with which to conduct these activities. This represented a decentralized system with seven control points. Under the new system, the seven groups are consolidated into the new command together with the records facility where all Army counterintelligence and criminal investigation dossiers are maintained. The headquarters of the new command, located at Fort Holabird, Md., provides a single control point under a centralized system. Field activities of the new U.S. Army Intelligence Command were organized into seven groups subdivided into numbered regions corresponding with subdivisions of the several geographic Army field commands. For greater efficiency in the conduct of personnel security investigations, the counterintelligence field units have been collocated where practicable with the Army's criminal investigation field units.

(c) Research and development activities of the United States Army Electronics Command were reorganized June 1, 1965:

(1) The electronics laboratories of the U.S. Army Electronics Command were abolished and research and development activities of the command were restructured into seven separate, independent laboratories. These laboratories were established for each mission area for which the command has research and development responsibility, as follows:

(a) Combat Surveillance/Night Vision and Target Acquisition Laboratory.

(b) Avionics Laboratory.

(c) Electronic Warfare Laboratory.

(d) Communications/Automatic Data Processing Laboratory.

(e) Electronic Components Laboratory.

(f) Atmospheric Sciences Laboratory.

(g) Institute for Exploratory Research.

Objectives of this reorganization are to reduce management layering, increase in-house competence and productivity, redistribute functions and resources into organizations of manageable mission and size, and increase the research and development interface with the procurement, production, and materiel readiness functions.

(2) Concurrently, a Research and Development Directorate was established to perform the research and development staff functions for the U.S. Army Electronics Command and to provide common management, administrative and engineering support services to the seven independent laboratories.

(d) The Army Propulsion Management and Technology Center was established August 1965 in the U.S. Army Missile Command to provide central monitorship of all Army missile and rocket propulsion research and development programs. The objectives of the Center are to gain the improved control needed to obtain maximum return on the annual investment in terms of lowered program costs; reduce technical risks; improve performance, quality, and reliability; and avoid duplication of research and development activity.

(e) The Combat Surveillance Office was established in March 1965 as an element of the supporting staff at Headquarters, U.S. Army Materiel Command. This office provides Department of Defense, other Government agencies, and contractors a single point of contact within the U.S. Army Materiel Command for combat surveillance matters pertaining to one or more project-managed items or related systems or functional areas.

(f) Several important changes were installed during 1965 in the staff organization at Department of the Army headquarters:

(1) As the result of studies made to improve management of personnel and manpower, the Army's manpower and personnel management systems and organizations were realigned at the departmental headquarters:

(a) To strengthen the manpower and personnel research program, a Personnel Research Branch was established within the Office of the Deputy Chief of Staff for Personnel. This new organization will provide information as to the nature, status, resource allocation, and expected benefits accruing from past and current personnel research efforts. It will maintain a complete reference file of all studies so as to prevent undesirable duplication of effort among various personnel research tasks.

(b) A Military Compensation Review Division was established to provide for continuous study and development of economic data for comparison of military compensation with that of comparable personnel of other Government agencies and private industry.

(c) To better centralize the programing, authorization, and utilization of manpower, and to centralize approval authority for tactical and nontactical manpower authorization tables, all manpower utilization and control functions formerly performed by the Deputy Chief of Staff for Personnel were reassigned to the Assistant Chief of Staff for Force Development. The latter now has responsibility for allocating both military and civilian manpower, for controlling the documents by which manpower is authorized, and for developing staffing guides and other criteria for determining manpower requirements.

(d) Concurrent with the transfer of manpower management functions, individual training functions were reassigned from the Assistant Chief of Staff for Force Development to the Deputy Chief of Staff for Personnel. Responsibility now is consolidated under the latter for all procurement, training, and distribution and assignment functions for Army military and civilian personnel.

(2) To properly coordinate and integrate all Army programs for participation in international military standardization efforts, an International Standardization Office was established under the direct supervision of the Assistant Chief of Staff for Force Development.

(3) To coordinate all PERSHING missile system actions including the worldwide operational test program, and to improve armywide responsiveness to system improvements, a PERSHING office was established at the Army departmental headquarters level.

Department of the Navy

IMMEDIATE OFFICE OF THE SECRETARY

During the period ending December 31, 1965, the following changes in function and related personnel were effected.

(a) The Procurement Review Group function with 12 employees was transferred from the Office of Naval Material to the Assistant Secretary of the Navy (Installations and Logistics) in accordance with the Secretary of the Navy memorandum for the Assistant Secretary of the Navy (Installations and Logistics) and the Chief of Naval Material, dated December 24, 1964, subject: Transfer of certain functions from the Chief of Naval Material to the Assistant Secretary of the Navy (Installations and Logistics).

(b) The Armed Services Procurement Regulations Group with three employees was transferred from the Office of Naval Material to the Assistant Secretary of the Navy (Installations and Logistics) in accordance with the Assistant Secretary of the Navy (Installations and Logistics) memorandum to the Administrative Officer, Navy Department, dated March 12, 1964, subject: Armed Services Procurement Regulations Policy Group.

(c) The Office of the Deputy Under Secretary of the Navy for Manpower was established on the basis of the Secretary of the Navy memorandum for the Chief of Naval Operations; the Commandant of the Marine Corps; the Under Secretary of the Navy; and the Assistant Secretaries of the Navy for Financial Management, Installations and Logistics, and Research and Development, of November 24, 1965, subject: Establishment of position "Deputy Under Secretary for Manpower" in the Department of the Navy. No employees were assigned to this element of organization as of December 31, 1965.

The increase in employees assigned to the Assistant Secretary of the Navy (Research and Development) was due to increased research and development requirements, especially in the antisubmarine warfare, missile, and electronics fields.

DEPARTMENT OF THE NAVY STAFF OFFICES

During this period the increase in employees assigned to the Office of Legislative Affairs was due to the replacement of military personnel with civilians; and the increase in employees assigned to the Office of Information was due to increased requirements of the Speech Bureau and the Plans Division of that office. Eighteen civilian employees were transferred from the Office of the Comptroller to the Defense Contract Audit Agency as part of the consolidation of the external audit functions of the three military services.

JUDGE ADVOCATE GENERAL

During the period ending December 31, 1965, the functions of Boards of Review and Appellate Counsel Divisions and 11 related employees of the Office of the Judge Advocate General were transferred to the Navy Appellate Review Activity, Washington, D.C., a field activity, on the basis of Deputy Secretary of Defense memorandum to the Secretary of the Navy of September 30, 1964, subject: Consolidation of functions of Boards of Review and Appellate Counsel divisions of the Office of Judge Advocate General, Washington, D.C., and Office of Judge Advocate General West Coast, San Bruno, Calif.

OFFICE OF CHIEF OF NAVAL OPERATIONS

The Office of the Chief of Naval Operations, which had one civilian employee on December 31, 1964, had none assigned as of December 31, 1965. The changes since December 31, 1964, in the numbers of employees assigned to other organizational units do not represent changes in organization or function.

BUREAU OF MEDICINE AND SURGERY

The numbers of employees assigned to the organizational units Assistant Chief for Personnel and Professional Operations and Assistant Chief for Planning and Logistics were reduced 29 and 46, respectively. The termination of 19 temporary employees in the former organizational unit, and the transfer of the data processing function with 43 employees from the latter unit to the National Naval Medical Center, Bethesda, Md., accounts for the major portion of these reductions.

BUREAU OF NAVAL PERSONNEL

In the period since December 31, 1964, the following organizational changes were effected:

(a) The organizational unit, Special Assistant to the Chief for Leadership was disestablished and its functions and related employees were assumed by the Assistant Chiefs for Education and Training, and Plans and Programs.

(b) The Personnel Research Division and the Assistant Chief for Personnel program Management were disestablished and their functions and related employees were assumed by the Assistant Chief for Plans and Programs.

(c) The element of organization designated SECNAV Retention Task Force is a temporary special project which is staffed by employees of the Bureau of Naval Personnel. It is expected that the task force will complete its assignment and go out of existence during 1966.

OFFICE OF NAVAL MATERIAL

During the period since December 31, 1964, the following changes in function and related employees were effected:

(a) The contract services function with 20 employees was transferred to the Defense Supply Agency.

(b) The procurement review function with 12 employees and the Armed Services Procurement Regulations Group with three employees were transferred to the Office of the Assistant Secretary of the Navy (Installations and Logistics).

(c) During the period overall increases in the Office of Naval Material, specifically in the Offices of the Deputy Chief for Programs and Financial Management and the Deputy Chief for Material and Facilities, resulted from the implementation of a portion of NAVMAT staffing as authorized by letter of November 4, 1964 from the Secretary of the Navy to the Chief of Naval Material.

BUREAU OF NAVAL WEAPONS

During the period since December 31, 1964, changes in organization and in numbers of employees related to changed functions were effected.

(a) An increase of 61 employees assigned to the Assistant Chief for Plans and Programs resulted from the reestablishment of the F-111B/Phoenix Weapons Systems Project Office, and the transfer of employees of the All-Weather Carrier Landing Systems Project Office from the Naval Air Test Center, Patuxent River, Md.

(b) An increase of 94 employees under the Inspector General and Assistant Chief for Administration resulted from the centralization of the data systems functions of the Bureau of Naval Weapons in this element of organization.

(c) An increase of 14 employees under the Assistant Chief for Financial Management (Comptroller) resulted from the transfer of responsibility for providing administrative support for the field financial systems organization and related employees from the Naval Ordnance Laboratory, White Oak, Md., to this element of organization.

During this period the functions of the following elements of organization and their related employees were transferred to a new field activity, Naval Weapons Support Activity, Washington, D.C.:

[The numbers of employees are approximate and are based on numbers reported as of December 31, 1964, for each element of organization.]

<i>Element of organization</i>	<i>Number of employees</i>
Assistant Chief for Fleet Readiness and Training-----	385
Assistant Chief for Production and Quality Control-----	270
Assistant Chief for Research, Development, Test, and Evaluation-----	854
Assistant Chief for Field Support-----	99
Assistant Chief for Contracts-----	140

A portion of the employees assigned to the contracting function are still under the Assistant Chief for Contracts at the departmental level. It is planned to transfer these employees to Naval Weapons Support Activity.

BUREAU OF SHIPS

During the period since December 31, 1964, the following organizational changes were accomplished to achieve greater effectiveness.

The element of organization Assistant Chief for Fleet Maintenance was established by separating the functions and related employees from the former element of organization Assistant Chief for Design, Shipbuilding and Fleet Maintenance.

The following elements of organization were redesignated:

<i>Former title</i>	<i>Present title</i>
Assistant Chief for Administration-----	Director of Management Services.
Assistant Chief for Technical Logistics---	Assistant Chief for Engineering.

The Navy Ships Engineering Support Activity, Washington, D.C., was established as a field activity. This activity was staffed by the transfer of functions and employees from the former elements of organization Assistant Chief for Technical Logistics and Assistant Chief for Design, Shipbuilding and Fleet Maintenance.

BUREAU OF SUPPLIES AND ACCOUNTS

During the period ending December 31, 1965, the following elements of organization were redesignated.

<i>Former title</i>	<i>Present title</i>
Assistant Chief for Policy and Plans----	Assistant Chief for Policy, Plans, and Programs.
Comptroller of the Bureau of Supplies and Accounts.	Assistant Chief for Financial Management.
Assistant Chief for Transportation and Facilities.	Assistant Chief for Transportation.
Director of Navy Publications and Printing Service.	Assistant Chief for Publications and Printing Service.

The following elements of organization were created:

Assistant Chief for Administration and Organization.

Assistant Chief for Supply Operations.

The following elements of organization were eliminated and their functions and related employees transferred to other elements of organization.

(a) Assistant Chief for Research and Development, with 20 employees, was incorporated in the Assistant Chief for Policy, Plans, and Programs.

(b) Director of Management Engineering with 64 employees and Director of Publications and Technical Information with 28 employees were incorporated in the Assistant Chief for Administration and Organization. In addition, the Bureau Military Personnel Division of the Director of Supply Corps Personnel, with two employees, was transferred to this new element of organization.

(c) Assistant Chief for Supply Management with 115 employees was incorporated in the Assistant Chief for Supply Operations. Also, two divisions of the former element of organization Assistant Chief for Transportation and Facilities (Activity Management Division with 20 employees and Warehouse Operations Division with 38 employees) were transferred to the Assistant Chief for Supply Operations.

Functions and related employees were decentralized to the Navy Purchasing Office, Washington, D.C., a field activity, during this period as follows:

The former Director of Publications and Technical Information, 23 employees.

The former Assistant Chief for Supply Management, eight employees.

The former Comptroller of the Bureau of Supplies and Accounts, 52 employees of the Data Processing Division.

BUREAU OF YARDS AND DOCKS

During the period since December 31, 1964, the following transfers of function and related employees were effected.

(a) Engineers in training were transferred from the Chesapeake Division, Bureau of Yards and Docks, Washington, D.C., a field activity, to the Office of the Chief, Bureau of Yards and Docks, in behalf of southeast Asia projects.

