

is a board that has an enormous increase in backlog. They have only 185 people, an agency that had 740 in the Korean war.

Mr. ZWICK. That is right.

Chairman PROXMIRE. Higher procurement now than then. Here is an agency that brings in \$18 for every dollar they cost.

Mr. ZWICK. Yes.

Chairman PROXMIRE. That is the personnel situation. They applied to you and you turned them down on August 21 in a letter which you said that you could not give them more personnel. It seems to me to be something that contradicts the position of John Williams, who was one of the authors of this holddown.

Mr. ZWICK. That is right, I did turn them down.

Chairman PROXMIRE. It certainly contradicts the position, it seems to me, that it makes good fiscal sense, if you are going to bring in \$18 for every \$1 you spend. I can't understand why you can't find 25 people, that is all they were asking.

Mr. ZWICK. Yes.

Chairman PROXMIRE. In the whole executive branch, to move into the Renegotiation Board and pick up funds that we need so urgently.

Mr. ZWICK. Let me comment in two parts on this.

First, my position, which I think has been somewhat obscured in this discussion, was that no exceptions would be preferable to the Senate provision. I think you have to remember what the Senate provision was.

The Senate provision exempted Defense, Post Office, TVA, CIA, FBI, and some small agencies. But it exempted them in a way which was not clear, because you will remember this provision was put in on the floor of the Senate, not in the committee, and there was no report to guide us.

There was one of two interpretations of that provision. One interpretation which was clear in the bill was that all the other agencies would have to absorb the increases in the exempted agencies.

Now, this meant that you would never have gotten down to the June 1966 level.

Chairman PROXMIRE. When the exceptions were made, however, it was made clear that you could disregard the increase.

That is right?

Mr. ZWICK. But I am saying the Senate bill as passed did not do that. And furthermore, one interpretation of the Senate bill could have been that the other agencies had to absorb in their reductions the increases, the vacancies, in the exempted agencies.

In other words, as employment in Defense, Post Office, and other exempted agencies went up, the remaining agencies of the Government would have had to find vacancies to transfer to them.

Now, it was patently obvious that employment in Defense and Post Office and the other exempted agencies was going up faster than the agencies under control of the bill could possibly be going down. And when we looked at that, we said that you would find that the other agencies, such as the Renegotiation Board, just could not help out the Defense Department or the Post Office. It was quite clear as the Senate enacted the bill it was putting an unreasonable burden on the remaining agencies.

I said then, and I would repeat it again today, that preferable to the Senate bill I would rather have a bill with no exemptions, and that