

November 18, 1954

Dear Mr. Hughes:

As you are doubtless aware, I appointed a Public Committee on Personnel to study the administration of the Foreign Service and to advise me on a program intended to improve the efficiency of operations of the Department of State and of the Foreign Service. In May of 1954, the Committee submitted its report, the cornerstone of which was a proposal to integrate to the extent that their functions converge the Departmental Civil Service officers, the Foreign Service Officer corps, and the Foreign Service Reserve and Staff officers into a single service subject to assignment both at home and abroad at the discretion of the Secretary. In addition, the Committee made several other recommendations intended to improve the effectiveness of over-all management and administration. Most of the recommendations made by the Committee can be carried out under existing law; some require new legislation in the form of amendments to the Foreign Service Act of 1946, as amended.

In accordance with established procedures there is transmitted herewith copies of: (1) A draft of a proposed bill that incorporated the legislation most urgently needed for the implementation of the program, as well as to achieve other desirable changes (Tab A); (2) An explanation of each of its provisions (Tab B); and (3) Proposed transmittal letters to the President of the Senate and the Speaker of the House of Representatives (Tab C).

The scope

The Honorable
Rowland R. Hughes,
Director, Bureau of the Budget.

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The scope of the proposed bill is limited to those items considered to be of major importance to the early achievement of the integration program, and several items which our experience has indicated require amendment in order to facilitate and to improve the administration of the Foreign Service. The bill does not include certain amendments that are desirable, but not urgently needed.

It should be noted that the proposed legislation does not provide for upward adjustment in the salaries of Foreign Service personnel; however, the Department believes that any pay increases which may be granted for Federal employees generally should also apply to personnel of the Service. This can be accomplished either by making an appropriate revision of the Foreign Service Act of 1946, as proposed for amendment, or by extending the provisions of more general legislation to cover the personnel of the Foreign Service.

The proposed legislation was developed after consultation with representatives of the Departments of Agriculture, Commerce and Labor, the Central Intelligence Agency, the Foreign Operations Administration, the United States Information Agency, and the office of the President's Adviser on Personnel Management.

The per annum cost of implementing the provisions of the proposed bill is estimated to about \$212,000 in fiscal year 1955, and \$1,285,000 in fiscal year 1956 and succeeding years. A break-down of the various cost items is enclosed (Tab D).

In accordance

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In accordance with established procedure, the Department would like to know whether there is any objection to submitting these proposals to the Congress under the conditions outlined above. In this connection individual members of the Foreign Affairs Committee of the House of Representatives and of the Foreign Relations Committee of the Senate have expressed considerable interest in the early submission of the legislation needed to improve the personnel management of the Department of State and of the Foreign Service. Consequently, it is the Department's hope that the proposed legislation can be transmitted to the Congress at the earliest possible date.

Sincerely yours,

John Foster Dulles

Enclosures (in quadruplicate):

1. Proposed letter to the President of the Senate.
2. Proposed letter to the Speaker of the House of Representatives.
3. Proposed bill.
4. Explanation of proposed bill.
5. Estimate of cost.

A B I L L

To amend the Foreign Service Act of 1946, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 413(a) of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"SEC. 413. A person appointed as a Foreign Service officer shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive."

(b) Section 413(b) of such Act is hereby repealed.

SEC. 2. Section 443 of such Act is amended to read as follows:

"SEC. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and Staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts."

SEC. 3. The first sentence of section 517 of such Act is amended to read as follows:

"SEC. 517. A person who has not served in class 6 shall not be eligible for appointment as a Foreign Service officer of classes 1 to 5, inclusive, unless he has passed such examinations as the Board of Examiners for the Foreign Service may prescribe to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution; and rendered at least four years of actual service prior to appointment in a position of responsibility in the service of a

Government agency, or agencies, except that, if he has reached the age of thirty-one years, the requirement as to service may be reduced to three years."

SEC. 4. Section 522 of such Act is amended in the following particulars:

(1) By striking out in paragraphs (1) and (2) the word "four" wherever it appears therein and inserting the word "five" in lieu thereof.

(2) By striking out in paragraph (1) the phrase "of a specialized character; and" and inserting a semicolon after the word "qualifications" at the end thereof.

(3) By striking out the period at the end of paragraph (2) and inserting "; and" after the word "concerned".

(4) By inserting after paragraph (2) thereof the following new paragraph.

"(3) extend the period of service of a Reserve officer as provided in

(1) and (2) of this section for a period not to exceed two additional years."

SEC. 5. (a) Section 571(a) of such Act is amended to read as follows:

"SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than four years, except that the Secretary may extend this four-year period."

(b) Section 571 is further amended by adding at the end thereof a new subsection (e) which shall read as follows:

"(e) The salary of an officer or employee assigned pursuant to the terms of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service. Such appropriations may be reimbursed, however, when the Secretary enters into reimbursement agreements with heads of Government agencies for all or any part of the salaries of officers or employees assigned to such agencies and payment is received pursuant thereto, or when an officer or employee of the Service is assigned to a position the salary of which

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which is payable from other funds available to the Department."

SEC. 6. Sections 633 and 634 of such Act, and the headings thereto under "Part D", are hereby repealed and the following headings and sections are hereby enacted in lieu thereof:

"SELECTION-OUT

"SEC. 633. (a) The Secretary shall prescribe regulations concerning--

"(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

"(2) the standard of performance which any such officer must maintain to remain in the Service.

"(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

"SELECTION-OUT BENEFITS

"SEC. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

"(b) Any Foreign Service officer in classes 4 or 5 who is retired from the Service in accordance with the provisions of section 633 shall receive--

"(1) One-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following;

and "(2)

and

"(2) A refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.

"(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U.S.C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b)(1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment."

SEC. 7. (a) Section 853 of such Act is amended by striking out the period at the end of the first sentence thereof and adding the following clause:

", but no such extra credit for service at such unhealthful posts shall be credited to any participant for such service performed subsequent to the

effective date of this Act."

(b) Section 853 is further amended by striking out the last sentence of that section.

SEC. 8. (a) Section 901 (2) of such Act is amended by striking out the phrase "his post of assignment" at the end of paragraph (ii) of that section and substituting in lieu thereof the phrase "any post of assignment abroad or at a post of assignment in the continental United States between assignments to foreign posts".

(b) Section 901 (2) is further amended by adding at the end thereof a new paragraph (iv) which shall read as follows:

"(iv) that an allowance is necessary to assist an officer or employee stationed abroad to defray the expenses of educating his children."

SEC. 9. Section 943 of such Act is amended by adding the phrase "and their dependents" after the words "United States" and before the comma, and again at the end of the section immediately before the period.

SEC. 10. Notwithstanding the provisions of this Act, existing rules, regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of this Act, unless clearly inconsistent with the provisions of this Act.

CENTRAL INTELLIGENCE AGENCY
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Remarks:

Material on proposed amendments to the Foreign Service Act attached per your request. We would appreciate return of this material to the Office of Personnel for retention when you have completed action.

NOTICE OF PENDING LEGISLATION

LEGISLATIVE BILL NO.
H. R. 4941

SECTION I

GENERAL

TO :

FROM: LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

SENT TO YOU FOR INFORMATION ONLY.

A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION IS IS NOT PREDICTED.

SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____

SECTION II

COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

FROM:

15 March 1955

84/1

Mr. Richards of South Carolina

A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes.

Distribution:

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84TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } } No. 229

FOREIGN SERVICE ACT AMENDMENTS OF 1955

MARCH 18, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. RICHARDS, from the Committee on Foreign Affairs, submitted the following

R E P O R T

[To accompany H. R. 4941]

The Committee on Foreign Affairs, to whom was referred the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes, having considered the same, report favorably and unanimously thereon without amendment and recommend that the bill do pass.

INTRODUCTION

This bill is the first major overhaul of the Foreign Service Act of 1946. It reflects the principles embodied in that act, namely, a professional service, disciplined and mobile, serving without political influence, and adequately compensated.

The purposes of the bill are twofold: (1) to enable the Department of State to continue the integration of its personnel into the Foreign Service Officer Corps; and (2) to improve conditions of employment (but not to increase salaries) of Foreign Service personnel so that qualified individuals will make it a career.

There is nothing in this bill that creates any new jobs or adds anyone to the Federal payroll. It authorizes the expansion of the Foreign Service—but only by transferring individuals already employed by the Department of State into the Foreign Service. Every position held by Department of State personnel who transfer into the Foreign Service is converted into a position that can be manned by individuals who must serve at home and abroad. This bill does not create more jobs in foreign countries nor will it increase American personnel abroad. It simply makes available a larger pool of qualified personnel for assignment abroad on a rotation basis.

At the end of World War II the Foreign Service lacked sufficient personnel to meet the Government's new and enlarged responsibilities in the international field. The inability to recruit new talent during

the war together with the attrition in the upper Foreign Service classes had reduced the number of officers from 826 in 1940 to 820 in 1946. In that year Congress devoted its efforts to improve the Foreign Service. The patchwork of laws upon which it was based were carefully examined, their meritorious features were retained, and new provisions were added. The result was the Foreign Service Act of 1946.

The act provided for the following categories of Foreign Service personnel:

(a) *Chiefs of mission*.—Appointed by the President by and with the advice and consent of the Senate. There are four classes of chiefs of mission.

(b) *Foreign Service officers*.—Appointed by the President by and with the advice and consent of the Senate. There are seven classes of Foreign Service officers, including the class of career minister.

(c) *Foreign Service Reserve officers*.—Appointed by the Secretary for a temporary period not to exceed 4 years. There are six classes of Reserve officers. The term "Reserve" bears no relation to the military use of the word. A Foreign Service Reserve officer may more properly be described as a temporary officer. Upon completion of his assignment, the Department of State, unlike the armed services, cannot require him to serve again.