(b) Functions and related employees of the Office of Technical and Professional Information were transferred to the Office of the Chief from Director of Programs and Comptroller.

(c) The automatic data processing program function and related employees were transferred from Director of Programs and Comptroller to Chesapeake Division, Bureau of Yards and Docks, Washington, D.C., a field activity.

HEADQUARTERS, U.S. MARINE CORPS

No organizational changes were effected during calendar year 1965. The increase in employment in the Personnel Department resulted from the employment of five part-time employees under the youth opportunity campaign program and increased workload due to operations in southeast Asia. Decreases in employment in the Administrative Division and the Fiscal Division were due to the assignment of typists and stenographers from the pool under the Administrative Division to permanent positions in other organizational units, and the transfer of 20 employees from the Fiscal Division to the Marine Corps Headquarters Battalion, Henderson Hall, Arlington, Va., a field activity.

MILITARY SEA TRANSPORTATION SERVICE

During the period ending December 31, 1965, no organizational changes took place. However, employment was reduced by two positions in the supply office as the result of mechanization of supply inventory records. Employment was increased by six in the Office of the Assistant Chief of Staff (Administration and Manpower) because of the replacement of military teletypists with civilian employees. There was an increase of 10 employees assigned to the Assistant Chief of Staff (Operations) as the result of ceiling increases authorized to provide the necessary logistic support to MSTS operations in southeast Asia.

Department of the Air Force

The Department of the Air Force is continuing to place emphasis upon organizational improvement. As a direct result of this policy we are gradually gaining more control over similar type units throughout the world. Our new U.S. Air Force organizational manual, which was published last year, requires all significant changes in organization be approved by this headquarters. This stipulation in the manual has improved our way of doing business and emphasizes significant organizational problems when they occur. The manual also assists us greatly in our effort toward assuring effective use of manpower resources and effective organizational management as well as economy of our forces.

This Nation's recent military buildup in Southeast Asia has highlighted one of our organizational policies and required immediate attention for the wartime task. Prior to SEA, our tactical squadrons did not perform the flight-line maintenance and personal equipment functions. These operations were performed by consolidated maintenance organizations which accomplished their missions effectively. However, with the deployment of tactical squadrons from the parent consolidated maintenance organizations to overseas areas, the tactical squadron commanders experienced considerable difficulty without these flight-line maintenance and personal equipment functions. In order to correct this situation, several organizational actions were necessary which included all tactical fighter and tactical reconnaissance squadrons. The organizational actions included placing flight-line maintenance, munitions load teams, personal equipment, and squadron intelligence in the tactical squadron and including photo processing, photo interpretation, and/or electronic intelligence capabilities in the reconnaissance squadrons. These actions have greatly assisted our tactical squadron commanders in accomplishing their mission.

In addition to the above actions, the Department of the Air Force accomplished the following significant organizational actions:

(1) Standardization in functional areas at major and intermediate command headquarters. Studies are underway in areas such as medical, food services, and base supply activities.

(2) Standardization in functional areas at base level such as the Base Procurement Division, Personnel, Civil Engineering, and Comptroller.

(3) Redesignated the Military Air Transport Service (MATs) to the Military Airlift Command (MAC). This action was the result of Public Law 89-37, 89th Congress, dated June 11, 1965. Concurrent with the above, action was taken to redesignate the Eastern Transport Air Force and the Western Transport Air Force to the 21st Air Force and the 22d Air Force, respectively. Air transport and troop carrier wings, groups, and squadrons have been redesignated as military airlift wings, groups, and squadrons; aeromedical transport wings, groups, and squadrons have been redesignated as aeromedical airlift organizations; and the en route support squadrons (transport) have been redesignated as military airlift support squadrons.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF THE SECRETARY

Major organizational changes occurred in the Office in 1965. Four new Assistant Secretaries were established as authorized by the Congress. The Assistant Secretaries were assigned major responsibilities in legislation, education, health and scientific affairs, environmental health, individual and family services, and program coordination. Civil rights functions were assigned to a new special assistant to the Secretary. The financial management function was transferred from the Office of the Assistant Secretary for Administration to the newly established Office of the Comptroller to strengthen that function. The Office of Field Administration became the Office of Field Coordination.

The increase of 264 in personnel occurred mainly in the Offices of the new Assistant Secretaries, in the Office of the Comptroller, and in regional offices.

ADMINISTRATION ON AGING

The Administration was established on October 1, 1965, as authorized by the Older Americans Act of 1965, Public Law 89-73. The Office of the Aging in the Welfare Administration was abolished on the same day.

FOOD AND DRUG ADMINISTRATION

During 1965, the Food and Drug Administration continued to expand because of additional responsibilities resulting from enacted legislation and the increases by American industry in the volume and variety of new food, drug, and cosmetic products regulated by Federal law.

On January 4, 1965, the Bureau of Medicine was reorganized to provide a more effective structure for coping with its increasing

responsibilities and activities. In the reorganization, the Division of Research and Reference was abolished, and its functions were realigned and transferred to the newly established Division of Medical Information. Functions involving the coordination of drug policies within the Bureau and with industry, availability of medical resources, and liaison with the scientific community on medical matters were established in new formal staff elements of the Office of the Medical Director at the Bureau level. The Antibiotic Drugs Branch was removed from the Division of New Drugs and reestablished, intact, as the Division of Antibiotic Drugs. This overall reorganization, of itself, did not occasion any changes in the personnel strength of the Bureau.

On September 15, 1965, the Division of Veterinary Medicine in the Bureau of Medicine was elevated to bureau status and became the Bureau of Veterinary Medicine to provide an organization framework for the expanding veterinary medical responsibilities of the Food and Drug Administration, to afford recognition and thereby increase the stature of this professional speciality in the Agency, and to enable increased attention by the Medical Director on human medical problems of the Bureau of Medicine.

In consideration of the recently enacted Drug Abuse Control Amendments of 1965, the Secretary approved the establishment of the Bureau of Drug Abuse Control to be organized as follows: Office of the Bureau Director, Division of Case Assistance, Division of Investigations, Division of Drug Studies and Statistics, and field stations located at New York, Atlanta, Chicago, Kansas City, and Los Angeles. Initially, approximately 278 personnel spaces are planned for this Bureau, which is scheduled to commence operations on February 1, 1966. Four additional field stations and an overall Bureau strength of approximately 382 spaces are planned for fiscal year 1967.

OFFICE OF EDUCATION

In 1965, the Office of Education was reviewed by the White House task force established for that purpose. Based on its recommendations, the Office was reorganized on July 1, 1965. The reorganization reflected three basic concepts: (1) the program elements should be organized in parallel with the educational structure of the nation (e.g., bureaus of elementary and secondary education, higher education, and adult and vocational education, with all research concentrated in a bureau of that name); (2) administrative and managerial services and controls should be centralized in a strengthened Office of Administration and in a new Contracts and Construction Service; and (3) the field organization should be enlarged and strengthened with a direct line relationship between the office heads of the regional offices and the Commissioner. This last concept is being modified in application so that the regional offices will report in a line capacity to an Associate Commissioner for Field Services.

Other than the establishment of the Contracts and Construction Service, the staff offices remained essentially unchanged. The program bureaus, however, were completely reorganized and for the most part lost their former identity.

The increase in the staff (646) of the Office of Education is a direct result of the expansion of its programs. In fiscal year 1965, the Office's appropriations increased over 200 percent to \$1.5 billion; in fiscal year 1966 it again increased over 200 percent to \$3.3 billion.

This increase in funding reflects both increased activity in established programs and the inauguration of a number of new ones.

PUBLIC HEALTH SERVICE

During 1965 improvement of the Service's organization was given increasing attention although few major organizational changes were made. Noteworthy changes included the transfer of the Division of Water Supply and Pollution Control from the Service to the new Federal Water Pollution Control Administration, the establishment of the Division of Medical Care Administration to carry out the Service's responsibilities in medicare and related programs, and the establishment of the Division of Regional Medical Programs to implement the Heart, Disease, Cancer, and Stroke Amendment of 1965. As the year ended additional changes intended to increase the effectiveness of the Service's organization were under consideration by the Secretary's Committee on Organization of Health Activities of the Department. Also the Harris subcommittee of the House Committee on Interstate and Foreign Commerce was studying the organization of the Service.

Total employment decreased from 36,098 to 35,873. The net reduction of 225 resulted from the combination of the transfer of 1,194 civil service employees of the Division of Water Supply and Pollution Control to the new Federal Water Pollution Control Administration and some offsetting personnel increases in various Service components primarily for implementing new legislation.

SOCIAL SECURITY ADMINISTRATION

The calendar year 1965 witnessed a major reorganization of the Social Security Administration. The objectives of the reorganization are as follows:

Accommodate within the overall structure of the Social Security Administration, the important new units with special responsibility for the hospital and supplementary medical insurance programs.

Modify existing units to accommodate additional responsibilities because of these programs.

Provide for greater efficiency and economy and full utilization of scarce skills in the new technical area of electronic data processing and transmission by centering responsibility for this function in a single headquarters unit.

Strengthen the role of the management unit at the top level of the agency in order to better assure the most effective, efficient, and economical administration of both old and new program responsibilities.

Increase the technical support for district offices, payment centers, and State agency operation by assigning responsibility for functional supervision of technical work to specialized Bureaus and their representatives.

Strengthen the administration of the social security program in the field by placing responsibility for coordination and leadership of all social security activities in a given geographical area under a regional assistant commissioner reporting directly to the Office of the Commissioner.

Although some existing organizational units were not changed in the scope of their functions, an overall change in nomenclature was effected through the division level.

The total staff of the Administration increased during the year by 7,632. Although this is due in part to growing workloads under pre-amendment programs, 82 percent of the increase occurred in the second half of the year and reflects the impact of the 1965 amendments. The major increase is in the district offices and payment centers where both claims and inquiries have reached an all-time high.

ST. ELIZABETHS HOSPITAL

The Cruvant Division was established on October 15, 1965, to furnish treatment, care, and rehabilitation services for newly admitted female patients who require close security measures and for male and female patients who require intermediate security measures, and to conduct research in mental diseases. This change consolidates the admission and treatment of patients requiring similar security measures into one division.

The overall reduction of 158 employees was caused principally by difficulty in recruiting in certain categories and by an unusually large number of retirements in December 1965.

VOCATIONAL REHABILITATION ADMINISTRATION

The 89th Congress greatly increased the responsibilities of the Vocational Rehabilitation Administration by enactment of three significant pieces of legislation:

Vocational Rehabilitation Act Amendments of 1965, Public Law 89-333.

Correctional Rehabilitation Study Act, Public Law 89-176.

Social Security Act Amendments of 1965 (sec. 336 of Public Law 89-97 relative to use of trust funds for vocational rehabilitation of certain beneficiaries).

In order to properly discharge these responsibilities, certain modifications in the Vocational Rehabilitation Administration organization are pending. The changes are designed to provide for the increased responsibilities and to improve the efficiency and effectiveness of our organization. The revisions include the establishment of three new divisions.

An increase of 86 positions was provided by the Congress in the appropriations to administer the new legislation.

WELFARE ADMINISTRATION

The Administration on Aging, created by the Older Americans Act of 1965, Public Law 89-73, resulted in the transfer to the new Administration on October 1, 1965, of 48 employees from the rolls of the Welfare Administration.

The Division of Medical Care Standards, Bureau of Family Services, was reorganized with the title being changed to Division of Medical Services. The new organization structure is designed to improve operations and to increase capacity to meet the Bureau's responsibilities under title XIX of the Social Security Act, grants to States for medical assistance programs. Staffing of the Division was increased by 24 positions, 18 of which are professional. This staff will develop policy, standards, and guides for the development and coordination of health and medical aspects of Federal-State medical care programs, and provide professional advice and consultation.

Total employment rose by 129. The major elements in the rise were (1) the continuing buildup of consultant and adviser positions to improve service to the States, which results from the 1962 Welfare Amendments and the 1965 Amendments to the Social Security Act, and (2) the expansion of the Cuban Refugee Emergency Center staff.

FEDERAL WATER POLLUTION CONTROL ADMINISTRATION

This new Administration was established on December 31, 1965, as authorized by the Water Quality Act of 1965, Public Law 89-234. The Division of Water Supply and Pollution Control in the Public Health Service was transferred to and, in fact, became the new Administration.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Department of Housing and Urban Development came into legal existence on November 9, 1965; however, pending appointment of a Secretary the existing organizational pattern of the Housing and Home Finance Agency was continued without change within the Department by department interim order I.

This interim order was in effect on January 1, 1966, and therefore the organizational breakdowns shown in this report are those of the Housing and Home Finance Agency in the Department of Housing and Urban Development.

Employment during 1965

Total employment was reduced during the year by 241. This reduction resulted from a number of factors, including management improvements which reduced staff needs. During the coming year employment can be expected to increase, as new and expanded programs, including those in the Housing and Urban Development Act of 1965, are placed in operation.

