trouble that he needs to supervise than is involved in the Renegotiation Board.

I also think it is completely obvious that reducing employment in the Internal Revenue Service is going to lose more revenue for the Federal Government than the Renegotiation Board.

Chairman PROXMIRE. They pick up $6 for every dollar they cost.

Mr. ZWICK. That is right.

Chairman PROXMIRE. The Renegotiation Board has a better record, $18.

Mr. ZWICK. We are talking about thousands of people in the IRS which I can't find.

Chairman PROXMIRE. Yes.

Mr. ZWICK. Lastly, I would be happy to submit the chairman's request for exemption for the record. I don't think he made a persuasive case in that letter. He may have a persuasive case, and in my letter back to him I said we would like to have more information on what the Board is now doing with existing staff.

(The letters referred to were subsequently submitted and appear below:)

WASHINGTON, D.C., *July 26, 1968.*

Hon. CHARLES J. ZWICK,
Director, Bureau of the Budget,
Executive Office of the President,
Washington, D.C.

DEAR MR. ZWICK: It is imperative that 37 vacancies be reassigned to the Renegotiation Board under the provisions of Paragraph 6 of Bureau of the Budget Bulletin 68–15, dated June 28, 1968. This request is well justified on the basis of our current and projected workload, as well as the increased responsibilities to be assumed by the Board under proposed amendments to the Renegotiation Act of 1951.

Most Government agencies can eliminate, modify, or defer one or more of the several programs in their charge, as circumstances require. But the Renegotiation Board, with only a single program to administer, has no such choice; the Board has no control over its workload. The Board's workload—and its need for personnel—is directly related to the level of military procurement.

The procurement of military equipment and supplies has stepped up sharply in recent years. From $28.0 billion in fiscal 1965, prime contract awards by the Department of Defense rose to $44.6 billion in fiscal 1967 and are estimated to have run even higher in fiscal 1968. During the same period, the volume of defense subcontracting experienced an even sharper rise, from $8.5 billion to $15.5 billion.

The increase in military procurement has a marked effect upon the Board's workload, as evidenced by increases in the renegotiable sales reviewed, the filings received, and the assignment made to the regional boards:

	1966 actual	1967 actual	1968 actual	1969 estimate
Renegotiable sales reviewed	31.8	33.1	40.3	44.5
Filings received	3,387	3,737	4,552	4,800
Assignments to regional boards	444	634	827	875
Completed by regional boards	402	421	567	[1] 570
Regional backlog	464	678	938	[1] 1,243
Productivity (field)	5.5	5.6	7.2	
Average man-years (field)	73	74.1	78.8	

[1] These are estimates of our status unless the Board secures relief from the 1966 personnel ceiling.

It will be noted that the number of assigned cases (those involving the possibility of excessive profits) has grown steadily. It will also be noted that, with substantially the same number of field employees, case completions have also increased. Nevertheless, despite a dramatic increase in productivity during 1968,