(d) *Foreign Service Staff officers and employees*.—Appointed by the Secretary for work of a technical, administrative, clerical, or custodial nature. There are 22 classes of Staff personnel.

(e) *Alien clerks and employees*.—Appointed locally in the field by the principal officer at each post.

Among the principal provisions of the 1946 act were those covering entrance into the Service. Emphasis was placed upon the career concept toward which the Service had been moving for more than a quarter of a century. For the long haul the strength of the Service could only come from the young men and women who entered at the bottom and progressed through the ranks.

The immediate problems facing the Government, however, required additional personnel at the intermediate and upper levels. To meet this situation, the act authorized appointment in other than the lowest class of qualified individuals from the Department of State or the Foreign Service Staff or Reserve. This is referred to as lateral entry. Those entering laterally could be paid only the lowest salary of the class to which they were appointed. In many cases that meant a loss of salary for the individual transferring into the Foreign Service.

Neither method of entry produced the numbers needed for the Service. From 1946 to March 1954, only 51 entered laterally. The record for entrance at the bottom was considerably better, but was offset by heavy retirements and resignations. The peak strength of 1,427 officers was reached in January 1953. By March 1954 the number had dropped to 1,297.

It was this personnel situation that led the Secretary of State to appoint a Public Committee on Personnel—the Wriston Committee. Earlier studies on State Department personnel and organization had been made by the Hoover Commission in 1949, the Secretary of State's Advisory Committee on Personnel in 1950, and the Brookings Institution in 1951. On one point all of these studies, including that of the

Wriston Committee, were in substantial agreement; namely, that the Department's personnel under civil service engaged in substantive work should be brought into the Foreign Service. In transmitting the recommendations in this bill to the Speaker, the Secretary of State noted that the Hoover Commission and the Wriston Committee recommended—

that certain officer personnel in the departmental service and in the various categories of the Foreign Service be merged into a single service, the Foreign Service Officer Corps, obligated to serve at home and overseas. Both the [Hoover] Commission and the [Wriston] Committee recommended that the personnel in the combined service be administered under a personnel system outside of the civil service system. They further recommended that this system should be based on the career principle, but should also remain sufficiently flexible to meet the changing needs of the Government for the conduct of foreign affairs.

To put the issue another way, the continuation of two personnel systems, one serving at home and one abroad, denied the Secretary of State the maximum use of the talents of his own Department.

The Wriston Committee referred to the development of a single enlarged Foreign Service as "integration." It estimated that 1,300 positions in the Department and 1,300 in the Staff and Reserve were "dual service" positions that should be brought under the Foreign Service. Thus, with the 1,300 Foreign Service officers the Foreign Service strength would be increased to 3,900. Individuals holding such positions would be brought into the Foreign Service through lateral entry, after passing such tests as may be prescribed. As the Committee noted:

The presumption should be that a departmental officer with an acceptable record is eligible for the Foreign Service. The burden of proof should be laid upon exclusion rather than upon inclusion.

The accelerated lateral entry recommended by the Wriston Committee was endorsed by the Department of State. It could not be achieved if a lateral entrant could be paid only the minimum rate of salary for his class, as required by the Foreign Service Act of 1946. Some individuals who had several in-grade increments under civil service would have to take a salary reduction that might amount to \$1,600. Public Law 759 of the 83d Congress dealt with this problem. It authorized the appointment by March 31, 1955, of a maximum of 500 Foreign Service officers in classes 1 through 5 at other than the minimum rate for the class. Under the authority of the 1946 act additional officers could be appointed in those classes at the minimum rate. Nor was any limit imposed on the appointment of class 6 officers.

Before considering any extension of the integration program, the committee inquired into the progress that had already been made. Specifically, it was interested in the background of the individuals who have been processed for integration in order to assure that there was no lowering of standards. The Department furnished such information on 414 Department, Reserve, and Staff officers who have been certified by the board of examiners for appointment as Foreign Service officers since September 1, 1954. An analysis of the background of the 414 reveals the following:

1. Fifty-five percent came from the Department; 45 percent entered from the Reserve or Staff Corps.

2. Eighty-five percent entered classes 3, 4, or 5, the intermediate classes of the Foreign Service, while 10 percent entered classes 1 or 2, the highest classes, and 5 percent were appointed to class 6 at the bottom. Of those who entered classes 1 to 5, 79 percent were at an in-step salary level and 21 percent at the minimum salary for the class.

3. Eighty-five percent are men; 15 percent are women.

4. By age, 64 percent were under 40 years, 33 percent were from 40 to 50 years. Only 3 percent were over 50 years.

5. Their previous Government service, including military service, averaged almost 14 years with 77 percent having more than 10 years.

6. Their Government positions immediately prior to processing for appointment into the Foreign Service were of particular interest to the committee. Ten percent were in consular work, 15 percent in economic work, 30 percent had been engaged in foreign political reporting and analysis, 37 percent were in administrative work, and 8 percent came from specialized functional activities of the Department.

7. On the basis of state of origin the group represented an almost complete coverage of the United States. Only 4 States supplied no candidates. By regions the Northeastern and Middle Atlantic States accounted for one-third; the Southern States and the North Central States, 25 percent each; the Western States, 10 percent. The balance were born outside the continental United States.

No applicant was considered by the board of examiners until security clearance had been granted under the provisions of Executive Order 10450. The board went a step beyond that. Some individuals have been denied appointments because their files disclosed evidence of unsuitability for the Foreign Service. Each officer must be confirmed by the Senate before appointment as a Foreign Service officer.

According to the Department's testimony, the Senate had confirmed 240 officers by early March and the paperwork had been completed on several hundred others. The Deputy Under Secretary for Administration of the Department of State, the Honorable Loy Henderson, testified that the Department now has in process—

sufficient transfer actions to exhaust the 500 quota authorized by Public Law 759. Early approval of the requested extension of this authority, therefore, is necessary if we are to avoid having the program grind to a sudden halt. I believe it would be extremely detrimental to the efficient administration of the Department as well as to the morale of our personnel if we had to interrupt the program in midpassage.

The committee recognizes the force of this argument. If the Department is to get its house in order, completion of the integration program is necessary. Among other provisions, this bill continues the principle embodied in Public Law 759 by authorizing appointments in classes 1 through 5 at any one of the salary rates for that class. Unlike that law, it limits the number of lateral entrants, including those coming in at the minimum salary of the class, to 1,250 until such time as Congress may otherwise determine.

It does not alter any of the provisions covering entrance at the bottom. Neither did Public Law 759. The committee is desirous that every effort be made to build the Service from below. Only in that way can the Service offer the attraction of a career.

It is not sufficient that competent and devoted people enter the Foreign Service. They must be retained in the Service. As Mr. Henderson remarked in his statement before the committee:

If it [the Foreign Service] is successfully to compete with private enterprise or with other governmental agencies for the highest types of American youth it must be in a position to assure those who enter it unparalleled opportunities for public service. A career in the Foreign Service by its very character entails certain sacrifices. There is no place in it for those who are looking for a soft life. Much can be done, nevertheless, to alleviate the hardships inherent in it.

The other provisions in this bill are designed to strengthen the administration of the Foreign Service and to make it a career in which, to paraphrase Mr. Henderson's expression, the satisfaction of public service is not dimmed by undue personal financial worries.

Briefly, the other sections of this bill have the following purposes:

1. To make Foreign Service officers and Reserve officers eligible to receive hardship post differentials which are now paid to Staff officers and employees and civilian personnel of other Government agencies who are stationed abroad. Foreign Service officers, who now receive time-and-a-half retirement credit for service at hardship posts, may choose either the credit or the differential.
2. To permit the Secretary of State to extend the 4-year limit on the assignment of Foreign Service personnel to duty in the United States to an additional 4 years.
3. To establish a home service transfer allowance for Foreign Service personnel assigned to duty in the United States between tours of foreign duty.
4. To extend the selection-out system to Foreign Service officers of class 1.
5. To permit up to 40 persons with prior Government service and who are professionally qualified to enter laterally as Foreign Service officers.
6. To defray part of the expenses of educating children of American parents stationed abroad in the Foreign Service.
7. To increase the maximum duration of Foreign Service Reserve appointments to 5 years.
8. To permit the Secretary of State to negotiate reimbursements for Foreign Service personnel detailed to other Government agencies.
9. To limit the amount of retirement benefits paid Foreign Service officers in classes 4 and 5 who are selected out of the Service.
10. To provide medical examinations, inoculations, and vaccinations to the dependents of Foreign Service officers.
11. To give credit toward retirement without charge for military service rendered prior to appointment as a Foreign Service officer.

The items in this bill carry forward the implementation of the Wriston Committee recommendations. Many of these recommendations require no additional legislative authorization, such as improved training, class 6 recruitment, personnel planning, and travel costs for the rotation of personnel. This bill does not deal with those items. This bill includes several additional recommendations made by the Wriston Committee that require authorization before the Department can ask for appropriations. Other recommendations requiring legislative authorization will be submitted by the Department at a future date.

The Department submitted these cost estimates of the amendments in this bill to the Foreign Service Act.