Organizational changes

The National Housing Council was abolished and its functions were transferred to the President under Reorganization Plan No. 4 of 1965.

The authority for the Voluntary Home Mortgage Credit Program expired on October 1, 1965, and the activities of the Voluntary Home Mortgage Credit Extension Committee and its subcommittees were terminated as of that date.

The functions and personnel assigned to the Litigation Branch, Office of General Counsel, were transferred to the Office of Chief Counsel, Urban Renewal Administration. This change was made because the bulk of the litigation handled by this branch concerns urban renewal activities.

A planning Requirements Staff and an Academic Facilities Operations Branch were added to the organization of the regional offices.

The reorganization of the Community Facilities Administration, which was in progress at the time of our last report, was completed.

In the Federal Housing Administration, the functions of congressional liaison, public information, and compliance coordination were established as separate organizational units under the direction of the Associate Deputy Commissioner for Management; previously, these functions were an integral part of the Office of the Associate Deputy Commissioner.

In the Public Housing Administration two new organizational units were established in the regional offices to handle new activities under the Housing and Urban Development Act of 1965. These are a Rehabilitation Section, under the Assistant Director for Development, and a Leased Housing Section, under the Assistant Director for Management.

In the Federal National Mortgage Association field offices, the Technical Unit was transferred from the Legal Division to the Loan Division and various functional realignments were made to improve utilization of manpower.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

The increase in the Secretary's immediate office is the result of increased staffing in the Office of the Assistant to the Secretary (Congressional Liaison) and the Office of the Science Adviser to the Secretary.

The Office for Equal Opportunity was established to oversee, coordinate, and obtain compliance with title VI, "Nondiscrimination in Federally Assisted Programs," and title VII, "Equal Employment Opportunity," of the Civil Rights Act of 1964 (Public Law 88-352), and related statutes and Executive orders.

An Office of Program Analysis was established within the Office of the Under Secretary to develop the planning, programing, and budgeting system for the Department of the Interior to conform to Bureau of the Budget Bulletin No. 66-3.

Decrease in the Resources Program Staff is due generally to the fact that consultants worked during the month of December 1964 whereas none worked during the month of December 1965.

The Defense Electric Power Administration is now reported in the Office of the Secretary as an office under the Assistant Secretary for Water and Power Development.

An increase of 25 appears in the Job Corps figures reflecting the increased staff necessary for the new office to perform assigned functions.

OTHER DEPARTMENTAL OFFICES

The decrease in the Office of Coal Research is due to the fact that the Technical Advisory Committee did not meet in December 1965 as it did in December 1964. The decrease is not due to a decrease in the staff of the office.

The increase of 23 in the Office of Water Resources Research is a result of the efforts of this new office to staff itself adequately for its assigned functions.

The Office of the Secretary (Working Capital Fund) has been included with other departmental offices and consists of employees in the Office of the Secretary performing duties for the several bureaus and offices of the Department and paid for by them.

The Office of Minerals Exploration was transferred to the Geological Survey on July 1, 1965.

The increase in the Office of Saline Water is due to expansion of the saline water conversion program.

OFFICE OF COMMISSIONER OF FISH AND WILDLIFE

The decrease of seven employees in the Office of the Commissioner represents position vacancies existing at the year's end, or positions not filled due to reorganization of functions within the Office.

BUREAU OF COMMERCIAL FISHERIES

An increase of seven employees in the Industrial Research Division reflects the efforts of the Division to staff itself adequately for added functions.

BUREAU OF SPORT FISHERIES AND WILDLIFE

The increase of five employees in the Office of the Director is due to added programs on rare and endangered species.

An increase of eight employees among the Assistant Directors represents increases in Job Corps support, and additions of a Director and other personnel to the National Fisheries Center and Aquarium.

In regional and local offices, 227 personnel have been added to the Job Corps staff, and 13 to the Appalachian Regional Development Act program. Other increases result from the filling of vacancies that existed at the end of 1964.

BUREAU OF INDIAN AFFAIRS

A reduction of 11 employees in the Division of Administration was occasioned by year end retirements and transfers to the field, which left a number of vacant positions.

In area and field offices, there was an increase of 297 personnel to staff Job Corps centers.

BUREAU OF LAND MANAGEMENT

Although the number of personnel employed has remained generally static over the last year many field office changes have occurred. These include mergers of offices and various staff functions.

BUREAU OF OUTDOOR RECREATION

During its second year of existence the Bureau showed a year end increase of 130 personnel over the 1964 level of employment.

The Land and Water Conservation Fund Act (Public Law 88-578) provided \$138 million for grants-in-aid and acquisition of new Federal lands for recreation. To accomplish these responsibilities the Bureau was authorized 100 additional positions.

Discontinuance of work for the Area Redevelopment Administration allowed for the abolishment of 6 positions while 35 were added elsewhere to provide an adequate staff for performing the required functions of the Bureau.

NATIONAL PARK SERVICE

Through the designation of new parks and historic sites, the Service added some 57 employees to its field and regional staff.

To provide staffing for Job Corps conservation centers an additional 273 employees were added to the rolls.

OFFICE OF TERRITORIES

An overall reduction of 25 employees resulted from first efforts in a plan to phase trust territories' teachers out of Federal service.

Retirements, vacancies, and the close of the Federal Aviation Agency operation on Canton Island accounted for other reductions.

ALASKA RAILROAD

A decrease of 101 employees is attributed to usual seasonal workload fluctuations and to a drop in traffic volume. There were no organizational changes during 1965.

BUREAU OF MINES

Reductions in field administration, resource, and research centers were occasioned by the closing of 6 research centers and the consolidation of 29 centers into 23 centers.

Reorganization of the Division of Helium Resources allowed for a realignment of functions and the abolition of seven positions.

The number of health and safety district offices were reduced from nine to five. Four districts were redesignated as subdistricts and one subdistrict office was closed.

BUREAU OF RECLAMATION

Although the Bureau added 327 personnel during the year to staff Job Corps centers, a general review of staffing needs resulted in a net increase of only 72 employees over last year.

Nine new offices have been approved for establishment, while nine others are scheduled for closing. Six other field offices have been consolidated.

GEOLOGICAL SURVEY

Increases in field personnel were precipitated by increases in allocations, and by an enlargement of astrogeology research functions at the Flagstaff Center in support of NASA moon projects.

BONNEVILLE POWER ADMINISTRATION

The overall increase for the Administration over December 31, 1964, is due mainly to the increase in construction workload. This includes the work on the Pacific Northwest-Pacific Southwest Intertie and the 500-kilowatt main grid system. Workload on these major items is still increasing.

The increase shown in the Office of the Administrator is due to the transfer of the internal audit staff from the Division of Administrative Management.

The Division of Engineering's expanded staff is due to the increase in the Administration's construction program.

The increase in the Division of Power Management is caused by expanded work required to implement the Canadian Treaty, the Pacific Northwest-Pacific Southwest Intertie, and automation of power system control.

SOUTHWESTERN POWER ADMINISTRATION

The decrease of 23 persons under last year's staffing resulted from a reduction in force which removed 14 persons during September. The

land acquisition functions were reorganized under the Administrative Services Division saving six positions, while another three retired in December and represent vacant positions.

DEPARTMENT OF JUSTICE

Pursuant to Public Law 89-197, approved September 22, 1965, the Attorney General has established the Office of Law Enforcement Assistance within his Office to administer that act.

On October 18, 1965, the Lands Division was redesignated as the Land and Natural Resources Division.

DEPARTMENT OF LABOR

The Department had a net increase of 41 in total employment since January 1, 1965. The Department continued to realine its organizational structure to obtain better utilization of manpower and expand its program. The following significant organizational changes were effective during the past year.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

The increase of 55 in employment is the result of centralization of accounting and financial functions of the Department.

OFFICE OF FEDERAL CONTRACT COMPLIANCE

Executive Order 11246 abolished the President's Committee on Equal Employment Opportunity and assigned to the Secretary of Labor certain responsibilities to achieve nondiscrimination in employment by Government contractors, subcontractors, and by construction contractors in federally assisted construction contracts. The Office of Federal Contract Compliance was established to carry out these responsibilities.

OFFICE OF THE SOLICITOR

The increase of 28 was occasioned by the filling of vacant positions. The vacancies were not the result of reorganizations, but understaffing in relation to approved positions and the approval of additional positions because of an increased workload.

MANPOWER ADMINISTRATION

There was a net increase of 193 employees in Manpower Administration as a result of the following:

The Office of Manpower Automation and Training was reorganized and redesignated the Office of Manpower Policy, Evaluation, and Research. The decrease of 39 is largely the result of elimination of field staff and existence of temporary vacancies in the expanded Office of Special Manpower Programs.

An increase of 56 positions in the Office of Financial and Management Services is directly related to support of the Neighborhood Youth Corps and the expanded manpower development and training program.

N.B.

The increase from 35 to 233 employees for the Neighborhood Youth Corps reflects the recruitment of a permanent staff for this new bureau.

The decrease of 32 positions for the Bureau of Employment Security is due to the transfer of accounting and voucher audits to the Office of the Assistant Secretary for Administration; the transfer of personnel functions to the Office of Financial Management Services and the final liquidation of the Mexican farm labor program that expired December 31, 1964.

The increase of 15 positions in the Bureau of Apprenticeship and Training was the result of expansion of the on-the-job training program.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

The decrease of 82 resulted from an unusual increase in retirements producing vacated positions which had not been filled by the close of the year. The new Office of Employee-Management Relations Services established for employee-management relations in both the private and Federal sectors represents a consolidation of the Office of Industrial Relations Services and the Office of Federal Employee-Management Relations.

BUREAU OF EMPLOYEES' COMPENSATION

The Bureau is contemplating a series of organizational changes both in the central office and in district offices as determined by several studies not yet completed. The decrease of 27 is temporary and is due to nonfilling of positions which are to be staffed when approved.

BUREAU OF INTERNATIONAL LABOR AFFAIRS

The decrease of 18 was caused by the difficulty in obtaining qualified personnel for vacant positions. Under the Office of Program Development and Coordination there was established a Department of Labor International Technical Assistance Corps (DOLITAC) during 1965. Its primary functions are (1) to provide qualified labor and manpower technicians to fill overseas technical assistance assignments in support of U.S. foreign policy objectives, and (2) to provide services, technical support, and specialized backstopping in the labor and management field of U.S. overseas missions.

BUREAU OF LABOR STANDARDS

The decrease of 24 is primarily due to an overall reduction in the fiscal year 1966 budget mainly in the youth field. The Division of Youth Services and Employment Standards was abolished and its functions transferred to the Division of State Services. The Division of Reports and Public Service was reconstituted as the Division of Program Planning and Publications.

BUREAU OF LABOR STATISTICS

The decrease of 45 employees was due primarily to unusually heavy retirements and the difficulty of recruiting qualified personnel for vacated positions.

The major organizational change completed was the designation of each of five major line programs as an Office to provide greater functional clarity and to correspond more closely to budgetary activities. A Division of Foreign Trade Research was established in the Office of Program Planning and Publications.

WAGE AND HOUR AND PUBLIC CONTRACTS

There was a temporary decline of 69 employees primarily due to retirements during December 1965.

The Division of Administrative Services was abolished by the centralization of payrolls and accounts and the establishment of regional administrative offices and regional administrative services offices in the field.

The personnel and functions of the Branch of Fiscal Services have been reassigned to the Division of Program Planning and Evaluation thereby consolidating the program-budget and fiscal activities.

The Division of Personnel Management within the Office of Planning and Management was abolished and the immediate responsibility for directing staff functions in the area of personnel management, training, employee utilization, and employee management relations have been assigned to the Deputy Assistant Administrator. These changes will result in more effective employee utilization and coordination of personnel functions with related management activities of the Bureau.

The Office of Research and Legislative Analysis was reorganized to consolidate related types of economic research.

The units in the Program Services Section in each wage and hour and public contracts regional office were discontinued as organizational elements, resulting in the elimination of supervisory duties.

POST OFFICE DEPARTMENT

During calendar year 1965 the Post Office Department made many organizational changes in headquarters bureaus and offices. The major changes are described in the following sections.

OFFICE OF THE POSTMASTER GENERAL/DEPUTY POSTMASTER GENERAL

An Executive Planning Board, composed of top Department management officials, has been established. Its basic purpose is to furnish policy and general guidelines for developing long-range plans, programs and budget requirements for the Postal Establishment. An Office of Planning has been established to establish and maintain a planning system; develop objectives and goals; identify long-range planning areas; coordinate all Department planning activities; provide planning information; present alternatives to the Postmaster General for revising plans when required by programming, budgeting and other developments. The Office of Planning receives general guidance from the Executive Planning Board.

