

3) Finally, the Budget Director is further limited in the exercise of this flexibility by the legislative history which indicates that, generally, agencies should not be allowed to go below their June 1966 employment levels. This is stated most clearly on page 45 of the Conference Report on the Revenue and Expenditure Control Act of 1968:

"In keeping with the June 30, 1966 date, the provision is carefully designed so that it can be operated in such a fashion that whenever any agency has reached its June 30, 1966 level, then it can be in a position to resume full appointment. To this end, the conferees believe that the more efficient operation of the Government means that the Director of the Budget generally should reassign vacancies to any agency which has reached its June 30, 1966 level. For example, in applying this provision in the case of the Veterans' Administration (including all such employees working in veterans' hospitals), no reduction should be required in employee levels below that of June 30, 1966, in the case of permanent or full-time employees."

It is expected that the Veterans' Administration will reach its June 30, 1966, level around November of this year. The Budget Director will then have to reassign about 800 vacancies each month just to keep the Veterans' Administration at this level. These 800 vacancies must be taken from other agencies *each and every month* in addition to the required 1 out of 4 attrition.

As more agencies reduce employment to their June 30, 1966 level, more vacancies will be required at the expense of those agencies above the June 1966 level. It will eventually result in a tremendous burden on agencies which have not reached their June 30, 1966 level. Their replacement rate will have to be reduced further and further, until they eventually will not be permitted to replace anyone at all. In fact, sometime before this happens, it will have become apparent that *the reassignment of vacancies is impractical*.

POLICY ON REQUESTS FOR RELIEF

By the middle of August, the Bureau of the Budget had received requests for relief from about 40 different agencies asking for the reassignment of over 20,000 vacancies. By that time, Congress had exempted some agencies, and bills to exempt others were pending so that the final outcome of the Congress' actions was uncertain. Moreover, there was not experience with the agency turnover or separation rates under the new law. And since vacancies could not be reassigned before they existed, the Budget Director had no choice but to take a very tough approach in reviewing these agency requests for relief.

While many of the individual requests had obvious merits and could be justified individually, the situation the Budget Director faced was that every request he approved would result in an increased burden on other agencies trying to do bigger jobs with fewer people. Nevertheless, the urgent need to get started on the new Safe Streets program as well as various hardship situations required that some relief be given to the Justice Department and a few other agencies.

After careful review of the effects of the employment limitation, the Budget Director in August directed all agencies subject to the limitation with more than 50 full-time employees to limit replacement to 70% of vacancies occurring on or after September 1, thereby making available for reassignment to other agencies the difference between 70% and 75% of their separations. This step was necessary to provide a pool of vacancies from which relief could be given to certain agencies to enable the executive branch to begin new programs and maintain other essential Government operations.³

But as long as this law remains in effect, management problems can be expected to continue, demonstrating the weakness of a blanket approach to a complex problem. For example, recently enacted legislation expanding Federal activity in the field of housing and community development will require additional employees to get the job done. Moreover, if the Government is to take a population census in April 1970, in accordance with the constitutional requirement for a decennial census, extra temporary employees will be needed in the Bureau of the Census over and above the employment level prevailing in April 1967.

The basic question before the Budget Director in acting on agency requests for relief under this law is not "Is the request meritorious?" but "Is the request so meritorious and so urgent that some other agency or agencies should be

³ See the memorandum to the President from Director Charles Zwick of the Bureau of the Budget, August 20, 1968, on "Limitation on Hiring by Federal Agencies," which is printed on page 1260 of the Monday, August 26, 1968, issue of the Presidential Documents, Vol. 4, No. 34.