	Estimated cost	
	1955	1956
1. Sec. 413. Lateral appointments of Foreign Service officers above the minimum rate of the class to which appointed. <i>Comment.</i> —The Foreign Service Act of 1946, which provided that appointments to classes 1 to 5 be made at the minimum salary rate of the class, was amended by Public Law 754, 83d Cong., to permit the appointment of 300 officers at rates above the minimum up to Mar. 31, 1955. The estimated cost of the proposed amendment will be \$5,000 for the period Apr. 1, 1955, to July 1, 1955, and \$75,000 for fiscal year 1956.	\$5,000	\$75,000
2. Sec. 443. Payment of salary differentials to Foreign Service officers and Foreign Service Reserve officers. <i>Comment.</i> —The estimated cost of this amendment is based on a count of Foreign Service officers and Reserve Corps officers at differential posts multiplied by the percent differential received by each; namely 286 Foreign Service officers and 31 Reserve officers. For fiscal 1955, the annual cost is reduced by 75 percent.	120,000	480,000
3. Sec. 901 (2) (ii). Home service transfer allowance. <i>Comment.</i> —Assumed average cost is based on an analysis of average size of each Foreign Service family, costs of hotel room accommodations in Washington as determined by Bureau of Labor Statistics, the average intra- and inter-zone transfer allowance and the assumption that 100 assignments to the United States will be made during the balance of fiscal 1955 and 400 each year thereafter.	50,000	200,000
4. Secs. 901 (2) (iv) and 911 (9). Educational allowances. <i>Comment.</i> —The estimate for fiscal 1955 is related to children of Foreign Service personnel attending college in the United States and is designed to cover the travel expense of approximately 33 trips to and from the field at an average cost of \$1,476 per trip. For fiscal 1956, the estimate covers (1) an allowance of \$340 each for 1,013 children in elementary and secondary grades residing abroad, (2) travel for 25 percent of the same children to nearest satisfactory school in the country of residence at \$100 each, (3) travel for 92 children in secondary grades from abroad to the United States and return at an average cost of \$1,476 each, prorated over a 3-year period, and (4) travel of 74 children attending college in the United States to post of parents' assignment and return at an average cost of \$1,476 each, prorated over a 4-year period.	50,000	442,000
5. Sec. 943. Medical examinations of dependents of Foreign Service personnel stationed abroad. <i>Comment.</i> —The estimate is based on the assumption that average cost of each examination will be \$7, and that 1,000 such examinations would be made during the balance of fiscal 1955, that 4,000 such examinations would be made annually thereafter.	7,000	28,000

SUMMARY

	1955	1956
Sec. 413.....	\$5,000	\$75,000
Sec. 443.....	120,000	480,000
Sec. 901 (2) (ii).....	50,000	200,000
Secs. 901 (2) (iv) and 911 (9).....	50,000	442,000
Sec. 943.....	7,000	28,000
Total.....	232,000	1,225,000

The more favorable retirement benefits that would be available to an expanded Foreign Service Officer Corps are not reflected in this cost analysis. These benefits, estimated ultimately to cost \$1,550,000 annually, will not require an immediate outlay of funds since lateral entrants must serve at least 5 years before retiring. Last year the committee was concerned that individuals would enter laterally in order to enjoy the benefits of the Foreign Service retirement system. The Secretary of State gave assurances to the Honorable John M. Vorys that—

the Department will not permit persons to enter the Foreign Service Officer Corps unless they are young enough to assure that they will spend at least 5 years overseas before retirement.

~~✱~~ This bill does not solve all the problems of the Foreign Service. But it should do much to alleviate some of its difficulties. Since 1946 the Foreign Service has had a succession of 10 administrators, some of them unfamiliar with its problems. The committee believes that the Service is entering a new era. The recent appointment of Mr. Henderson as Deputy Under Secretary for Administration should provide the steady hand it needs in this period of transition. He brings to his present position the experience of more than 30 years as a Foreign Service officer. With the knowledge derived from his own background, the committee is confident that he will administer wisely and effectively the provisions contained in the Foreign Service Act. It is equally confident that his preoccupation with the problems arising from integration will in no way diminish his zeal to strengthen the lower echelons of the Service so that it may be a truly "professional service" offering "advancement by merit to positions of command."

SECTION 2. APPOINTMENTS AT SALARY STEPS ABOVE MINIMUM

This section amends the Foreign Service Act of 1946 to permit the appointment of Foreign Service officers to classes FSO-1 to FSO-5 at salary steps above the minimum for each class. The Foreign Service Act of 1946 required that appointments to classes 1 through 5 had to be made at the minimum rate of the class.

There are more civil service and Foreign Service Staff salary grades encompassing the same range of salaries than are included in FSO classes 1 to 5. This, plus the fact that employees receive periodic salary increases in grade for satisfactory service, means that most persons entering laterally have to enter at a salary which is either higher than that which they are earning or one which is lower. Faced with a prospect of a cut of as much as \$1,600 a year, officers frequently have refused appointment as a Foreign Service officer or else sought appointment to a higher class for which they are not eligible on the basis of age, experience, and other qualifications. In general there is a tendency for candidates applying for lateral entry to apply for classes higher than those which are appropriate for their age, qualifications, and experience in order to avoid a possible reduction in salary. This factor is said to be one of the basic causes for the failure of earlier integration efforts. The language of this section makes it possible, when desirable, to appoint an employee to the Foreign Service Officer Corps at the same or nearly the same salary he is receiving in other Government service.

SECTION 3. HARDSHIP POSTS

Under section 443 of the present Foreign Service law, payment of salary differentials for service at "hardship posts" is specifically limited to Foreign Service Staff officers and employees. These differentials range from 10 to 25 percent of basic compensation. The Department of State has informed the committee that at present these differentials are applicable to about 30 percent of the posts in the Foreign Service. It is the responsibility of the Secretary of State to prepare and maintain a list of such posts. In designating hardship posts, such factors as excessive physical hardship, unhealthful conditions, lack of recreational facilities, climate, and the like are considered. Foreign Service officers and Reserve officers are excluded by present

law from this additional compensation when assigned to such hardship posts. All other overseas agencies, such as Agriculture, Labor, Treasury, Defense, etc., pay their American civilian employees extra compensation whenever these employees are assigned to hardship posts in foreign countries. Thus, Foreign Service officers and Foreign Service Reserve officers (except Reserve officers of the Foreign Operations Administration) are now the only groups of American civilian employees of the United States Government stationed in foreign countries who are not eligible to receive salary differential payments for service at hardship posts.

The rationale for the exclusion of Foreign Service officers from the benefits of section 443 when it was incorporated in the Foreign Service Act of 1946 was that they were to receive instead augmented credit toward retirement (1½ years for each year of such service) for service at unhealthful posts which were essentially the same as those listed in the "hardship" category.

Mr. Henderson, in his testimony before the committee, pointed out that many of the younger officers, particularly those with families, preferred to have available to them a salary differential for service at hardship posts rather than extra credit toward retirement for such service. At the same time it is recognized that older officers may well prefer the extra retirement credit for service at unhealthful posts rather than accept a salary differential for such service. To take care of this personal preference there is included in this bill a provision which, in effect, gives the officer his choice. This is discussed under section 9 of this bill.

SECTION 4. LATERAL ENTRY

The revised language of this section incorporates four basic changes.

The first clarifies the nature of the examinations that must be passed by applicants for lateral entry. The Foreign Service Act of 1946 made appointment to classes 1 through 5 contingent upon the passing of "such written, oral, physical and other examinations as the Board of Examiners for the Foreign Service may prescribe." It was the committee's intention that an applicant be examined in each of these broad categories, leaving to the Board of Examiners a determination of the content of the examination. During the hearings last year on the amendment to the Foreign Service Act which became Public Law 759, the committee was informed by the then Under Secretary for Administration, the Honorable Charles E. Saltzman, that no written examinations would be required for lateral entrants under the integration program. In its report on the amendment the committee removed any doubt that any of the categories of examination could be waived. It stated:

We wish to assure the Congress and to remind him [Mr. Saltzman] that the statutory requirement for a written examination in section 517 is not repealed by this bill.

According to the Department's Circular 126 of November 17, 1954, it was decided—

after consultation with members of the Foreign Affairs Committee, to include written examinations as a part of the examination process in the integration program. * * * It has been decided that the written examination will be in the form of an essay in which the candidate discusses the relationship of his experience to a Foreign Service assignment.

The committee regards this as an inadequate substitute. Accordingly the language of the section has been changed in two ways. The new language states that the examination will be a "comprehensive mental" one. It may be written, or oral, or both. The committee is not specifying the form or content of the examination. Whatever the form or content, it must be such as to test the applicant's capacity to analyze and synthesize ideas and statements and to determine his qualifications to discharge the responsibilities of the class to which he is appointed. Further, the word "may" is dropped to remove any ambiguity that the examinations so described in this section are optional. They are not.

The second change eliminates the requirement that the qualifying period of service for lateral entry be performed "immediately" prior to appointment. The committee was advised that this qualification on prior service was unduly restrictive. Any break in service, even for 1 day, automatically eliminated an applicant from consideration and required that he begin serving anew the qualifying period of 3 or 4 years. The Department offered several examples. A Reserve officer, whose statutory period of assignment expired a few days before his nomination as a Foreign Service officer could be confirmed and attested, forfeited his eligibility. A Staff Corps officer who contracted an illness in line of duty had to take sick leave in excess of that with which he was credited. This leave constituted a technical break in service, thus nullifying his eligibility for lateral entry.

The third change is to open eligibility for lateral entry to a limited number of individuals who have had responsible positions in other governmental agencies rather than restricting it, as at present, to officers of the Department and of the Reserve and Staff Corps. The number of such lateral entrants cannot exceed 40. The Department on occasion needs the services of an unusually qualified individual. Such an individual may be reluctant to accept a Reserve Corps appointment that is sufficiently long to make uncertain his reemployment by his present employer, yet offering him no assurance of continued employment after his tenure as a Reserve officer had expired. This change, like the previous change, would broaden the basis for selecting well qualified candidates.