The Office of Exchange Programs was established under the direction of a Special Assistant to the Postmaster General for Exchange Programs. The Office is in charge of international exchange and training of postal officials from other nations. It will maintain liaison with

the Foreign Operations Administration, the Department of State, and the Department of Labor in coordinating visiting postal study groups. The Executive Secretariat was relieved of the foregoing functions upon establishment of the new office.

Effective August 1, the Arts and Visuals Section was transferred from the Graphic Arts Branch, Office of Headquarters Services, to the Office of the Special Assistant to the Postmaster General for Public Information.

BUREAU OF OPERATIONS

On July 1 the Post Office Changes Branch was transferred from the Installations Management Division to the newly named Postmasters, Post Office Changes and Rural Appointments Division. The new function described below was assigned to the Installations Management Division. "Develops standards and criteria for the establishment of contract stations and branches, classified stations and branches and the establishment of new post offices." No increase in personnel.

BUREAU OF FINANCE AND ADMINISTRATION

The Bureau of Finance and Administration was completely reorganized during calendar year 1965. Among the actions completed or pending necessary to effectuate the reorganization are the following:

The Assistant Controller for Budget was redesignated as Assistant Controller for Budget and Program Review with three divisions reporting to him:

The Budget Division.

The newly established Review and Analysis Division.

The newly established Programing Division.

The Accounting Division was abolished. The functions, positions, and personnel of the Division were transferred and reassigned to other on-going organization elements, but principally to the New York Postal Data Center. Functions transferred to New York included headquarters accounts receivable, the international accounts branch, and the headquarters general ledger activities. Certain functions relating to verifying and certifying railroad mileages and data pertaining to mileage equalization deductions; and preparing frequency conversion tables were transferred to the Bureau of Transportation and International Services.

The Office of Postal Economics was established with two divisions:

The Postal Rates Division.

The newly established Economic Studies Division.

The Office of Statistical Programs was transferred from the Deputy Assistant Postmaster General and Controller to the Deputy Assistant Postmaster General for Administration.

The Statistics and Economics Division was abolished and the functions and personnel transferred to other segments, but primarily to the Office of Statistical Programs.

The Cost Ascertainment and Cost Analysis Divisions were transferred from the Office of Statistical Programs to the Assistant Controller for Accounting.

The Finance Office, and its subordinate components, was abolished. Functions, positions, and personnel were transferred among other postal elements as follows:

Disbursing functions to the New York Postal Data Center, New York, N.Y.

Money order functions to the Money Order Division.

Postal savings functions to the Assistant Controller for Accounting.

Banking and related functions to the Assistant Controller for Accounting.

The Philatelic Sales Agency was abolished. The functions and personnel required were transferred to the Washington, D.C., Post Office and established as the Philatelic Sales Unit. The Unit was moved physically to the main city post office building.

The Money Order Audit Division was transferred from the Finance Officer to the Assistant Controller for Accounting. The Division was retitled the Money Order Division. The International Money Order Exchange Office (including functions, positions, and personnel) was transferred from the New York Postal Data Center to the Money Order Division, Washington, D.C.

The Systems and Procedures Division, the Data Processing Division, the Accounting Control Group, and the Reports Branch (the latter two residuals from the Accounting Division) were abolished. The functions, positions, and personnel of the abolished units were transferred to a newly established Financial Systems Management Division. The new Financial Systems Management Division was placed under the Assistant Controller for Accounting and is composed of these units:

Office of Director.

Systems Development Staff.

Systems Administration Branch.

Operations and Reports Branch.

Responsibilities for matters relating to automatic data processing (ADP) were distributed between the ADP Management Division, under the Deputy Assistant Postmaster General for Administration, and the Assistant Controller for Accounting, under the Deputy Assistant Postmaster General and Controller. Generally, functions concerning feasibility studies, systems design and contacts with equipment makers rests with the ADP Management Division. Operational matters, maintenance of established systems, and functional guidance to postal data centers is with the Assistant Controller for Accounting.

BUREAU OF FACILITIES

Several organizational changes were made in the Bureau of Facilities during 1965. All field units of this Bureau are controlled from headquarters.

There was established in the Realty Division the position of field liaison officer. This official will maintain continuing contact between realty field activities and Realty Division headquarters. The position will be filled within the authorized ceiling of the Division.

The Maintenance Division was reorganized. A new Plans and Projects Staff was established to handle all special project activity for the Division. Five additional positions were authorized for this work.

The Procurement Division established and filled the following positions at headquarters:

Industrial specialist (mail bag equipment) as Assistant Chief, Mail Bag Equipment Branch.

Quality Control Director as Chief, Inspection and Acceptance Section, Contract Branch.

All functions and personnel of the U.S. Stamped Envelope Agency were transferred from Dayton, Ohio, to Williamsburg, Pa., at the plant of the new contractor.

The Capital Equipment Warehouse, Atlanta, Ga., was closed on March 31. Affected positions and personnel were reassigned.

All functions and personnel of the four remaining capital equipment warehouses were consolidated with area supply centers under the direction and supervision of respective area supply managers.

All functions and personnel of the U.S. Postal Agency were transferred to the Area Supply Center, Washington, D.C.

A Repair Parts Center was authorized at the POD Supply Center, Topeka, Kans. The functions and inventory of the Procurement Parts Unit, Mail Equipment Shops, are being transferred gradually until full activation of the repair parts center is complete. No increase in personnel ceiling required.

There is pending in the Procurement Division establishment of the Accountable Paper Unit as a separate section. This unit is now in the Supplies Section, Inventory and Distribution Branch, Procurement Division.

BUREAU OF PERSONNEL

The Bureau of Personnel was completely reorganized effective January 8, 1966.

The positions of Deputy Assistant Postmaster General, Programs and Plans, and Deputy Assistant Postmaster General, Industrial Relations, were abolished.

A single Deputy Assistant Postmaster General was authorized. All divisions and the Board of Appeals and Review report directly to the deputy.

A new position of program planning officer was established. Incumbent reports directly to the Assistant Postmaster General.

A new position of special assistant to the Assistant Postmaster General was established to assist the executive assistant and to work on special projects.

The Departmental Personnel Division was retitled the Departmental Personnel Office and reports directly to the Assistant Postmaster General, through the executive assistant.

Planning and policy functions relating to adverse actions and grievances were transferred from the Board of Appeals and Review to the Employment and Placement Division.

The Suggestions and Awards Division was abolished and its functions, positions, and personnel moved to the newly established Employee Benefits and Services Division.

The Employee Relations Division was abolished and its functions, positions, and personnel distributed to the Labor Relations Division, the Employee Benefits and Services Division, and the Personnel Operations Division.

The Office of Equal Employment Opportunity was abolished and its functions, positions, and personnel transferred to the Employment and Placement Division.

DEPARTMENT OF STATE

The Deputy Under Secretary for Administration reported an increase of 27 employees for the Department, an increase of 152 for the Peace Corps, and a decrease of 931 for the Agency for International Development during calendar year 1965. He also reported the following significant organizational changes which were effected during the past year:

OFFICE OF THE SECRETARY

The position of Under Secretary for Economic Affairs was established in March 1965 in lieu of the position of Under Secretary for Political Affairs.

A new position of Ambassador-at-Large was established to perform special assignments on behalf of the Secretary and Under Secretary.

The Office of Protocol, formerly attached to the Office of the Deputy Under Secretary for Administration, was transferred to the Office of the Secretary.

Policy guidance for the Food-for-Peace Program was transferred from the White House to the Secretary of State by Executive Order No. 11252 of October 20, 1965, and a position of Special Assistant to the Secretary (Food-for-Peace) was established with rank equivalent to an Assistant Secretary.

OFFICE OF THE DEPUTY UNDER SECRETARY FOR ADMINISTRATION

Effective July 1, 1965, the Office of the Assistant Secretary for Administration and the organizational entity known as the Bureau of Administration was abolished. The Deputy Under Secretary for Administration assumed responsibility for the functions, duties, and authorities previously delegated to the Assistant Secretary for Administration and the Bureau of Administration. During this period the following changes in organization were effected:

The Office of Personnel, previously under the Bureau of Administration, was abolished and a complete reorganization of the Department's personnel operations went into effect. Major changes include (1) the Director General of the Foreign Service now acts as the focal point for the development of an integrated foreign affairs personnel system and performs other new and added responsibilities governing the administration of the Foreign Service; (2) a special assistant to the Deputy Under Secretary for Administration is responsible for the coordination of eight specified personnel programs; and (3) certain other functions previously performed by the Office of Personnel were decentralized to the regional bureaus and a new personnel unit was established to service the functional bureaus.

A new Office of Operations and Employee Services was established in lieu of the former Office of Operations. The Director of that Office assumed additional responsibilities in coordinating the program activities of foreign buildings, buildings design and construction, interior design and furnishings, art in embassies, overseas schools, allowances, professional placement, and commissary and recreation. In addition, an Employee Services Center was established within the Office to provide a one-stop service for employees being assigned abroad.

A new Office of Budget and Compliance was established in lieu of the former Office of Budget and Finance. The Deputy Assistant Secretary for Budget also assumed additional responsibilities for coordinating the activities of the Foreign Service Inspection Corps, Audit Staff, Operational Appraisals Staff, Organization Studies and Procedures Staff, and the Management Suggestions and Consultation Staff.

The Department's management planning activities were consolidated into an Office of Management Planning. Its functions combined those of the former Management Planning Staff, part of the Policy and Planning Staff and Manpower Resources Staff of the former Office of Personnel, and the information management element of the former Office of Management. This Office advises and assists the Deputy Under Secretary for Administration in establishing and reviewing management objectives and programs to improve internal operational effectiveness of the Department and Foreign Service.

A Center for Overseas Program Analysis was also established to collaborate with other executive agencies that participate in overseas operations in the design, conduct, evaluation, and application of research and special studies aimed at specific problems.

Other changes included the transfer of the Office of Communications and the Office of the Special Assistant for Policy and Public Information Affairs, formerly in the Bureau of Administration, to the Office of the Deputy Secretary for Administration.

The reorganization of the administrative area and the restructuring of the Department's personnel organization eliminates at least two layers of supervision. It combines decentralization with management-by-program and management-by-objective into a new management concept for the Department's administrative operations.

OFFICE OF INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL AFFAIRS

On April 23, 1965, the Office of International Scientific Affairs was redesignated as International Scientific and Technological Affairs and the Director was given rank and authority equivalent to that of an assistant secretary.

BUREAU OF INTELLIGENCE AND RESEARCH

To implement the President's directive on Government-sponsored foreign area research, the Secretary established a Foreign Affairs Research Council on August 24, 1965, and the Director, Bureau of Intelligence and Research, was designated as Chairman. The new Council will review all Government-sponsored research projects in terms of the foreign policy risks they may entail and consider means for reducing such risks. A new Office of External Research was also established within the Bureau to provide support and assistance to the Council.

The Office of Research and Analysis for the Near East and South Asia was reorganized into three divisions instead of two; namely, the Near East, Greece-Turkey-Iran, and a new South Asia Division.

BUREAU OF ECONOMIC AFFAIRS

The Bureau of Economic Affairs was reorganized to increase its effectiveness in discharging its responsibilities for foreign economic

policy. Deputy Assistant Secretary positions were established for Transportation and Telecommunications, International Monetary Affairs, and Commercial Affairs and Business Activities.

BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS

An Office of International Organization Recruitment was established within the Bureau to provide leadership and coordination within the U.S. Government in obtaining the services of highly qualified personnel for employment with international organizations.

BUREAU OF PUBLIC AFFAIRS

An Educational Projects Staff was established in the Office of Public Services to coordinate the Department's activities for encouraging greater emphasis on international affairs in secondary school education.

BUREAU OF AFRICAN AFFAIRS

In the Bureau of African Affairs, the responsibility for the Central Africa Republic, Cameroon, Chad, Gabon, and Equatorial (Spanish) Guinea was transferred from the Office of West African Affairs to the Office of Central African Affairs.

BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS

The position of United Nations adviser was abolished and the title of Officer-in-Charge of Central Treaty Organization Affairs was changed to Officer-in-Charge of Multilateral Organization Affairs.

The following changes in diplomatic missions occurred during calendar year 1965:

The American Embassy in Léopoldville, Democratic Republic of the Congo, was temporarily closed in February 1965 and the Embassy at Phnom Penh, Cambodia, was closed on May 21, 1965. On September 9, 1965, an Embassy was established at Bathurst, the capital of Gambia. The U.S. Mission to the Organization for Economic Cooperation and Development (OECD), Paris, began functioning as a separate mission in January 1965.

On February 1, 1965, a consulate was opened at Papeete, Tahiti, and closed at the request of the French Government on April 30, 1965. A new consulate was also opened at David, Panama, for reporting and representational purposes, but routine consular and administration duties will be performed at Panama City.

The consulate general at Zanzibar, Tanzania, was redesignated as a consulate and the consulate at Aden was elevated to consulate general.

Consulate Benghazi, Libya, was changed to an Embassy branch office and the office of the resident Consul, Mbabane, Swaziland, was elevated to a consulate.

