

In order to provide positions for newly created agencies and to meet other essential requirements, I must limit the rate at which your Agency may appoint full-time employees to permanent positions to 70 percent of the positions becoming vacant on and after September 1, 1968, because of resignation, removal, retirement, or death. This change does not affect your authority to make appointments up to the 75 percent level of positions becoming vacant for the above causes after June 30 and before September 1.

I realize that these restrictions present a difficult administrative problem for you, as they do for all of us. However, every additional vacancy granted to one agency above that allowed it by the law must be offset by the loss of a vacancy by another agency. At the present time, it is simply not possible to impose on other agencies in the Government the additional cutbacks which your request would necessitate.

We shall continue to review the overall Government employment situation, and we shall be glad to give further consideration to your request at the start of the October-December quarter. However, we would suggest that, in placing it before us again, you give special attention to demonstrating that your request complies with the guidelines set forth in paragraph 7 of the Bureau of the Budget Bulletin No. 68-15.

Sincerely,

CHARLES J. ZWICK,
Director.

Chairman PROXMIRE. I wish you would give us all the information you can. I think you ought to have some kind of action on the part of the Congress to clarify this situation. I am sure you are acting with the best possible intent and you are a very able and competent man. But you have a situation here where you have agencies like the Renegotiation Board. You have had two other fine examples in the Internal Revenue Service and the Home Loan Bank Board that just ought to have more personnel.

Mr. ZWICK. Yes.

Chairman PROXMIRE. And if they don't, it is ridiculous. It is against the public interest. We are losing money. There is not a conservative or liberal in the Congress who wouldn't agree with that position.

Mr. ZWICK. I agree.

Chairman PROXMIRE. So that if you can make your position clear it seems to me that the Congress will take whatever action is necessary to unshackle you, so that you can provide the personnel to the agencies that absolutely have to have them.

Mr. ZWICK. Well, our position—

Chairman PROXMIRE. Because that was the only argument that I got from Senator Williams, and it was persuasive enough so that we lost the amendment. We weren't able to unfreeze the Renegotiation Board. But you had the power to do it, that you could do it, that you could somehow find 25 people.

Mr. ZWICK. That is right; that is correct.

Chairman PROXMIRE. Who could do this?

Mr. ZWICK. But I have also got requests for 25,000 other vacancies.

Chairman PROXMIRE. I understand.

Mr. ZWICK. And I would also indicate that the House Ways and Means Committee itself recognized that there were going to be transitional problems, because before they went home for recess, they voted out a bill to give me a pool of 14,000 vacancies to solve some of these problems. But Congress did not take action on that bill to give me 14,000 vacancies.

Chairman PROXMIRE. I want to come back. I have taken too much time.