The fourth change is designed to permit an uninterrupted continuation of the integration program. Under existing law there is no limit on the number of lateral entry appointments. As a result of the amendment to section 413 (made by sec. 2 of this bill), permitting lateral entry at any step within the class to which appointed, lateral entry is encouraged. To assure that this will not lead to an excessive number of lateral entries and to enable the Congress to have another look at the program, lateral entries are limited to 1,250. Except for the 40 cases explained below, all lateral entrants must have served in a position of responsibility in the Department of State, or the Foreign Service, or both, for 3 or 4 years, and also must have been on the Department's payroll on March 1, 1955. The fact that on that date they may have been detailed to duties in another Government agency or assigned to an educational institution for advanced study does not disqualify them. Forty other individuals who have held responsible positions in a Government agency or agencies, including the Armed Forces, may also enter laterally. This number is intended to include

a small group of State Department officers eligible for lateral entry who were transferred to other Government agencies before they could be examined for the Foreign Service. The total of 1,250 was determined in consultation with the Department as the number who could be processed at home and abroad between now and January 1957. Most, if not all, of the appointments will be filled with personnel transferred from one Government payroll to another. The problems attendant upon integration, arranging orderly assignments at home and abroad, and initiating the career planning program, are heavy enough. If lateral entry were opened without restriction to individuals from other Government agencies or from private employment, it would disrupt and delay the primary job of the Department, namely, the completion of its integration program.

The 1,250 lateral entrants authorized in this section are in addition to those appointed under Public Law 759 on or before March 31, 1955. Under the authority given in Public Law 759 and the authority given in this amendment, the Department will be able to complete substantially the current integration program. No time limit has been placed on the appointment of the 1,250. Should the Department deem it advisable to ask for an extension of lateral entry, the Congress will again consider the matter.

SECTION 5. INCREASING THE PERIOD OF SERVICE IN THE FOREIGN SERVICE RESERVE

This section permits a Foreign Service Reserve officer to serve a maximum of 5 years rather than the present 4 years. The primary reason is administrative. A 4-year period of service is awkward to manage. Since most tours of duty are either of 2- or 3-year duration which, in actual practice means approximately 27 and 39 months' duration, respectively, a 4-year assignment virtually precludes granting home leave to Reserve officers between 2 tours of foreign duty.

There has also been deleted the phrase "of a specialized character" in subparagraph (1) of this section. The original concept of a Foreign Service Reserve officer, as defined in the report of the Committee on Foreign Affairs accompanying H. R. 6967 (Foreign Service Act of 1946) was that of an officer closely assimilated to a Foreign Service officer in salary, rank, title, and status serving in a specialized position such as that of information specialist, telecommunication expert, aviation authority, petroleum specialist, and cultural attaché. In actual practice, the Reserve Corps has been used not only for the appointment of specialists, but also as a vehicle for staffing rapidly expanding programs. Furthermore, under the integration program recommended by the Secretary's Public Committee on Personnel [Wriston Committee] it is planned to assign to the Reserve Corps officers who are not yet eligible for lateral entry under section 517, so that they may acquire broad qualifying experience while they await their appointments as Foreign Service officers after completion of the required period of service. Under these changed concepts of the Reserve Corps, it seems unnecessary to restrict entry from outside the Government service to specialists. It should be noted that this restriction does not apply to persons already in the governmental service.

SECTION 6. ASSIGNMENT IN THE UNITED STATES AND REIMBURSEMENT
FOR SERVICES

The new language in this section makes three basic changes in existing law.

In accordance with the recommendations of the Wriston Committee, the amendment to section 571 (a) permits the extension of an assignment for duty in the United States beyond the present statutory limit of 4 years to an additional period not to exceed 4 years, or a total of 8 years. The Department advised the Committee that, on occasion, it would be of decided advantage to the Secretary to be able to retain certain officers who are in key positions in the Department for a period in excess of 4 years. In granting this exception to the 4-year period of duty in the United States the Committee expects that it will be used only under very unusual circumstances and not as a device to enable individuals to enjoy the prestige of the Foreign Service without adequate service abroad. Since this section is amended, it is desirable to delete the reference to the Director General in view of Public Law 73, 81st Congress, which vests full administrative authority in the Secretary.

The second change eliminates the requirement that an officer or employee who has been assigned to duty in another Government agency may not again be assigned to duty in a Government agency for a period of 2 years or for a period equal to his preceding tour of duty, whichever is less. This requirement may, in some cases, be unduly restrictive and operate to the detriment of the Department and the Service. In virtually all cases an officer or employee can be and is assigned for a normal tour (24 months or more) of duty overseas after an assignment to a Government agency. In rare cases, however, this requirement can cause unnecessary difficulty. For example, an officer who, during the latter part of his United States assignment is engaged in working out the details of a trade agreement with another country and, his assignment being presumably completed, is ordered to duty overseas, cannot be recalled to duty in the Department for a period of 2 years despite the fact that his services as an expert are urgently needed because of reopening of negotiations, loss of other key personnel, etc. The elimination of this provision would also take care of cases where an officer or employee must be returned for duty in the United States for compelling medical reasons, but whose illness is not such as to preclude his employment in the United States.

The third change adds subsection (e). The language in this subsection will permit the Secretary to negotiate arrangements with other agencies whereby the Department can be reimbursed for all or part of an officer's salary when he is assigned or detailed to another agency at the request of that agency and for its benefit. Reimbursement would not be required when such assignment is made solely for training purposes. This section also permits reimbursement of the Department's appropriations for an officer's salary when that officer is assigned to a position the salary of which is payable from other funds available to the Department.

SECTION 7. SELECTION-OUT

This section changes the Foreign Service Act of 1946 in two respects:

(1) It extends the selection-out principle to class 1 officers who had previously been exempt. This action was recommended by the Department of State and the Wriston Committee on the grounds that there is evidence of the accumulation of a certain amount of "dead-wood" in this grade which should be removed in order to provide room for promotion of more able persons lower in rank. The top rank of the Foreign Service, career minister, remains exempt from the formal selection-out process but a comparable result is obtainable since the law requires that any career minister who has been serving as a chief of mission, upon completion of his assignment, must be retired unless within a period of 3 months he is given another assignment as a chief of mission or otherwise reassigned.

(2) This section also establishes the concept of maintenance of a specified standard of performance as a prerequisite of remaining in the Service. This is now done by regulation and it is considered advisable to give it the specific sanction of law. It should be observed that this section is not a substitute for the provisions governing separations for cause (secs. 637 and 638 of the Foreign Service Act of 1946).

The following extracts from the Foreign Service Regulations (1 FSM IV) cover separation by selection-out:

731 Foreign Service Officers in Class 2 or 3

"Any Foreign Service Officer in class 2 or 3 who remains in the same class for 10 years without receiving a promotion to a higher class, or who is rated by three successive selection boards, established as prescribed in 1 FSM IV 150, among the lowest 10 percent in his class and among the lowest 10 percent of the eligible officers of the class shall be retired from the Service. Foreign Service Officers retired from class 2 or 3 by selection-out shall receive retirement benefits in accordance with 1 FSM IV 673.

732 Foreign Service Officers in Class 4 or 5

732.1 Any Foreign Service Officer in class 4 or 5 who remains in the same class for 10 years without receiving a promotion to a higher class or who is rated by three successive selection boards, established as prescribed in 1 FSM IV 150, among the lowest 10 percent in his class and among the lowest 10 percent of the eligible officers of the class shall be retired from the Service. Foreign Service Officers retired from class 4 or 5 by selection-out shall receive the benefits prescribed in 1 FSM IV 732.2, except that an officer eligible for voluntary retirement may be granted such retirement in lieu of selection-out."

The State Department pointed out that—

The selection-out principle results in the separation of some officers who would not be separated for out-and-out unsatisfactory performance of duty, misconduct, or malfeasance. It is aimed essentially at the "marginal" officer whose record not only reflects a lack of demonstrated capacity to assume greater responsibility but whose performance at his present level leaves something to be desired.

The efficiency records relating to each Foreign Service officer and employee are a major element in the evaluation made by the selection boards, referred to in the above regulations, of Foreign Service officers in determining whether they should be promoted or selected out. The Committee on Foreign Affairs was surprised to find during its consideration of this bill that, although the Foreign Service Act of 1946 (sec. 612) contains this provision—

Under such regulations as the Secretary may prescribe and in the interest of efficient personnel administration, the whole or any portion of an efficiency record shall, upon written request, be divulged to the officer or employee to whom such record relates—

present Foreign Service regulations permit Foreign Service officers to be denied the right to see these reports. The committee can see no justification for this disregard of the explicit provision of law. It expects the law to be implemented.

The changes in selection-out benefits are made in order to extend to officers of class 1 who are selected out the retirement benefits now provided for officers of classes 2 and 3 who are selected out and to limit the amount of selection-out gratuity payable to officers of classes 4 and 5 retired under the provisions of section 633 to 1 year's pay. Experience in the administration of the Foreign Service Act of 1946 has demonstrated that the amounts of some of the gratuities paid under this provision were extremely large, were considerably in excess of those envisaged by the authors of the act and, in extreme cases, were in excess of the amounts that an officer would have received had he been retained in duty status until retirement.

SECTION 8. RETIREMENT CREDIT FOR SERVICE IN THE ARMED FORCES

The provisions of section 8 of the bill equalize the benefits accorded Foreign Service officers who have served in the armed services of the United States with those accorded civil service employees who have had such service.

Under existing law, persons entering the Foreign Service Retirement and Disability System may obtain retirement credit for prior military service, but only by making a special contribution of 5 percent of their annual salary for each such year of service for which credit is sought (sec. 852 (b) of the Foreign Service Act of 1946).