The consulates at Birmingham and Southampton, England, Glasgow, Scotland, and Vigo, Spain, were closed during calendar year 1965.

A consular agency was established at Palma de Mallorca, Spain, and the consular agencies at Beira, Mozambique, and Puerto Armuelles, Panama, were closed.

Agency for International Development

The following internal organizational changes were made by the Agency for International Development during calendar year 1965:

In response to the President's action in the spring of 1965 establishing a Task Force on Accelerated Development in Southeast Asia, an Office for Far East Regional Development reporting directly to the Assistant Administrator for the Far East was established. The new Office is assigned responsibility for the coordination of all activities affecting planning and implementing multinational projects in this area.

The procurement Policy Staff in the Office of Material Resources was abolished after major objectives were achieved. The Staff's former function of contract policy development was transferred to the Contract Services Division. A Resources Support Staff reporting to the Associate Assistant Administrator for Procurement was also created to provide comprehensive systems analyses of supply management and related activities in an effort to achieve the most effective utilization of material resources possible when implementing assistance programs.

Within the Office of the Assistant Administrator for Administration the following changes were made:

The functions of the Audit Division in the Office of the Controller were expanded to encompass the responsibilities of the Field Operations Staff which previously reported independently to the Controller.

The General Services Division was renamed the Office of Administrative Services.

The Management Inspection Staff, which previously reported directly to the Administrator, was transferred to the Office of the Assistant Administrator for Administration.

The functions and personnel of the Statistics and Reports Division, which formerly reported to the Assistant Administrator for Administration, were transferred to the Office of Program Coordination to assure closer coordination with the economic data needs of the Agency.

Overseas, as of the end of calendar year 1965, AID had 42 AID missions, headed by mission directors, 6 AID offices, headed by AID representatives, 12 AID branches or sections of embassy with program responsibilities delegated to the principal diplomatic officers and 12 country programs administered by the regional AID mission for Africa in Washington. Changes which occurred during the year were: China was reduced from mission to office status; Indonesia and Mali were reduced from mission to branch or section-of-embassy status; Libya was completely phased out; and Ceylon was reestablished as a branch or section of embassy. With the phaseout of the program in Congo (Brazzaville), the regional AID mission for Africa is now responsible for programs in Central Africa Republic, Chad, Dahomey, Gabon, Gambia, Ivory Coast, Malagasy, Mauritania, Niger, Senegal, Togo, and Upper Volta.

Peace Corps

During 1965, two branches in the Selection Division, Office of Peace Corps Volunteers, were consolidated in order to coordinate and improve the complementary processes of volunteer assessment and project assignment. This action resulted in better utilization of existing manpower.

A new Division of Management Analysis was established in the Office of Management to study and evaluate various management functions of the Agency. Existing staff was assigned from the Office of Management to perform these new duties.

DEPARTMENT OF THE TREASURY

BUREAU OF ACCOUNTS

The Division of Internal Audit and the Systems Division were combined with the Budget Branch, the Accounting Branch and the Operating Facilities Branch of the former Administrative Division to form a new Division of Financial Management. The Personnel Administration Staff was attached to the Office of the Commissioner.

A total decrease of 203 resulted from management improvements. An anticipated savings of 18 man-years will be realized by the end of fiscal year 1967 from the establishment of the Division of Financial Management.

BUREAU OF THE PUBLIC DEBT

In the Division of Retired Securities, the Inquiry and Investigation Section and the Research and Files Unit of the Numerical Records Section were abolished and their functions assigned to a new unit called Inquiry and Research Unit in the Numerical Records Section.

The Records Unit, Registered Accounts Section, Division of Loans and Currency, was abolished and its functions absorbed by the Loan Accounts Unit.

OFFICE OF THE TREASURER, U.S.

There were no organizational changes and no appreciable increases or decreases in personnel.

BUREAU OF CUSTOMS

President Johnson's Reorganization Plan No. 1 of 1965, reorganizing the customs field service became effective May 25, 1965, and placed the Service on a career basis. Fifty-three offices formerly filled by Presidential appointment will be abolished. Holders of these offices will be afforded an opportunity for employment in positions in the Customs Service for which they can qualify under the civil service laws.

The Service will have nine regions. This regional organization will consolidate the 47 collection districts, 42 appraisement districts, and 9 laboratory districts under 42 customs districts. The seven controllers' districts are being consolidated into five field audit offices, each headed by a director.

The first of the nine regions was established at San Francisco effective November 1, 1965, and consolidated six collection districts, four appraisement districts, and one laboratory district into one headquarters office and six districts.

The second region was established January 1, 1966, at Los Angeles. It consolidated three collection districts, three appraisement districts, and one laboratory district into one headquarters office and three districts. The other seven regions will be established between February 1 and June 1, 1966. The comptrollers' districts are being simultaneously consolidated and redesignated as field audit regions.

Approximately 100 positions will become surplus as a result of this reorganization. These positions will be abolished as the present incumbents retire, resign, or are reassigned to a position under the reorganized structure.

Filled positions on January 1, 1966, are far below authorized staff and reflect effects of the December 30 retirements and the temporary withholding of positions until costs of reorganization have been determined.

INTERNAL REVENUE SERVICE

The Offices of Regional Commissioner, Regional Counsel, and Regional Inspector were changed from eight to seven.

BUREAU OF THE MINT

During 1965 the Mint has experienced an increase of 536 in personnel which is attributable to the accelerated recruitment necessary to increase coin production to meet the demands of the public.

U.S. COAST GUARD

The increase in personnel in field units resulted from the conversion of military billets to civilian positions plus new positions provided for in the budget.

The increase in personnel at headquarters was a result of accelerated recruiting for shortage category positions.

On July 1, 1966, the Coast Guard will establish a new organizational component at Governors Island, N.Y. This is primarily for the purpose of consolidating Coast Guard activities in that general area.

U.S. SECRET SERVICE

The Washington headquarters of the Secret Service was reorganized to give a more effective means of supervision of the expanding service and changing times. In addition to the post of Director, the reorganization provides for four Assistant Directors, two assistants to the Director, and a Counsel; 260 positions have been filled of the 334 provided for in the 1966 budget, which increase was based on the recommendations of the Warren Commission.

OFFICE OF THE SECRETARY

The position of special assistant to the Secretary (for Enforcement) was established. Its primary function is to establish more effective coordination between the various Treasury enforcement activities and other Government agencies.

An Office of Planning and Program Evaluation was established to assure maximum effectiveness in the establishment, operation, and coordination of an integrated planning-programing-budgeting system in the Department.

Section III

REORGANIZATIONS: INDEPENDENT AGENCIES

Reorganizational changes, including major personnel increases or decreases, in the administration of Federal programs were reported by the following agencies.

ATOMIC ENERGY COMMISSION

Division of Space Nuclear Systems.—Effective June 21, 1965, the Division of Space Nuclear Systems was created reporting to the Assistant General Manager for Reactors. Consolidated in the new Division was the space related reactor and isotopic research and development work.

Division of Special Projects.—Effective March 15, 1965, this Division was abolished and its functions transferred to the Division of Technical Information, except liaison with the United Nations Scientific Committee on the Effects of Atomic Radiation which was transferred to the Division of International Affairs.

CIVIL AERONAUTICS BOARD

The first organization change effected in 1965 was in March when the Board abolished the Office of Administration and provided that each of the staff divisions, which were redesignated offices, report directly to the Executive Director, and the Assistant Executive Director for Operations. Offices created were Office of Management and Programs, Office of the Comptroller, Office of Personnel and Security, and Office of Administrative Services.

In July 1965, several regroupings of functions were accomplished in the Bureau of Safety to provide for better coordination and centralization of responsibility. The Operations Division was combined with the Investigation Division and the latter was then organized into a Central Investigation Section to direct all efforts on major catastrophic accidents, and a Field Investigation Section to coordinate and direct the work of the field investigation offices. In the Engineering Division the various technical specialties were grouped into an Airworthiness Section, a Human Factors Section, and a Technical Services Section. The Safety Analysis Division was renamed Analysis Division and its functions and staff grouped into an Accident Evaluation Section and an Accident Data and Inquiry Section.

A reorganization of the Office of the General Counsel was made in October, with the purpose of expediting assistance given members

of the Board in writing opinions by regrouping this work into the divisions most experienced in each type of case. The reorganization also accomplished better coordination within the office by combining special counsel functions with appropriate subject matter divisions. Thus, the Opinion Writing Division was redesignated the Routes Division, with this division handling all route and international (including foreign air permits) matters. Special counsel for routes and for international were transferred to the Routes Division from the Rules and Special Counsel Division. At the same time the latter division was redesignated the Rules and Rates Division and given responsibility for all opinions dealing with rates, mergers, acquisition of control, interlocking relationships and safety enforcement matters. Responsibility for economic enforcement opinions was assigned to the Litigation and Legislation Division.

Also in October a major reorganization of our economic, research, and planning staffs was effected. The Bureau of Economic Regulation and the Office of Planning were abolished, and two new bureaus, the Bureau of Economics and the Bureau of Operating Rights were created. This reorganization was made to strengthen planning and programing, provide more emphasis and coordination to research and analysis, facilitate use of the economic staff in the decisional process, and minimize duplication of effort among economic staff. Details of how this reorganization affected each of the two new bureaus and the Bureau of Accounts and Statistics (formerly the Office of Carrier Accounts and Statistics) follow.

In the Bureau of Economics, a Planning, Programing and Research Division was established, under which an Economic Planning and Programing Section, an Economic Research Section, and an Economic Performance Evaluation Section were organized. The Rates Division of the former Bureau of Economic Regulation was transferred to this new bureau, as was the former Subsidy Division, with its name retitled Local Service Division.

The new Bureau of Operating Rights assumed all functions and staff of the former Routes and Agreements Division. The five sections of the former Division were redesignated divisions, with the following titles: Trunkline Carrier Division, Regional Carrier Division, Agreements Division, Supplementary Services Division, and Legal Division. Elevation to bureau status of the operating rights function provides needed emphasis and attention to this important Board mission.

In the Bureau of Accounts and Statistics, the Research and Statistics Division was renamed Cost and Statistics Division. The Research Section and the Services Section of the division were abolished, and portions of their staffs transferred to the Planning, Programing and Research Division of the Bureau of Economics. Two new sections, the Statistical Projects Section and the Cost Finding Section were created. The Statistical Reports Section was continued but its responsibility expanded to cover preparation of origination and destination reports, formerly prepared in the Services Section.

The final organizational change made during 1965 took place on November 1 when a new Data Processing Division was established in the Bureau of Accounts and Statistics, to reflect the growing need and expanding role of automatic data processing in the Board. In

the new division an Information Systems and Programs Section, an Analytical Systems and Programs Section, and an Operations and Control Section were established, providing needed emphasis to both systems design and operations. The former Data Processing Center of the Regulations and Reports Division was abolished and its staff transferred to the new division.

CIVIL SERVICE COMMISSION

The Commission established an interagency board program designed to simplify, expedite, and make more realistic the entire approach to staffing in the Federal service. The present 668 boards of examiners will be consolidated into a basic network of 65 interagency boards, each strategically located in principal metropolitan centers throughout the country. The boards will be staffed by Civil Service Commission personnel and funded on a reimbursable basis by the agencies served. In addition to the major responsibilities for recruiting, examining, and certifying eligible candidates to agency appointing officers, each of the new boards will have a job information center in which a citizen can obtain complete information on all job opportunities in the area. It is expected that the first interagency boards will be established by July 1, 1966, with the complete network in operation by January 1, 1967.

Under Executive Order 11246, the Commission assumed responsibility for supervising and providing leadership and guidance on the equal employment opportunity program throughout the Federal Government. To help carry out these new responsibilities a special assistant for equal employment opportunity was appointed in November 1965.

In November 1965 a new position of Director, Youth Opportunity Programs, was established under the general direction of the Director, Bureau of Recruiting and Examining. The Director, Youth Opportunity Programs, will coordinate participation of the Federal Government in activities sponsored by the Job Corps, the Neighborhood Youth Corps, and the work-study programs designed to make meaningful employment and training opportunities available to the economically disadvantaged.

Effective November 21, 1965, the management of the Commission's field investigative program was consolidated into six centers. This responsibility was formerly carried out by the 10 regional offices. The investigators stationed in the Boston and New York regions are now supervised out of New York, those in the St. Louis and Chicago regions out of Chicago, those in the Denver and Dallas regions out of Dallas and those in Seattle and San Francisco regions out of San Francisco. The Atlanta and Philadelphia regions continue to manage their respective investigative programs. This change is expected to save over \$100,000 annually in the reimbursable full-field investigations program. The overall reduction in personnel has been achieved by attrition and no involuntary separations occurred.

In January 1965 the functions of the Veterans Service Staff were assumed by other Commission offices with the Vice Chairman of the Commission personally assuming responsibility for contracts with

Veterans' organizations at the national commander level. Most of the seven-man staff transferred to the bureaus which assumed the functions of the former Veterans Service Staff.

