

have to be separated and would be on the rolls for 2 months of the fiscal year and they would also be entitled to lump-sum leave payments and severance pay. If the action were to be completed in October, we would have had to abolish 5,600 positions and, if in November, 6,300 positions.

As we found in our difficult experience with a major RIF at the Marshall Center last year, the number of employees actually affected in RIF procedure is far greater—normally by a factor of two or three—than the number of positions actually abolished. Therefore, we could see that, depending on when the action could be completed, as many as 50 percent or more of the NASA work force would have felt the impact of the actions necessary to stay within an administrative operations budget of \$603.2 million for fiscal year 1969.

Mr. Webb and I concluded that an impact even approaching this magnitude would have had such severe disruptive effects on NASA activities that the successful execution of the programs approved by the Congress at the \$4 billion total level, or of the programs we could conduct within the \$3.85 billion limitation, would have been virtually impossible. We further concluded that we should approach the problem of determining our "Administrative Operations" requirements for effectively carrying out the program at the \$3.85 billion level, making all the reductions we could, and to anticipate in the plan a transfer of funds from "Research and Development" to "Administrative Operations" to the extent required.

A number of alternative planning levels were assessed. It was our conclusion in the end that it was not possible to reduce the Administrative Operations account below \$623.3 million, and, accordingly, the Administrative Operations plan has been established at that figure. This plan requires a 1,661 reduction in planned civil service employment and a slightly larger reduction in man years of support service contract effort. We hope that this reduction can be accomplished primarily through attrition with possibly a few selective RIF's and believe that it represents the maximum reduction and disruption to the work force feasible without unacceptable consequences for our ability to conduct our programs.

With the reductions in personnel now planned, NASA will have reduced its actual employment by approximately 3,000 since July 1967. A continuing effort has been made to keep Administrative Operations costs to the minimum consistent with the effective and economic execution of the agency's approved programs. A measure of the effectiveness of these measures is the fact that if NASA were able to pay salaries on the average of the same rates in existence in 1966, and the 1969 Administrative Operations budget would be approximately \$70 million less than the current plan.

Mr. Chairman, taking account of the total situation we face, I believe that we have had no alternative but to plan our administrative operations on the basis I have described. I also believe that it was not the intent of Congress that we fail to use the flexibility afforded by the transfer authority available to us when the consequences of our failure to do so would have been to frustrate the conduct of the important research and development programs which Congress clearly approved.

Mr. Chairman, this concludes my prepared statement.