Since April 1, 1948, persons coming under the civil service retirement and disability system are given retirement credit for such military service without cost to them (sec. 9, Public Law 426, 80th Cong.).

About 60 percent of the Foreign Service officers now on the rolls and of the State Department employees entering the Foreign Service Officer Corps under the integration program have prior military service. The purpose of section 8 (b) of this bill is to permit participants in the Foreign Service Retirement and Disability System to receive credit for their military service without making special contributions. It is estimated that this provision would increase the long-term requirements on the Foreign Service retirement fund by about \$67,000 a year (1) assuming that persons entering the Foreign Service have proportionately as much prior military service as the average Foreign Service officer on the rolls as of February 28, 1955, namely, 1.8 years, and (2) assuming a corps of 3,000 Foreign Service officers.

Since April 1, 1948, a number of Foreign Service officers have made contributions to the Foreign Service retirement fund in order to obtain retirement credit for prior military service. Section 8 (c) provides that in such cases there will be reimbursement in the amount contributed. It is estimated that this provision will affect approximately 250 officers and that the average refund will be about \$430 per officer, with the estimated total of such funds approximating \$110,000.

SECTION 9. SALARY DIFFERENTIAL OR EXTRA CREDIT TOWARD
RETIREMENT

This section amends section 853 of the present law by providing that no extra credit toward retirement for service at unhealthful posts shall be credited to any Foreign Service officer who shall have been paid a salary differential in accordance with section 443, as amended (see discussion of sec. 3, above), for such service performed subsequent to the date of the enactment of this act. In effect, sections 3 and 9 taken together will provide a Foreign Service officer serving at a post designated by the Secretary of State as a hardship post (provided such post is also designated an "unhealthful post," which would be true in almost every case) with a choice between accepting for such service a salary differential or extra credit (1½ years for each year of such service) toward retirement.

SECTION 10. ALLOWANCES

(a) *Home service transfer allowance*

This subsection amends the Foreign Service Act of 1946 to give specific authorization for a home service transfer allowance to an employee assigned to a post in the United States between assignments to posts abroad. Such an allowance is already being provided to employees transferred to a new post in a foreign country.

In the Foreign Service, a transfer back to the United States is just another in a series of transfers. The unusual expenses incident thereto may be as great or greater than similar costs incurred in transferring between posts abroad. In the case of employees of long years of service, a transfer to the United States adds that much more to the total out-of-pocket expenditure incident to the mobile nature of their employment. The home service transfer allowance contemplated would be a combination of two payments: (1) that comparable to the temporary lodging allowance at overseas posts, i. e., reimbursement for hotel room expenses for a short period while the employee is looking for permanent residence quarters, and (2) a lump-sum payment to help offset such inevitable expenses connected with transfers as those covered by the existing transfer allowance at present paid only on assignment to certain posts abroad, namely, expenses for clothing to meet the different climatic conditions at the new post, for special types of furniture and household equipment, for insurance on or repair of effects damaged in shipment, etc.

It is intended that this allowance be paid to officers and employees of the Service who are assigned to duty in the continental United States and who may be normally expected to return to duty abroad. It is planned to pay this allowance at the time of assignment to the United States. It must obviously be paid without requiring proof of return abroad, since that would defeat the purpose of this allowance. It is not the intent of this section that such payments be repaid by the officer or employee or by his survivors in the event his return to service abroad is made impossible by death, disability, or other unforeseen circumstance preventing such return. However, if the officer or employee refuses to return abroad for personal reasons unacceptable to the Secretary, he will be required to make reimbursement.

(b) *Education allowances*

A major financial and morale problem confronting Foreign Service personnel stationed outside the United States is the education of their children. In many foreign posts in Asia, Africa, and the Near East the language and culture are so different from our own that local schools are unsuitable. At a number of posts there are so few American children in the community that the organization of a special school is not feasible. The financial burden imposed on persons depending entirely on their salaries in meeting this situation has resulted in real financial hardship which in some cases has made it impossible for qualified personnel to remain in the Service.

The following cases were submitted by the State Department as illustrating some of the problems faced by Foreign Service personnel in educating their children abroad:

Case No. 1.—Mr. H, earning \$5,853 per year, with 2 children, has been assigned to Maracaibo for the past 2 years. The only school there that would provide American equivalent education for the children is the local American school subsidized by American oil companies. The annual cost for the 2 children in that school was \$1,442 or slightly more than 25 percent of Mr. H's annual salary. Therefore, he was forced to place them in inferior Venezuelan schools. He requested a 2-year leave of absence from the Foreign Service to attempt through private business to enhance his financial position to the point where he could return to the Foreign Service and still provide adequate education for his children. The request was denied.

Case No. 2.—Mr. R, with salary of \$11,130 per year, has 3 children. Mr. R. was assigned to Beirut where his children attended the American community school at a cost of \$900 for the 3 for the period of 1 year. The following year the tuition was doubled at the school and he did not feel that he could afford the charge of \$1,800. Rather than place the children in the American community school for that year, Mrs. R and the children returned to the United States, thus separating the family for a period of 1 year.

Case No. 3.—Mr. H was assigned to London at a salary of \$10,330 and had 3 children of school age. The British schools point for British universities on a system wholly different from that in the United States. Mr. H thought that his two boys of high school age should attend an American school, especially as he had been out of the United States for a number of years. Each of the 2 boys won an \$800 scholarship in his school in this country but, in addition to the scholarships, the cost to Mr. H was \$2,200 per year for the 2 boys, excluding transportation to this country.

Case No. 4.—Mr. B, with salary of \$12,200, was assigned to Manila and had 4 children attending the American school there. The total cost per year for the 4 children was \$1,345. At this same post, Mr. L with salary of \$5,313, had 3 children of school age. He could not afford to send those children to the American school but had to enroll them in a lower quality Philippine school.

This bill approaches this problem by providing for the assumption of a part of the educational costs by the State Department but at the same time making clear that the United States Government does not assume responsibility for providing an adequate education to the children of all Foreign Service personnel while stationed overseas. The Foreign Service family would have been entitled to the benefits of the United States public school system had it remained in the United States. The bill authorizes the payment of allowances to cover expenses incurred by Foreign Service personnel in obtaining educational services which are ordinarily provided without charge by public schools in the United States.

Under the bill the Secretary must first determine whether assignment to a post abroad involves extraordinary and necessary expenses for elementary and secondary education. If so, the Secretary may establish one or more allowances for the post.

For example, three allowances for elementary education may be in effect simultaneously at a post where no adequate local school is available. But no child could qualify for more than one such allowance.

(1) One allowance may be established for educating children at the nearest adequate school. This allowance may not exceed tuition and any other charges which must be paid to obtain services provided free by public schools in the United States plus board and room and periodic transportation between the post and the place where the school is located.

(2) A second allowance may be established for personnel who choose to send their children to a local school even though such local school is inadequate, provided the charges for this local school are less than the allowance for the nearest adequate school.

(3) A third allowance may be established for the post for personnel who wish to educate their children by the use of correspondence courses if the necessary costs involved in the use of this type of instruction are less than the allowance for the nearest adequate school.

The object in all cases is to permit the parent to retain complete freedom to educate his children in any way he pleases, but at the same time to make sure that the parent cannot make a profit by selecting a lower cost type of education than the maximum authorized for the post.

The parent will be free at all times to send his children to any school he pleases, including a school in the United States. If he chooses a more expensive school, or one at a greater distance than provided for in his post educational allowance, he can collect the standard allowance but must pay all excess costs out of his own pocket.

SECTION 11. TRAVEL ALLOWANCE TO OBTAIN AMERICAN EDUCATION

If a Foreign Service officer or employee desires to provide an American high school or college education for any of his dependents at his own expense, the bill authorizes payment of a travel allowance for one trip to the United States and return during high school, and another during college, so that the dependent may maintain a tie with his family. No educational allowance will be provided for any dependent to attend college. As pointed out above, the post educational allowance may be applied toward the cost of elementary or secondary education in the United States, but no educational allowance may be paid for a dependent for whom a travel allowance has been paid under this section.

SECTION 12. MEDICAL EXAMINATION OF DEPENDENTS

By this section, existing law (sec. 943) is amended so as to broaden the scope of periodical physical examinations now required for Foreign Service officials to include their dependents. This is done in recognition of the practical consideration that health problems of the various members of the family unit can have an important effect on the employee's job performance. As explained by the Secretary of State in transmitting this legislation, a good deal of time and attention can be consumed by such problems and in the event that a dependent

has to be evacuated for medical care, it is sometimes necessary for humanitarian reasons to send the employee home also. Preemployment and preassignment examinations of dependents should prevent many of these problems by avoiding the assignment of personnel with dependents who may become medical liabilities, or by encouraging employees to leave such dependents in the United States. This section also requires the Secretary of State to provide for the cost of administering inoculations and vaccinations to such dependents.

SECTION 13. TECHNICAL AND CONFORMING CHANGES

This section merely makes the necessary technical and conforming changes required by the bill. The deletion of the phrase "or 634" in section 432 (c) of the present law is required because section 633 as revised now covers the subject matter previously contained in both sections 633 and 634 relative to selection-out. Section 634 as revised relates only to selection-out benefits and is no longer pertinent in relation to section 432 (c).