Effective January 1966 the title of the Bureau of Programs and Standards was changed to Bureau of Policies and Standards.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

As of January 1, 1966, the District of Columbia Redevelopment Land Agency employed 122 paid full-time civilians and 10 part-time and WAE personnel. We did not employ any personnel without compensation, under contract between the United States and a foreign government, or outside the continental United States.

During 1965, two changes were made in our organization. One was the establishment of project directors for some of our projects, including the Downtown Feasibility Survey, and of an Office of Development responsible for the direction of the project directors. The second was the designation of the Relocation Assistance Office to carry out our increased relocation and property management responsibilities under the District of Columbia Central Relocation Act of 1964. The latter of these resulted in an increase of 32 additional personnel during 1965.

FEDERAL AVIATION AGENCY

The past year saw implementation of the area manager concept bringing better service to the aviation public and the further application of Agency policy of assigning operational responsibility to field organizations reporting to the Administrator, while concentrating policy formulation and standards development in the central office. There have been some consolidations of facilities to increase efficiency and reduce operating costs.

The number of Agency employees decreased by 1,007 or 2.2 percent in 1965. The 1965 personnel reductions were due to increased productivity and consolidations and realignment of functions.

Area organization.—On September 1, 1965, FAA established 18 area offices, each directed by a manager having comprehensive line authority over all Agency activities in his area, and reporting to a regional director. The move to this organizational pattern was made after extensive testing of five different configurations and the offices were staffed through a redistribution of regional and field office personnel within programmed resources. Dollar savings are expected, but more significantly the new management pattern will provide: (a) faster decisions to the public; (b) greater responsiveness to local needs; (c) improved services in more of the centers of high volume aviation activity; (d) single direction over interrelated programs; and (e) improved utilization of manpower and other resources.

Elevation of personnel functions.—The management of FAA's personnel operations has been given increased emphasis through the establishment of a new position, Associate Administrator for Personnel and Training. By placing the personnel function under an official who reports directly to the Administrator the Agency recognized the key role of personnel and training in the management of the

Agency and the Administrator's direct interest and concern in this aspect of management.

Aeronautical center management.—All of the operating and research functions performed at the FAA Aeronautical Center at Oklahoma City have been placed under the direction of a single director. This action is a further application of the Agency policy of assigning operational responsibility to field organizations headed by directors reporting to the Administrator, while concentrating resources for policy formulation and standards development in the Agency headquarters. Twelve separate organizations and 3,700 personnel are now under the executive direction of the Director, Aeronautical Center.

Merger of installation and materiel and systems maintenance functions in regions.—During FAA's period of rapid expansion, the functions of installing and maintaining air traffic control and navigation facilities were separated and placed in two organizations. As we gained experience in the improvement of airways, it became evident that this distinction between the installation function and the systems maintenance function was costly and unnecessary. Combining the two, together with the related materiel function, under an airway facilities organization in the regional and area offices has resulted in a saving of approximately 50 overhead positions in the regions.

Reduction in professional engineers.—The engineers who formerly worked on the design, application, and specification review of facility equipment in both the Systems Research and Development Service and the Installation and Materiel Service, have been consolidated into a single service—Systems Research and Development Service. This has produced a net saving to the Agency of 104 positions.

National Aviation Facilities Experimental Center.—All of the operating and research functions performed at NAFEC, Atlantic City, N.J., have been placed under the direction of a single director. This is another application of the Agency policy of assigning operational responsibility to field organizations headed by directors reporting to the Administrator, while concentrating resources for policy formulation and standards development in the Agency headquarters. Five previously separate organizations and 1,702 personnel are now under the executive direction of the Director, National Aviation Facilities Experimental Center.

The Office of Congressional Liaison was established. The Assistant Administrator for Congressional Liaison reports directly to the Administrator concerning FAA relations with Congress. This function was previously performed within the Office of General Aviation Affairs.

The Office of General Aviation Affairs' functions were redefined to concentrate its effort in the area of general aviation (as distinguished from air carrier aviation) with specific emphasis on aviation education through schools and colleges, airmen, and community leaders. Further concerted efforts will be placed on general aviation operations to obtain close, harmonious relationship with the industry in accomplishing Agency programs.

FEDERAL COMMUNICATIONS COMMISSION

COMMON CARRIER BUREAU

On October 19, 1965, the Commission announced a number of changes in the organization of its Common Carrier Bureau. The principal features of the organizational changes are as follows.

(a) The International Division and the Office of Satellite Communications were consolidated into a new International and Satellite Communications Division consisting of the following branches:

- (1) Rates and Revenue Requirements Branch.
- (2) Accounting Branch.
- (3) Cable and Radio Facilities Branch.
- (4) Satellite Facilities Branch.
- (5) Corporate Affairs Branch.

(b) The Accounting Division was abolished and its present functions and personnel were divided between the International and Satellite Communications Division and the Domestic Rates Division.

(c) A new Economic Studies Division was established to consolidate into one organizational unit the direction and conduct of all economic studies and analyses relating to common carrier matters and to provide economic advice and assistance to the bureau.

(d) A new Field Operations Division was established. This Division will be responsible for coordinating activities of the bureau's field offices and the integration of such activities with the program requirements of the bureau.

(e) The Rates Division was restructured and its name changed to the Domestic Rates Division consisting of the following branches:

- (1) Accounting Branch.
- (2) Depreciation Rates Branch.
- (3) Revenue Requirements Branch.
- (4) Legal and Tariff Branch.

SAFETY AND SPECIAL RADIO SERVICES BUREAU

On December 20, 1965, the Commission approved the following reorganization for the Safety and Special Radio Services Bureau. The principal features of the organizational changes are as follows:

(a) The application processing and authorization functions of the Public Safety Radio Division and Industrial Radio Division were consolidated into a single Industrial and Public Safety Facilities Division comprised of a Processing Branch and a Technical Branch. The rulemaking functions of these two divisions were consolidated into a single Industrial and Public Safety Rules Division.

(b) The Aviation Radio and Marine Radio Divisions were combined into the Aviation and Marine Division with a Facilities Branch and a Technical and Legal Branch.

(c) The Legal, Policy, and Enforcement Office was renamed the Legal, Advisory, and Enforcement Division. The new division has a Law Advisory Branch and an Enforcement Branch.

THE COMMISSION

A Planning Advisory Committee (a formalized working group) was established under the chairmanship of the Executive Director to achieve commissionwide coordination of basic program and budgetary objectives.

OFFICE OF EXECUTIVE DIRECTOR

The Management Analysis Branch of the Manpower Utilization and Survey Division was established as an independent Management Information Division reporting to the Executive Director.

The Manpower Utilization and Survey Division was renamed the Personnel Division with continuing responsibilities for the Commission's personnel program.

The Office of Security was abolished and the security and space functions were absorbed into the immediate office of the Executive Director.

The Mail and Files Division was abolished and a Mail and Files Branch was established within the Office Services Division.

LABORATORY

On July 28, 1965, the Commission approved the reorganization of the Laboratory, Office of the Chief Engineer. The existing three branches within the Laboratory were eliminated.

FEDERAL DEPOSIT INSURANCE CORPORATION

Since January 1, 1965, the Field Audit Staff of the Audit Division has been transferred to the Office of the Controller, Assessment Branch. All other Division responsibilities and personnel were re-assigned either to the Office of the Auditor in the Corporation's Executive Offices or to other operating divisions. The Audit Division itself was abolished effective December 19, 1965. This change in organizational structure did not affect the total number of Federal Deposit Insurance Corporation employees.

FEDERAL HOME LOAN BANK BOARD

Organizational changes during the year involve the establishment of new staff offices and a realignment of functions with a view toward promoting greater efficiency of operations and strengthening of performance of the Board's overall mission.

Because of the increasing demand upon the Board for participation in international activities relating to the establishment of mutual thrift institutions, the Office of International Home Finance was established to coordinate the Board's international activities and to perform liaison with the Agency for International Development.

A new Office of Public Affairs was established to broaden and intensify the Board's public information service and to utilize that office to the fullest degree as liaison between the Board and all news media. The Office of Information was abolished.

The Budget Office as a separate entity was abolished, and the functions of that Office were transferred to the Comptroller's Division.

FEDERAL MARITIME COMMISSION

A Bureau of Compliance was established October 1, 1965, for unity of organizational direction of the functions and activities of the former Bureau of Foreign Regulation and Bureau of Hearing Counsel.

In November 1965, the Commission established the position of area representative in Alaska to provide essential liaison in regulatory activities affecting ocean transportation to this area.

These organizational actions, in the interest of more effective manpower utilization, did not result in an appreciable increase or decrease in personnel.

FEDERAL POWER COMMISSION

Changes were made in the organization of the two major bureaus of the Commission in 1965, the Bureau of Power and the Bureau of Natural Gas. These changes enabled the Commission to give added emphasis to certain functions, consolidate responsibility for related functions, meet other essential program requirements, and reduce operating costs.

In the Bureau of Power two new sections were organized and a third section received by transfer from another office within the Commission. A Section of Recreation, Fish, and Wildlife was established to implement Commission policy that the full recreation potential of non-Federal hydroelectric projects be realized to help meet the national needs for outdoor recreation. A Section of Inspections was established to further strengthen and control the inspection of hydroelectric projects licensed by the Commission. The third change transferred the Section of Rate Reports from the Office of Accounting and Finance to the Bureau of Power to place electric rate data compilation functions in the organizational element responsible for reviewing and analyzing wholesale electric rates.

The Bureau of Natural Gas field office at Houston, Tex., was phased out in August 1965. The positions and personnel of that office were reassigned to the headquarters divisions of the Bureau of Natural Gas to continue the work in closer coordination with related activities and to meet other essential program needs.

FEDERAL TRADE COMMISSION

A change in the Bureau of Deceptive Practices was officially announced on June 7, 1965. The Division of General Advertising was abolished and its functions were merged with the Division of General Practices. This change eliminated the position of one Division Chief.

On July 19, 1965, the Commission opened a special consumer complaints office in the Bureau of Deceptive Practices. Attorneys receive complaints by telephone or in person from consumers who have been victimized by unfair or deceptive practices in their business dealings. The new office utilizes the services of the attorneys who were previously assigned, and no additional personnel were authorized.

On October 14, 1965, the Federal Trade Commission announced the creation of the Federal-State Cooperation Office, a new component of the Office of General Counsel. This new Office develops programs of effective cooperation between the Federal Trade Commission and agencies of the 50 States responsible for enforcing State antitrust, antideceptive practice, and consumer protection laws. No additional personnel were authorized.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The only major change in the organization of the Commission during this period was the abolishment of the Lake Ontario Claims Division at the time work on the Lake Ontario claims program was halted. The small number of employees assigned to that Division were reassigned to vacancies in continuing Divisions in accordance with previous plans.

Overall employment in the Commission during the calendar year decreased by 41.

GENERAL SERVICES ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

An Office of Program and Policy Planning was established in the immediate office of the Administrator to provide agencywide guidance of GSA's planning, programing, and budget system.

OFFICE OF FINANCE AND ADMINISTRATION

An Office of Management Evaluation was established to conduct in-depth management studies, including cost reduction, cost effectiveness, and manpower utilization studies, and to conduct a comprehensive internal audit program.

The Manpower Utilization Staff, the Organization and Management Policy Staff, and the Program Review and Analysis Staff were abolished and their functions reassigned to the Office of Management Evaluation and to the Office of Program and Policy Planning.

The Audit Division was transferred from the Office of Data and Financial Management to the Office of Management Evaluation.

An Accounting Automation Staff was established in the Office of Data and Financial Management to develop automated systems for financial and accounting programs.

The Fair Employment Staff in the Office of Manpower and Administration was abolished and (1) its contract compliance responsibility transferred to the Office of General Counsel, and (2) its responsibility for equal employment opportunity within GSA assigned to the Director of Manpower and Administration.

FEDERAL SUPPLY SERVICE

A Procurement Policy and Programs Division and a Program Evaluation and Control Division were established in the Office of Procurement to enlarge upon the functions of and replace the Program Management Division.

A Program Control and Evaluation Division was established to provide coordinated management assistance to all programs in the Office of Standards and Quality Control.

A Distribution Systems and Requirements Division and an Engineering and Storage Division were established in the Office of Supply

Distribution to focus greater attention on the developmental and maintenance aspects of the specialized systems within the supply distribution program.

The Distribution Programs Division in the Office of Supply Distribution was abolished.

PUBLIC BUILDINGS SERVICE

The Office of Design and Construction was abolished and its functions reassigned to a new Office of Design and an Office of Construction.

Additional major organizational changes scheduled for calendar year 1966 include (1) consolidation of the GSA civil rights compliance program functions to give them added emphasis; (2) establishment of an Office of Program and Technical Management in the Defense Materials Service to provide a focal point for operational and program planning, coordination, and evaluation, for the development of disposal plans, and for technical research and analysis; (3) expansion of the Office of Materials Management DMS, to handle the increasing volume of work; and (4) establishment of a Buildings Operation Division and a Protection Division in place of the present Buildings Management Division in the region 3, Washington, D.C., office in order to improve the administration of these major program area.

