there is some argument about the flexibility of the administration in respect to personnel ceilings.

Mr. ZWICK. That is correct.

Senator JAVITS. Would you, Mr. Budget Director, and please don't do it unless you are authorized, make any suggestions within the context of the basic proposition which would give the administration a greater flexibility? For example, really what we were dealing with is an overall concept, rather than any effort to stratify the thing by departments or in some other way, which would tie your hands more than was necessary.

Mr. ZWICK. Yes.

Senator JAVITS. If you could key us to any amendments which you think would be desirable on that score, that might be a very useful exercise.

Mr. ZWICK. I would like to just reiterate our position, which I think is quite clear and consistent, and that is that this is really an unwise provision. You ought to relate manpower reductions to appropriations, and you ought to do it as part of appropriation actions.

This reduction does in fact ignore the intimate relationship between employment and program levels and dollars that you have to spend. No businessman would run his business that way, and I don't think one should try to run the Government that way.

We made that case. We lost that case when we signed the tax bill. Our position, and we so testified before the House Ways and Means Committee and before the Senate Post Office Committee, when the exemption for the Post Office was made, that we will live with the provision. We will not recommend any exemptions.

However, since we basically think this is an unwise provision, if Congress wants to provide any exemptions we certainly won't object to that.

Therefore, with respect to any relief, including the House action by the Ways and Means Committee, to give me a pool of 14,000 vacancies or any other, such as exempting of agencies, we certainly don't object to it. In fact it will make my job easier and will provide better public services.

My sole point has always been that I don't think 14,000 or 20,000 or 40,000 extra positions are going to solve all the problems, and I just want the record to be quite clear that if Congress gives me any such number in a pool, that will certainly improve the situation, and I will endeavor to allocate those consistent with the program cuts we are making and consistent with priorities. But no one should delude himself that that will solve all the problems. So that is where we basically are.

Any relief through the exemption route or through a pool or any other technique is helpful, but we are not recommending it.

Senator JAVITS. Of course, the most helpful would be to take out that provision altogether and just leave the expenditure ceiling.

Mr. ZWICK. That is correct.

Senator JAVITS. Is that correct?

Mr. ZWICK. Yes.

Senator JAVITS. That would give you the most flexibility?

Mr. ZWICK. That is correct.

Senator JAVITS. Now, there is nothing in doing that which would sidestep the basic proposition of a cutback in expenditures?