SECTION 14. EXISTING RULES AND REGULATIONS

This section provides that existing rules and regulations applicable to the Foreign Service shall remain in effect until revoked or rescinded, or modified or superseded by regulations made in accordance with the provisions of this legislation, unless such existing rules or regulations are inconsistent with the provisions of this legislation. The purpose of this provision is to provide for an orderly transition and implementation of the provisions of this legislation.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

FOREIGN SERVICE ACT OF 1946

SALARIES AT WHICH FOREIGN SERVICE OFFICERS MAY BE APPOINTED

SEC. 413. (a) A person appointed as a Foreign Service officer of class 6 shall receive salary at that one of the rates provided for that class by section 412 which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

(b) A person appointed as a Foreign Service officer of classes 1 through 5, inclusive, shall receive salary at the minimum rate provided for the class to which he has been appointed, except that until March 31, 1955, not more than five hundred persons may be appointed from the classified civil service or the Foreign Service reserve or Foreign Service staff at other than the minimum rate.

SEC. 413. A person appointed as a Foreign Service officer shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

*	*	*	*	*	*	*
OTHER OFFICERS AND EMPLOYEES						
SEC. 432. (a)	*	*	*	*	*	*
	*	*	*	*	*	*

(c) A Foreign Service officer promoted to a higher class shall receive salary at the rate prescribed in section 412 for the class to which he is promoted from the effective date of his appointment to such class. A Foreign Service officer promoted to a higher class during a recess of the Senate shall receive salary at the rate prescribed for the class to which he is promoted from the effective date of his appointment to such class until the end of the next session. If the Senate should reject or fail to confirm the promotion of such an officer during the session following the date of his promotion, the Foreign Service officer shall, unless he has become liable to separation in accordance with the provisions of section 633 [or 634], be automatically reinstated in the class from which he was promoted and receive the salary he was receiving prior to his promotion, such reinstatement to be effective, in the event of rejection of the nomination, from the date of rejection; and in the event of the failure of the Senate to act on the nomination during the session following a promotion, from the termination of that session.

* * * * *

ADMINISTRATIVE ESTABLISHMENT OF SALARY DIFFERENTIALS

[SEC. 443. Whenever the President shall find and declare that the rates of salary provided for Foreign Service staff officers and employees in section 415 are inadequate for any positions allocated to any particular class or subclass, he may, under such regulations as he may prescribe, establish necessary schedules of differentials in the rates of salary prescribed for such classes or subclasses, but the differential in salary of a person holding any such position shall not exceed 25 per centum of the salary he would otherwise receive. Such differentials shall be granted only with respect to positions at posts at which extraordinarily difficult living conditions or excessive physical hardship prevail or at which notably unhealthful conditions exist. The Secretary shall prepare and maintain a list of such posts.]

Sec. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts.

* * * * *

ADMISSION TO CLASSES 1, 2, 3, 4, AND 5 WITHOUT PRIOR SERVICE IN CLASS 6

Sec. 517. A person who has not served in class 6 shall not be eligible for appointment as a Foreign Service officer of classes 1 to 5, inclusive, unless he has passed [such written, oral, physical, and other examinations as the] *comprehensive mental and physical examinations prescribed by the Board of Examiners for the Foreign Service [may prescribe]* to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution; and rendered at least four years of actual service [immediately] prior to appointment in a position of responsibility in the [Service or in the Department or both] *service of a Government agency, or agencies, except that, if he has reached the age of thirty-one years, the requirement as to service may be reduced to three years. After the date of enactment of the Foreign Service Act Amendments of 1955 and until otherwise provided by Act of Congress, not more than one thousand two hundred and fifty persons who have not served in class 6 may be appointed to classes 1 to 5, inclusive; of such persons, not more than forty may be appointed who were not employed on March 1, 1955, in the Department, including its Foreign Service Reserve and Foreign Service Staff personnel, and who have not also served in a position of responsibility in the Department, or the Service, or both, for the required period prior to appointment.*

* * * * *

APPOINTMENTS AND ASSIGNMENTS TO THE RESERVE

Sec. 522. Whenever the services of a person who is a citizen of the United States and who has been such for at least five years are required by the Service, the Secretary may—

- (1) appoint as a Reserve officer for nonconsecutive periods of not more than [four] *five* years each, a person not in the employ of the Government whom the Board of the Foreign Service shall deem to have outstanding qualifications [of a specialized character]; and

(2) assign as a Reserve officer for nonconsecutive periods of not more than [four] five years each a person regularly employed in any Government agency, subject, in the case of an employee of a Government agency, other than the Department of State, to the consent of the head of the agency concerned.

* * * * *

ASSIGNMENTS TO ANY GOVERNMENT AGENCY

[SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Director General, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than four years. He may not again be assigned for duty in a Government agency until the expiration of a period of time equal to his preceding tour of duty on such assignment or until the expiration of two years, whichever is the shorter.]

Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years.

(b) A Foreign Service officer may be appointed as Director General, notwithstanding the provisions of the last sentence of paragraph (a) of this section, but any such officer may not serve longer than four years in such position or positions and upon the completion of such service may not again be assigned to a position in the Department until the expiration of a period of time equal to his tour of duty as Director General or until the expiration of two years, whichever is shorter.

(c) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, to a position in the Department, the period of his service in such capacity shall be construed as constituting an assignment for duty in the Department within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment or concerning reassignment contained in that paragraph.

(d) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary of the position in which he is serving in lieu of his salary as an officer or employee of the Service. Any salary paid under the provisions of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service and shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII.

(e) The salary of an officer or employee assigned pursuant to the terms of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service. Such appropriations may be reimbursed, however, when the Secretary enters into reimbursement agreements with heads of Government agencies for all or any part of the salaries of officers or employees assigned to such agencies and payment is received pursuant thereto, or when an officer or employee of the Service is assigned to a position the salary of which is payable from other funds available to the Department.

* * * * *

[FOREIGN SERVICE OFFICERS IN CLASSES 2 AND 3

[SEC. 633. The Secretary shall prescribe the maximum period during which Foreign Service officers in classes 2 or 3 shall be permitted to remain in such classes without promotion. Any officer who does not receive a promotion to a higher class within that period shall be retired from the Service and receive retirement benefits in accordance with the provisions of section 821.

[FOREIGN SERVICE OFFICERS IN CLASSES 4 AND 5

[SEC. 634. (a) The Secretary shall prescribe the maximum period during which Foreign Service officers in classes 4 or 5 shall be permitted to remain in such classes without promotion. Any officer who does not receive a promotion

to a higher class within that period shall be retired from the Service and receive benefits as follows:

【(1) One-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, payable without interest, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following; and

【(2) A refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.

【(b) Notwithstanding the provisions of section 3477 of the Revised Statutes (31 U. S. C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of this section shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (a) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.】

SELECTION-OUT

Sec. 633. (a) The Secretary shall prescribe regulations concerning—

(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

(2) the standard of performance which any such officer must maintain to remain in the Service.

(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

SELECTION-OUT BENEFITS

Sec. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

(b) Any Foreign Service officer in classes 4 or 5 who is retired from the Service in accordance with the provisions of section 633 shall receive—

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following; and

(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.

(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U. S. C. 203), or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right

to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.

* * * * *

ANNUITANTS

SEC. 804. Annuitants shall be persons who are receiving annuities from the Fund on the effective date of this Act, persons who shall become entitled to receive annuities in accordance with the provisions of sections 519, 631, 632, [633,] 634, 636, 637, 831, 832, and 833, and all widows and beneficiaries of participants who are entitled to receive annuities in accordance with the terms of this title.

* * * * *

PRIOR SERVICE CREDIT

Sec. 852. (a) A participant may, subject to the provisions of this section, include in his period of service—

- (1) service performed as a civilian officer or employee of the Government prior to becoming a participant; and
- (2) active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

(b) A person may obtain credit for prior service by making a special contribution to the Fund equal to 5 per centum of his annual salary for each year of service for which credit is sought subsequent to July 1, 1924, with interest thereon to date of payment compounded annually at 4 per centum, except that no special contributions shall be required for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States prior to becoming a participant. Any such participant may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments during the continuance of his service.

EXTRA SERVICE CREDIT FOR SERVICE AT UNHEALTHFUL POSTS

Sec. 853. The President may from time to time establish a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to January 1, 1900, at such posts inclusive of regular leaves of absence, of participants thereafter retired, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such [service.] service, but no such extra credit for service at such unhealthful posts shall be credited to any participant who shall have been paid a salary differential in accordance with section 443, as amended, for such service performed subsequent to the date of enactment of the Foreign Service Act Amendments of 1955. [The President may at any time cancel the designation of any places as unhealthful without affecting any credit which has accrued for service at such posts prior to the date of the cancellation.]

* * * * *

ATTACHMENT OF MONEYS

Sec. 864. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 634 [(b)] (c).

* * * * *

QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

Sec. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5

U. S. C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) cost-of-living allowances, whenever the Secretary shall determine—

(i) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at [his post of assignment] any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad;

(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911 (9);

(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

* * * * *

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

(1) the travel expenses of officers and employees of the Service, including expenses incurred while traveling pursuant to orders issued by the Secretary in accordance with the provisions of section 933 with regard to the granting of home leave;

(2) the travel expenses of the members of the family of an officer or employee of the Service when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(3) the cost of transporting the furniture and household and personal effects of an officer or employee of the Service to his successive posts of duty and, on the termination of his services, to the place where he will reside;

(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;

(6) the travel expenses of the members of the family and the cost of transporting the personal effects and automobile of an officer or employee of the Service, whenever the travel of such officer or employee is occasioned by changes in the seat of the government whose capital is his post;

(7) the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Service and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

(8) the cost of preparing and transporting to their former homes in the continental United States or to a place not more distant, the remains of an officer or employee of the Service who is a citizen of the United States and of the members of his family who may die abroad or while in travel [status.] status;

(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.