Total employment increased from 34,821 on January 1, 1965, to 36,477 on January 1, 1966, a rise of 1,656 positions of which 20 were in the central office and 1,636, in the 10 GSA regional offices. Increases in employment reflect primarily buildings management staffing of new Federal office buildings, expanded procurement and supply distribution (including export) operations, expansion of motor pool activities, and the substitution of force account for contract clearing.

INTERSTATE COMMERCE COMMISSION

The Commission approved an extensive realignment of its headquarters bureaus and offices which will result in greater efficiency and economy.

The most important feature of the reorganization plan was the consolidation of the three formal proceedings Bureaus (Operating Rights, Rates and Practices, and Finance) into a single Office of Proceedings, headed by a Director of Proceedings who will report directly to the Chairman. In addition, other bureaus and offices were reorganized along more functional lines. As a result, the total number of Commission bureaus was reduced from 10 to 6. Unnecessary supervisory positions were eliminated.

This realignment of headquarters bureaus and offices was actually the third phase of a continuing Commission program to modernize and to streamline its organization and procedures. In 1961, the Commission reorganized its work at the Commission level. In 1962 and 1963, the Commission made extensive changes in its field organization. Review and realignment of Commission headquarters bureaus and offices was a logical and necessary third step.

Our most recent reorganization action does not mean that no further organizational and procedural changes are contemplated. We recognize, in view of our increasing workload, that the Commission's organization and procedures must be the subject of continuing study.

OFFICE OF PROCEEDINGS

The three proceedings Bureaus (Bureau of Finance, Bureau of Operating Rights, and Bureau of Rates and Practices) were combined into an Office of Proceedings in charge of a Director who is assisted by three Deputy Directors and a Chief Hearing Examiner.

The Director is directly responsible to the Chairman respecting such matters as the distribution of work among hearing examiners and attorney advisers and the initiation of ways and means to correct or prevent avoidable delays in the disposition of proceedings cases. Under the three-bureau arrangement, effective exercise of the Chairman's authority was hampered by the fragmentation of corresponding authority at the bureau level.

Each Deputy Director is in charge of a section whose area of responsibility corresponds to that of one of the three Divisions of the Commission. The Deputy Directors, and the Director as necessary, are responsible to Division Chairmen for the handling of particular cases and other matters assigned to the respective Divisions by the Commission's Organization Minutes.

All of the Commission's hearing examiners are located in a single administrative unit headed by a Chief Hearing Examiner and two Assistance Chief Hearing Examiners. Since the hearing examiner corps is no longer assigned to specialty sections, the more versatile examiners can be given a wider variety of cases, more efficient itineraries can be arranged, and, in general, optimum utilization of our highly qualified examiners can be achieved.

For both hearing examiners and attorney advisers, some specialization by types of proceedings will continue to be necessary and desirable. However, a more flexible and broader use of legal personnel has already been achieved. Consideration will be given to the elimination of all specialty units after the results of increased on-the-job cross training can be properly evaluated.

All employee boards in the proceedings area were assigned to the Office of the Director solely for administrative supervision and support. This action is designed to insure that the members of these important boards will continue to exercise independent judgment on the matters delegated to them for decision. The reduction in employment of the Office of Proceedings as compared with the three proceedings Bureaus resulted from the high rate of retirements in December 1965.

OFFICE OF THE MANAGING DIRECTOR

All data-processing activities were centralized in the Managing Director's Office. This action involved the transfer to that Office of the Data Processing Section of the Bureau of Transport Economics and Statistics and the mechanical processing functions of the Statistics Branch of the Section of Motor Carrier Safety of the Bureau of Motor Carriers. These actions account for the increase in employment in the Office of the Managing Director.

The functions of the Section of Systems Development in the Office of the Managing Director are being further developed to provide for programs assuring compliance with Federal laws and regulations governing the establishment of effective controls in the areas of paper-work and records management. This includes the review of new and revised forms (including public reporting forms) from the standpoint of techniques, methods and design prior to their submission to a Commission Division for approval.

OFFICE OF THE SECRETARY

No change was made in the present organization or functions of this Office. The reduction in employment resulted from the high rate of retirements in December 1965.

OFFICE OF THE GENERAL COUNSEL

In recognition of its two major functions, the Commission established in the Office of the General Counsel a Section of Litigation and a Section of Research and Opinions.

BUREAU OF TRAFFIC

The organization and functions of the Bureau of Traffic were not changed.

BUREAU OF ECONOMICS

Under the reorganization, the Bureau of Economics performs all the professional level research and economic and statistical analysis functions of the former Bureau of Transport Economics and Statistics. Functions relating to data processing, railroad accident reports, and various other carrier reports were transferred to other bureaus or offices, thus enabling the professional staff of the Bureau of Economics to devote its entire effort to transportation research activities of major import. These actions account for the change in employment of the two Bureaus.

BUREAU OF ACCOUNTS

Functions of the present Bureau of Accounts were expanded to include the report functions, other than railroad accident reports, formerly exercised by the Bureau of Transport Economics and Statistics. Otherwise, the organization and functions of the Bureau of Accounts were continued without substantial change. The increase in employment resulted from the above transfer.

BUREAU OF ENFORCEMENT

This Bureau was made responsible for all the functions of the former Bureau of Inquiry and Compliance, plus the legal functions relating to enforcement previously assigned to the Bureau of Safety and Service.

BUREAU OF OPERATIONS AND COMPLIANCE

The staffs and functions of the Bureau of Motor Carriers and the Bureau of Water Carriers and Freight Forwarders were consolidated

into a Bureau of Operations and Compliance. This Bureau now embraces all operations, compliance and investigation activities with the exception of those functions assigned to the Bureau of Railroad Safety and Service, as reconstituted, and the Bureau of Enforcement. The new Bureau is responsible for all the functions of the former Bureau of Motor Carriers, except for the statistical processing functions transferred to the Office of the Managing Director; the former Bureau of Water Carriers and Freight Forwarders; and the explosives and other dangerous articles functions which were transferred from the former Bureau of Safety and Service and raised to a section status. Safety and Service Board No. 2 was renamed the Explosives and Other Dangerous Articles Board and transferred to the new Bureau.

Although the Bureau of Water Carriers and Freight Forwarders was abolished, this action did not indicate any reduced concern for the problems of water carriers and freight forwarders. On the contrary, the personnel and facilities available to a larger bureau should enable water carriers and freight forwarders to receive better service at both the headquarters and field levels. Under the new organization the Bureau of Water Carriers and Freight Forwarders field functions staff were integrated with the Bureau of Motor Carriers activities. The former Bureau of Motor Carriers district director positions were recast to include direction over Water Carrier and Freight Forwarder field staff and additional functions that may be assigned. These positions were retitled "Regional Director of Operations and Compliance."

BUREAU OF RAILROAD SAFETY AND SERVICE

The remainder of the Bureau of Safety and Service, following transfer of the Explosives and Dangerous Articles Branch and the legal enforcement functions, was continued as a separate bureau and retitled "Bureau of Railroad Safety and Service." The railroad accident reports functions, other than data processing, were transferred from the former Bureau of Transport Economics and Statistics to the new Bureau. These actions account for the decrease in employment of this Bureau.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

In conjunction with the appointment of Dr. Robert C. Seamans, Jr., NASA's former Associate Administrator, to succeed the recently deceased Dr. Hugh L. Dryden, Deputy Administrator, certain changes were made in the operating pattern for the Office of the Administrator. That Office was realigned as a single, uncompartimentalized organizational entity composed of the Administrator, the Deputy Administrator, an Associate Deputy Administrator, and an Executive Secretariat.

The essential aspects of the new operating pattern center on delegations of authority and responsibility to the Deputy Administrator to enable him to carry out the role of the former Associate Administrator, by serving on a day-to-day basis as general manager of the agency, in addition to serving as Acting Administrator in the absence of the Administrator. The plan of work for the discharge of responsibility in the Office of the Administrator is based on the provisions of the NASA Act of 1958, as amended, which provides the necessary authority to the Administrator, and on his decision, to delegate the fullest measure of authority to the Deputy Administrator.

Other principal features of the realignment in the Office of the Administrator are:

The Associate Deputy Administrator serves as the principal assistant to the Administrator and Deputy Administrator and is responsible for policy planning and for general supervision of the administrative and other processes whereby the work of the agency is accomplished, including a strong Executive Secretariat.

The Executive Secretariat is responsible for channeling, expediting, and scheduling the flow of work in the Office of the Administrator; for ascertaining that matters coming to that Office are properly prepared and reflect pertinent policy or substantive content needed for final action; for communicating decisions within the Office of the Administrator to appropriate officials, and for related supporting functions.

Headquarters staff officers were retitled Assistant Administrators, except for the General Counsel, whose title remains unchanged. These officials are responsible for providing centralized services and agencywide leadership and supervision in such specialized administrative and professional areas as administration, law, defense affairs, industry affairs, international affairs, legislative affairs, programing, public affairs, and technology utilization. All staff offices report to the Deputy Administrator.

Several other organizational elements of NASA were realigned during 1965, and a major managerial improvement in project planning was adopted. Following is a summary description of these changes:

Facilities Management Office established.—A Facilities Management Office was established as a new organizational unit under the Assistant Administrator for Industry Affairs. The newly established unit will provide within NASA headquarters a centralized office responsible for developing agency policies, criteria, and operational practices in managing NASA controlled facilities and real property.

Facilities management functions previously assigned to various organizational elements of headquarters were merged and placed under the new Office.

Tracking and data acquisition organization realigned.—The Director, Office of Tracking and Data Acquisition, was retitled Associate Administrator for Tracking and Data Acquisition. Several changes were made to reflect the recently assigned responsibility for agencywide management of automatic data processing and to consolidate related functions in other areas of the Office.

An Automatic Data Processing Management Branch was established within the Operations, Communications, and ADP Division to integrate the ADP management function into the Office of Tracking and Data Acquisition organization.

A Systems Planning and Development Division was established which absorbed the former Program Support and Advanced Systems Division under the same Director. The realignment strengthens planning, development, and systems analysis capabilities by disassociating those functions from the immediate problems of support operations.

A Network Operations Implementation Division was established and network implementation functions previously located in other divisions were consolidated and placed under the new unit.

Launch operations activities consolidated.—Responsibility for major NASA launch operations activities were consolidated by transferring to the Director of the John F. Kennedy Space Center responsibility for a Goddard Space Flight Center Division already located at the Kennedy Center, and responsibility for the Pacific Launch Operations Office located at Lompoc, Calif.

Civilian-Military Liaison Committee abolished.—The Civilian-Military Liaison Committee, established by section 204 of the National Aeronautics and Space Act of 1958, was abolished and its functions transferred to the President under terms of the President's Reorganization Plan No. 4 of 1965.

Industry affairs representative located in Pentagon.—NASA's Office of Industry Affairs established an office in the Pentagon and assigned a representative full time to maintain closer liaison between NASA and the military departments. The NASA representative will coordinate matters of mutual interest in the areas of procurement and contract management, including quality assurance.

Saturn/Apollo Applications Office established.—A Saturn/Apollo Applications Office was established in the Office of Manned Space Flight and was assigned the role of developing plans for future programs to achieve maximum utilization and exploitation of Saturn/Apollo capabilities.

Mission Analysis Division established at Ames Center.—The Office of Advanced Research and Technology established a Mission Analysis Division at the Ames Research Center. The new Division is responsible for studying research and technology requirements of possible future NASA missions. This headquarters division was located at the Ames Center to isolate the group from day-to-day management activities at headquarters and to provide it with ready access to research and computing facilities at that center.

Phased project planning established.—The concept of approving and executing major research and development projects in sequential phases was formally established as NASA policy. Major projects are those which require significant agency resources or involve important external relationships. Typically, they encompass design, development, fabrication, test, and flight operation of major aeronautical and space hardware to achieve specific scientific and technological objectives.

Under this concept, called phased project planning, each phase (advanced studies, project definition, design, and development/operations) involves a combination of competitive industrial participation and complementary governmental in-house effort. Each phase is a specifically defined activity which is approved by management, based on review of the preceding effort and other factors bearing on the decision to proceed.

This concept greatly increases flexibility for management to react favorably to technological breakthroughs and changes in agency or national policy and requirements by developing and preserving the maximum number of options and opportunities for the future. Phased project planning is not an end in itself, but represents a major step in evolving a management pattern of maximum effectiveness in the application of agency resources.

TRACKING STATION AND OPERATIONAL PROGRAM

Most of the tracking station maintenance and operational program is conducted by contractors to NASA. Countries involved, the contractors, and number of foreign nationals employed is as follows:

Australia.....	¹ 471
Bermuda.....	² 55
Canary Islands.....	² 27
Canton Island.....	² 14
Chile.....	² 113
Ecuador.....	³ 124
Malagasy.....	² 77
Mexico.....	² 22
Nigeria.....	² 24
Peru.....	³ 52
South Africa.....	⁴ 184
Spain.....	² 65
Total.....	1, 228

¹ Australian Department of Supply and its contractors, total 471.

² The Bendix Corp., which utilizes subcontractors in countries concerned, total 397.

³ Employed through overseas university programs, total 176.

⁴ South Africa Council for Scientific and Industrial Research, total 184.

NATIONAL CAPITAL HOUSING AUTHORITY

A change in organization was accomplished during 1965 by splitting the Housing Management Division into two divisions—one of Housing Management and one of Engineering and Maintenance. This was done to provide needed specializations to promote efficiency and economy of operations.

The decrease in personnel from 434 on January 1, 1965, to 408 on January 1, 1966, was due primarily to the loss of many employees on December 30, 1965, by retirement and to the difficulty in recruitment of maintenance employees.

NATIONAL CAPITAL TRANSPORTATION AGENCY

As a result of the enactment of the National Capital Transportation Act of 1965 (Public Law 89-173, approved Sept. 8, 1965), a number of organization changes were made to provide increased capability in light of the Agency's newly established mission. The legislation authorized the Agency to "design, engineer, construct, equip, and take other action as authorized . . . to provide for the establishment" of a system of rail rapid transit lines and related facilities for the Nation's Capital. The most significant change was the establishment of an Office of Architecture with responsibility for the quality of design of all visible features of the rapid transit system

including stations and transfer terminals, with their furnishings and equipment, and all exterior structures. In addition, an Office of Real Estate Acquisition and Relocation Assistance was established to handle matters relating to the acquisition of easements to permit the subway tubes or boxes beneath the surface of private property, the purchase of other property for the operation of the system, and to assist in the relocation of persons who would be displaced as a result of any of the acquisitions.

Manpower and staffings requirements were the subject of a special study by personnel of the U.S. Civil Service Commission at the request of the Agency. As a result of this study the year-end employment authorization for the Agency was reduced from 55 full-time positions to 51 positions.

NATIONAL COMMISSION ON FOOD MARKETING

The National Commission on Food Marketing is a temporary Federal commission established to conduct a study of the market structure of the Nation's food industry. A final report is to be submitted to the President and the Congress by July 1, 1966.

On January 1, 1965, staffing of the National Commission on Food Marketing was just getting underway. Total paid civilian employment had risen to 52 persons by June 30, 1965, and has increased slightly since then to 63.

NATIONAL LABOR RELATIONS BOARD

A continuing review of field office workload, staffing, and performance has exposed special problems which exist in unusually large offices. In order to provide better service to the public and improve regional office management two new regional offices were established.

Region 29, Brooklyn, N.Y. (January 1965)

This office covers five New York counties formerly under the jurisdiction of the New York regional office (region 2).

Region 31, Los Angeles, Calif. (August 1965)

This office covers a portion of Los Angeles County and five other counties in California formerly under the jurisdiction of region 21, plus one California county and two Nevada counties formerly under the jurisdiction of region 20, San Francisco, Calif.

Since last year's report, total agency employment increased from 2,136 to 2,229. Of the total increase of 93 employees, 60 were added to our field offices, 18 to offices of the General Counsel in Washington, and 15 to offices of and under the Board. These increases were necessitated by the steadily rising unfair labor practice workload which, in calendar year 1965, reached a high of 16,218 charges filed, as well as the heavy intake of representation cases, exceeding 11,400 petitions filed.

NATIONAL SCIENCE FOUNDATION

The following significant organizational changes were made by the National Science Foundation during calendar year 1965.

The Division of Environmental Sciences was established, with the Division Director reporting to the Associate Director (Research). The Division consists of the Office of Antarctic Programs, the Atmospheric Sciences Section, and the Earth Sciences Section. Both sections were formerly part of the Division of Mathematical and Physical Sciences.

The Division of Social Sciences was reorganized to consist of the following operational units: Anthropology program, economics program, geography program, history and philosophy of science program, political science program, sociology and social psychology program, and special projects program.

The name of the Mohole Operations Office in Houston, Tex., was changed to Mohole Field Operations Office.

An Indirect Cost (Rate) Determination Office was established as an organizational component of the Foundation reporting to the Comptroller. This Office is responsible for establishing, independently or in cooperation with other Government agencies, indirect cost rates for institutions and organizations receiving research support from the Foundation.

Within the Administrative Manager's area, a Travel Service Unit was established, with the supervisor of the Unit reporting to the Head, Office Services. This Unit is responsible for arranging for the provision of necessary travel services to the staff of the Foundation.

Full-time staff increased from 905 to 910 during the calendar year; part-time and WAE increased from 21 to 34; professional consultants increased from 500 to 570; and consultants serving without compensation decreased from 83 to 75. Total paid employment increased from 1,426 to 1,514 for the calendar year.

RAILROAD RETIREMENT BOARD

One major organizational change was made in 1965. In May, upon the retirement of the Director of Unemployment and Sickness Insurance, the Director of Research was reassigned to this position. The Office of Research was then consolidated with the Office of the Chief Actuary, who assumed responsibility for the joint operation. The name of the new office is Office of Actuary and Research.

The transition of our unemployment and sickness insurance claims work from our seven regional offices to Chicago was completed on December 31, 1965. Consequently, the regional office claims divisions are being eliminated and the functions of the regional directors will now be limited to the supervision of 90 district offices.

Total employment was reduced during the calendar year by 73 employees. Nearly all of this reduction occurred in our regional office divisions. Because of the enactment by Congress of the comprehensive amendments to the Railroad Retirement Act and responsibilities assigned to the Board under the new medicare program, personnel

reductions could not be made in most of our operations. Further improvements in work methods and extension of computer operations enabled us to handle the increased workload under the railroad retirement program with existing staffs.

SMITHSONIAN INSTITUTION

There was an increase of 163 employees during calendar year 1965. Much of this increase is reflected in the number of employees assigned in the U.S. National Museum where our research activities, particularly in the areas of oceanography and ecology, have been increased. Additional increases were required to staff the expanding programs of the National Collection of Fine Arts and the National Portrait Gallery.

The Radiation Biology Laboratory though previously a division of the Smithsonian Astrophysical Observatory, Cambridge, Mass., always has been located in Washington, D.C., and functioned separately from the Smithsonian Astrophysical Observatory.

Now that the Radiation Biology Laboratory has achieved independent prominence in the field of radiation biology, it has been designated as a separate unit of the Smithsonian reporting to the Assistant Secretary for Science.

U.S. INFORMATION AGENCY

During calendar year 1965, the basic organization of the Agency remained unchanged. However, within the overall organizational framework there were some changes and these are outlined below.

The Agency's Motion Picture Service and Television Service were combined into one audiovisual media service, the Motion Picture and Television Service. The merger of these two activities will enable the Agency to provide a responsive service with significant economies and efficiencies.

As a corollary to the agreement with Secretary of State Rusk to amalgamate selected Agency career officers into the Foreign Service Officer Corps, an Inspector General was designated to head up the Office of Inspector General to strengthen the Agency's inspection function and to assure that our inspection procedures and standards are compatible with those of the Department of State. The Office of Inspector General, located in the Office of the Director, has three permanent positions. Key personnel from area, media, or administration offices are also used as inspectors.

On November 2, 1965, a Program Analysis Staff was established in the Office of the Director. It is responsible for special analytical studies required for the implementation in the Agency of the President's planning-programing-budgeting system (PPBS). A ceiling of four positions has been authorized.

The Office of Program Manager, Broadcasting Service, was reorganized effective December 17, 1965, to improve program output by bringing under a single office all centrally produced program materials. This reorganization was one phase of a series of changes planned to make the Broadcasting Service a more flexible and supple broadcasting instrument.

As a result of a study of the Executive Secretariat, action was taken to streamline its activities, some functions were transferred, and two positions were eliminated.

USIS posts in Genoa, Trieste, and Turin, Italy; binational centers at Darmstadt, Kassel, Koblenz, Marburg, and Regensburg, Germany; Genoa, Naples, and Trieste, Italy, were closed. The closing of these installations and the streamlining of USIS operations resulted in a net decrease of 143 positions in West Europe in calendar year 1965. These positions were either used for those required in higher priority programs, or abolished.

In addition, USIS posts in Brazzaville (Congo-Brazzaville), and Coquilhatville (Congo-Léopoldville); Salisbury, Southern Rhodesia; Mandalay and Moulmein, Burma; Phnom Penh, Cambodia; Djakarta, Jogjakarta, Medan, Surabaya, Indonesia; Cali, Colombia; binational centers at Djakarta, Indonesia; Bombay, India; reading rooms at Makassar, Indonesia; Quezaltenango, Guatemala; information centers at Mandalay and Moulmein, Burma, were also closed. The positions were either utilized for higher priority needs within the geographic areas, or abolished.

The following posts were opened:

- Davao, Philippines.
- Khon Kaen, Thailand.
- Kigali, Rwanda.
- Maseru, Basutoland.
- Nakron Phanom, Thailand.
- Nakorn Sawan, Thailand.
- Pitsanulok, Thailand.
- Porto Novo, Dahomey.

VETERANS' ADMINISTRATION

In the latter part of 1965 the responsibility for the congressional liaison functions was transferred from the Office of the General Counsel to the Office of the Administrator. Under this change, the Director, Congressional Liaison Service reports to the special assistant who is the Administrator's personal representative and VA's top level liaison official with Congress, the Executive Office of the President, and other Federal and non-Federal agencies.

During the year the responsibility for maintaining agency programs for comprehensive fiscal audits was removed from the Department of Medicine and Surgery and the Department of Veterans' Benefits and was consolidated within the Financial Management Service of the Office of Controller.

A major reorganization of the medical administration activities of the Department of Medicine and Surgery was accomplished during 1965, keyed by the recentralization to central office of operational, supervisory, and evaluation functions formerly performed by the area medical offices. In order to assist the Chief Medical Director in the management supervision and direction of approximately 200 field installations having more than 150,000 full- and part-time employees, an operations staff has been established within the Office of the Chief Medical Director. This staff is divided into five relatively small management teams, each under the direction of a Special Assistant for Field Operations.

A significant addition was made to the VA medical care spectrum in the last year through the implementation of Public Law 88-450, which authorized nursing home care to eligible veterans in VA and other facilities. During 1965 over 1,300 nursing care beds were established in the VA system as an initial step toward the overall goal of 4,000 beds to be placed in operation by the end of fiscal year 1967. In addition, almost 2,900 VA patients were admitted to community nursing homes at VA expense, and 1,780 beds in State soldiers' homes were approved for nursing home care for which the VA is authorized to pay part of the cost.

The VA hospital organization pattern for predominantly psychiatric hospitals was changed to prescribe the unit system of operation. This system provides a comprehensive psychiatric treatment service which permits continuity of planning, examination, diagnosis, treatment, and care of the patient from admission to discharge by the same treatment personnel. Under the unit system, the large hospital is divided into smaller self-sufficient and autonomous treatment units, which will result in increased functional effectiveness.

Changes in 1965 relating to the field activities of the Department of Medicine and Surgery also included the closing of six hospitals and two domiciliaries that were obsolete to the system.

In the Department of Veterans' Benefits during 1965, the Insurance Service was reorganized. This included placing the Deputy Director, who was formerly responsible only for the underwriting accounts and insurance claims activities, in the Office of Director, Insurance Service. The Chief Actuary became an associate function of the Director's Office, and all activities directly concerned with field operations were distributed between the Policy and Procedures, Program Administration, Review and Appraisal, and Productivity and Standards Staffs under the Director and Deputy Director, Insurance Service.

To meet changing needs and at the same time achieve maximum efficiency and economy in the field operations of the Department of Veterans' Benefits, the functions of eight regional offices were merged with those of other regional offices in the last year. However, a small VA office is being maintained in each of the eight former regional office cities to insure uninterrupted service to veterans, their beneficiaries, and others concerned. In addition to these mergers, the functions of the Brooklyn and New York City regional offices were consolidated under one manager but with the offices remaining in the same physical locations.

During 1965 a major realignment of functions occurred in the Department of Data Management. The activities of the management staff were removed from the Office of Chief Data Management Director and combined in a new Management and Evaluation Service. In place of the Management Staff, a budget staff is now attached to the Office of Chief Data Management Director. Other changes included the abolishment of the Resources Services, the redesignation of the Systems Analysis and Research Service as the Planning and Research Service, the establishment of a second Systems Development Service, and the establishment of a new Communications Service.

VIRGIN ISLANDS CORPORATION

The decrease of 303 employees in total employment resulted from the Department's program to convert the operations of the Corporation to local control. Water and power activities are now in the hands of the Virgin Islands Government, and sugar properties have been sold to private interests. 19

It is expected that the Virgin Islands Corporation will be completely phased out by June 30, 1966.

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