* * * * *

PHYSICAL EXAMINATIONS AND COSTS OF INOCULATIONS

SEC. 943. The Secretary shall, under such regulations as he may prescribe, provide for the periodic physical examination of officers and employees of the Service who are citizens of the United States, and their dependents, including examinations necessary to establish disability or incapacity in accordance with the provisions of section 831, and for the cost of administering inoculations or vaccinations to such officers or employees, and their dependents.

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84TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 127

FOREIGN SERVICE ACT AMENDMENTS OF 1955

MARCH 30 (legislative day, MARCH 10).—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

R E P O R T

[To accompany H. R. 4941]

The Committee on Foreign Relations, having had under consideration H. R. 4941 to amend the Foreign Service Act of 1946, as amended, reports that bill to the Senate without amendment and recommends that it do pass.

GENERAL PURPOSE OF BILL

The main purpose of the pending bill is to amend the Foreign Service Act of 1946 to make it possible to expand the Foreign Service officer corps from its present membership of about 1,600 officers to a strength of over 3,000 officers. This expansion is to be accomplished by enabling qualified officers in the Department of State (including its Foreign Service reserve and staff personnel) and a limited number of officers from other Government agencies to be appointed to the Foreign Service officer corps, after comprehensive examinations, at salaries generally equivalent to those they now receive as Government employees. In addition, the pending bill contains provisions relative to service at hardship posts, retirement, selection-out procedures, and educational allowances. The bill gives effect to recommendations made in 1954 by the Secretary of State's Public Committee on Personnel (the Wriston Committee).

The pending legislation does not authorize any increase in the total number of employees to be engaged in the foreign policy functions of the Government, but would make available to the Secretary of State a larger corps of officers that can be assigned for duty at home or abroad. The bill does not increase salaries although it is estimated that provisions relative to educational allowances, travel, retirement, and other benefits will cost approximately \$1,290,000 annually.

BACKGROUND

The Foreign Service Act of 1946 was designed to enable the Foreign Service to serve the interests of the United States abroad. From time to time since 1946 that act has been amended, but thus far no permanent amendments have been made to enable the expansion of the Foreign Service to meet the increased responsibilities of the United States in the conduct of its foreign relations.

Under the terms of the Foreign Service Act of 1946 and related legislation, employees engaged in foreign policy duties have fallen into the following categories:

PERSONNEL STRENGTH

(Department of State and Foreign Service employees as of February 28, 1955)

By category

Departmental employees:		
1. Officers (GS-7 and up)	2, 360	
2. Clerical (GS-6 and below)	2, 509	
	<u>4, 869</u>	
Foreign Service employees:		
1. Chiefs of mission (noncareer)	34	
2. Foreign Service officers	1, 573	
3. Foreign Service reserve officers	233	
4. Foreign Service staff officers (FSS-9 and above)	1, 597	
5. Foreign Service clerical (FSS-10 and below)	2, 842	
6. Aliens (employed abroad)	9, 371	
	<u>15, 650</u>	
Total American personnel	11, 148	
Total aliens	9, 371	
In the United States and abroad	20, 519	

By location

	In United States	Overseas	Total
Departmental employees	4, 869		4, 869
Foreign Service:			
1. Chiefs of mission (noncareer)		34	34
2. Foreign Service officers	412	1, 161	1, 573
3. Foreign Service reserve officers	35	198	233
4. Foreign Service staff officers and employees	321	4, 118	4, 439
5. Aliens		9, 371	9, 371
Total	5, 637	14, 882	20, 519
Grand total, all personnel			20, 519

Despite the fact that most of the civil-service officers in the Department are intimately concerned with foreign policy matters, they are not obliged, and in many cases have had no opportunity, to serve overseas.

Foreign Service personnel, on the other hand, may be assigned to serve any place in the world.

A number of studies have been made of the desirability of integrating certain categories of departmental employees with the Foreign Service, thus increasing the number of officers available for assignment overseas and at the same time increasing the number of positions in

the Department of State which might be filled by officers with overseas experience, including members of the Foreign Service officer corps. In May 1954 a Public Committee on Personnel under the chairmanship of Henry M. Wriston recommended to the Secretary of State that steps be taken—

To integrate the personnel of the Department of State and of the Foreign Service, where their official functions converge, into a single administrative system, thus putting an end to the institutional separateness of these main functioning arms of United States diplomacy.

In order to make this recommendation effective, the Secretary found it desirable to seek authority from the Congress to enable him, after appropriate examination, to transfer departmental and Foreign Service staff and reserve officers into the Foreign Service officer corps at substantially the same salary they have been receiving.

Last year the Congress in Public Law 759 authorized the appointment to the Foreign Service officer corps by March 31, 1955, of not to exceed 500 officers to classes other than class 6, the lowest class in the Foreign Service officer corps, at other than the minimum salary for such classes. Although it would have been possible for the Secretary of State to have appointed these officers to the Foreign Service officer corps, under the terms of the Foreign Service Act of 1946, he would have been required to appoint them at the minimum salary in each class. This requirement has had the effect of restricting severely the number of qualified Department of State officers willing to accept appointment as Foreign Service officers. In some instances they would have been required to take salary cuts up to \$1,600 per year.

Most of the appointments authorized by the legislation last year have now been made.

In January the Secretary of State proposed legislation designed to accomplish the following general purposes:

1. To permit appointments in classes FSO-1 to FSO-5 to salary steps above the minimum.
2. To make Foreign Service officers and reserve officers eligible to receive hardship post differentials which are now paid to staff corps officers and employees and civilian personnel of other Government agencies who are stationed abroad.
3. To permit the Secretary of State to waive the 4-year limit on the assignment of Foreign Service personnel to duty in the United States.
4. To establish a home service transfer allowance for Foreign Service personnel assigned to duty in the United States between tours of foreign duty.
5. To extend the selection-out system to Foreign Service officers of class 1.
6. To discontinue the existing provisions granting Foreign Service officers time-and-one-half credit toward retirement for service at unhealthful posts.
7. To make officers of other Government agencies eligible for lateral entry as Foreign Service officers.
8. To establish a basis for educational grants to defray part of the expenses of educating children of American parents stationed abroad.
9. To increase the maximum duration of Foreign Service reserve appointments to 5 years and to permit the Secretary of State to grant additional 2-year extensions of such appointments.
10. To permit the Secretary of State to negotiate reimbursements for Foreign Service personnel detailed to other Government agencies.
11. To limit the amount of gratuities paid Foreign Service officers in classes 4 and 5 who are selected out of the Service.
12. To authorize physical examinations, inoculations, and vaccinations to dependents of Foreign Service personnel.

COMMITTEE ACTION

On March 22, 1955, the Committee on Foreign Relations held an open hearing to consider the Secretary's proposals which had been amended by the House Committee on Foreign Affairs and embodied in H. R. 4941. Testimony was received from Hon. Loy Henderson, Deputy Under Secretary of State for Administration. On March 29, 1955, the committee voted to report H. R. 4941 favorably to the Senate.

THE PENDING LEGISLATION

1. *Lateral entry*

Two provisions of the pending legislation are specifically related to the appointment of State Department officers to the Foreign Service at salaries generally equivalent to those they now receive.

Section 2, by amending section 413 of the Foreign Service Act, authorizes the Secretary of State to determine the basic salary which may be paid to persons appointed to the Foreign Service officer corps, taking into consideration their age, qualifications, and experience.

Section 4 amends section 517 of the Foreign Service Act to make it clear that not more than 1,250 persons who have not served in class 6 may be appointed as Foreign Service officers. Nominees must come from individuals who have served at least 4 years in a position of responsibility in a Government agency, except that if the employee has reached the age of 31 the requirement as to service may be reduced to 3 years. It is not necessary that this service be immediately prior to appointment as a Foreign Service officer although, except as noted below, appointments can be made only of those who were in fact employed in the Department of State (including its Foreign Service reserve or Foreign Service staff) on March 1, 1955. Provision is made, however, for not more than 40 persons not on the Department's rolls on March 1, 1955, to be permitted lateral entry into the Foreign Service officer corps.

In other words, of the 1,250 lateral appointments authorized, 1,210 are, in effect, restricted to persons who were employed in the Department of State (including its Foreign Service reserve and Foreign Service staff) on March 1, 1955. Such persons must, in addition, have completed either 3 or 4 years of service (depending upon their age) in an appropriate position of responsibility before they may be appointed as Foreign Service officers.

It is essential under the terms of this section, however, that lateral entrants among this group must have been actually or constructively employed by the Department on March 1, 1955. Departmental officers, or Foreign Service Reserve or Staff officers serving in the armed services on that date and who may be accorded restoration rights under the terms of the Selective Service Act of 1948, as amended, would, for example, be entitled to seek lateral entry within the 1,210 figure if otherwise eligible. The same would also be true with respect to officers who may on March 1 have been on detail to another Government agency or assigned to an educational institution.

It will be noted that section 517, as amended, will permit the lateral entry of not more than 40 officers who were not employed in the Department of State on March 1, 1955. This figure is designed to take care of former experienced Department of State officers with the required governmental service who may have been transferred to other

Government agencies before they could be examined for the Foreign Service and for a limited number of other persons with the required service who may be especially qualified for direct admission to the Foreign Service.

In this connection it should be noted that existing legislation authorizes the Secretary of State to continue to employ qualified individuals as members of the Foreign Service reserve, as distinct from the Foreign Service officer corps, even though they may not have had the 3 or 4 years' experience with a governmental agency which is a prerequisite to admission to the Foreign Service officer corps.

2. Hardship provisions

Sections 3 and 9 of the pending legislation concern service at foreign posts involving extraordinarily difficult living conditions—the so-called hardship posts. Section 3 amends section 443 of the Foreign Service Act to permit the President to prescribe a salary differential for such posts not to exceed 25 percent of the basic salary of Foreign Service officers and reserve officers assigned to such posts. Heretofore, Foreign Service officers have been given credit toward retirement at the rate of 1½ years for each year of service at unhealthful posts. Section 3 read in conjunction with section 9 has the effect of giving Foreign Service officers serving at unhealthful posts an option as to whether they wish to take credit for such service either in terms of a salary differential or in terms of credit toward retirement. Section 853 authorizes the President to designate a list of places found to be unhealthful. Should conditions at such posts improve, he may, of course, remove them from such list.

3. Allowances

Sections 10, 11, and 12 of the bill relate to allowances and benefits for Foreign Service personnel or their dependents. Section 10, which amends section 901, paragraph 2, of the Foreign Service Act, will authorize Foreign Service personnel who are assigned to the United States for a tour of duty to receive an allowance to enable them to meet expenses necessary for transfer to home assignment. At the present time such an allowance is provided only when employees transfer to new posts in foreign countries, even though transfers to the United States may be just as costly. This home service transfer allowance would be paid only to employees serving in the United States between assignments to posts abroad.

Section 10 of the bill also authorizes the payment of extraordinary and necessary expenses encountered by Foreign Service personnel in providing adequate elementary and secondary education for dependents. It is important that Americans serving abroad in the Foreign Service be able to provide an education for their children substantially equivalent to that which children receive under the public-school system of the United States. This provision of the bill does not go beyond the payment of allowances to cover expenses encountered by Foreign Service personnel in obtaining educational services which are ordinarily provided without charge by public schools in the United States. For example, if the only adequate American-type school available in a foreign country to a child of a Foreign Service officer were one which charges tuition, this provision would authorize the payment of an allowance to cover the cost of such tuition.

Section 11 authorizes the payment of a travel allowance for one trip to the United States and return during high school, and another during college.

Finally, section 12 amends section 943 of existing law so as to include dependents of Foreign Service employees among those authorized to receive periodic physical examinations, inoculations, and vaccinations at Government expense.

4. Selection-out

Section 7 of the pending bill extends selection-out procedures now found in the Foreign Service Act to class 1 officers who have not heretofore been covered by such procedures. It will have the effect of making it possible for the Service to select out certain officers in class 1 whose performance does not meet an appropriate standard before they have reached mandatory retirement age.

Amendment of section 634 of the 1946 act limits the amount of termination pay that can be given to officers of classes 4 and 5 who are selected out under the provisions of the act.

5. Other provisions

Section 5 of the bill increases from 4 to 5 years the period during which an individual may serve as a Foreign Service Reserve officer. It has been found that 4 years' service is inconvenient for administrative purposes and inadequate to enable the Government to derive the optimum benefit from the service of Reserve officers.

Section 6 will authorize the Secretary of State, in special circumstances, to permit Foreign Service personnel assigned to home duty in the Department of State or to duty in another Government agency to extend the existing 4-year limit on such service for an additional 4 years.

This section also authorizes the Secretary of State to enter into agreements with the heads of other Government agencies regarding reimbursement for salaries paid to Foreign Service personnel who may be on temporary assignment to such other agencies.

Section 8 will permit Foreign Service officers who have served in the Armed Forces to obtain credit for such service without contribution to the Foreign Service retirement system on an equal basis with civil-service employees under the civil service-retirement system. This means that there will be limited refunds to those officers who are covered by the Foreign Service retirement system and have been required to make special contributions to that system in the past because they could not receive free credit for periods of active military service prior to becoming a Foreign Service officer.

COSTS

The Department of State has submitted the following estimates of the cost of putting the proposed amendment into effect:

	Estimated cost	
	1955	1956
1. Sec. 413. Lateral appointments of Foreign Service officers above the minimum rate of the class to which appointed. <i>Comment.</i> —The Foreign Service Act of 1946, which provided that appointments to classes 1 to 5 be made at the minimum salary rate of the class, was amended by Public Law 769, 83d Cong., to permit the appointment of 500 officers at rates above the minimum up to Mar 31, 1955. The estimated cost of the proposed amendment will be \$5,000 for the period Apr. 1 1955 to July 1, 1956, and \$75,000 for fiscal year 1956.	\$5,000	\$75,000
2. Sec. 443. Payment of salary differentials to Foreign Service officers and Foreign Service Reserve officers. <i>Comment.</i> —The estimated cost of this amendment is based on a count of Foreign Service officers and Reserve Corps officers at differential post, multiplied by the percent differential received by each; namely 286 Foreign Service officers and 31 Reserve officers. For fiscal 1955 the annual cost is reduced by 75 percent.	120,000	480,000
3. Sec. 901 (2) (ii). Home service transfer allowance. <i>Comment.</i> —Assumed average cost is based on an analysis of average size of each Foreign Service family, costs of hotel room accommodations in Washington as determined by Bureau of Labor Statistics, the average intra- and inter-zone transfer allowance and the assumption that 100 assignments to the United States will be made during the balance of fiscal 1955 and 400 each year thereafter.	50,000	200,000
4. Secs. 901 (2) (iv) and 911 (9). Educational allowances. <i>Comment.</i> —The estimate for fiscal 1955 is related to children of Foreign Service personnel attending college in the United States and is designed to cover the travel expense of approximately 33 trips to and from the field at an average cost of \$1,476 per trip. For fiscal 1956, the estimate covers (1) an allowance of \$340 each for 1,013 children in elementary and secondary grades residing abroad, (2) travel for 25 percent of the same children to nearest satisfactory school in the country of residence at \$100 each, (3) travel for 92 children in secondary grades from abroad to the United States and return at an average cost of \$1,476 each, prorated over a 3-year period, and (4) travel of 74 children attending college in the United States to post of parents' assignment and return at an average cost of \$1,476 each, prorated over a 4-year period.	50,000	442,000
5. Sec. 943. Medical examinations of dependents of Foreign Service personnel stationed abroad. <i>Comment.</i> —The estimate is based on the assumption that average cost of each examination will be \$7, and that 1,000 such examinations would be made during the balance of fiscal 1955, that 4,000 such examinations would be made annually thereafter.	7,000	28,000

SUMMARY

	1955	1956
Sec. 413.....	\$5,000	\$75,000
Sec. 443.....	120,000	480,000
Sec. 901 (2) (ii).....	50,000	200,000
Secs. 901 (2) (iv) and 911 (9).....	50,000	442,000
Sec. 943.....	7,000	28,000
Total.....	282,000	1,225,000

An additional cost of \$67,000 occasioned by section 8 on retirement credit for military service will result in a total per annum cost of about \$1,290,000.

MORALE IN THE FOREIGN SERVICE

The committee recognizes that the integration program launched last year and being given impetus by the pending legislation has caused certain morale problems in the Department of State, as well as in the Foreign Service. Its attention has been called to instances in which promotions in the Foreign Service have lagged behind promotions in the departmental service with the result that there may be some inequities in transferring certain departmental officers to the Foreign Service. It also recognizes that some employees in Washington do not desire to serve overseas and will choose to remain in the Department rather than enter the Foreign Service.

The committee feels that the responsibilities of the United States in the field of foreign policy have so expanded in recent years that it is essential that the Foreign Service Officer corps be increased in size. It would have preferred to have seen this expansion take place over a period of years by the admission to the Foreign Service of applicants in the lower classifications. This has not been possible for a variety of reasons. The committee believes that the integration program should move ahead rapidly but at the same time must be administered with careful consideration of special situations and personnel problems which will undoubtedly arise.

COMMITTEE RECOMMENDATIONS

The committee, after a survey of the proposals that the Foreign Service officer corps be increased by the lateral entry of officers from the Department of State, believes that the pending legislation should be approved. It may be necessary to examine in more detail the problem of lateral entries at a later time. The present bill, however, limits the number of such entrants to 1,250. This seems to the committee to be a reasonable figure.

The committee also approves the other amendments to the Foreign Service Act of 1946 which are covered by this legislation and urges that the Senate give its early approval to the resolution.

APPENDIXES

APPENDIX I

In lieu of publishing committee hearings held on March 22, 1955, the statement of the principal witness in support of H. R. 4941, Mr. Loy Henderson, Deputy Under Secretary of State for Administration, is printed herewith. The full hearings are available at the committee offices.

STATEMENT OF HON. LOY W. HENDERSON, DEPUTY UNDER SECRETARY OF STATE FOR ADMINISTRATION, BEFORE THE SENATE COMMITTEE ON FOREIGN RELATIONS IN SUPPORT OF AMENDMENTS TO THE FOREIGN SERVICE ACT OF 1946

Mr. Chairman, I appreciate the opportunity to appear before this committee in support of legislative improvements in the Foreign Service Act of 1946. As you are aware, the Committee on Foreign Affairs of the House of Representatives recently completed hearings on certain amendments to the act of 1946 requested by the Secretary of State, and has reported out H. R. 4941. This measure differs in some respects from the amendments proposed by the Department. However, in basic purpose and concept they are the same, namely, to improve and strengthen the Foreign Service in order that it may serve as a more effective instrument for the conduct of our foreign relations.

The committee will recall that Mr. Charles E. Saltzman, then Under Secretary of State for Administration, appeared before this committee last July. At that time he discussed the steps the Secretary of State was taking to improve and strengthen our Foreign Service, based on recommendations made to the Secretary last May by his Public Committee on Personnel. Consequently, I shall avoid undue repetition of that presentation.

As you are aware, profound changes have occurred over the past decade in the number and complexity of international problems with which our Government must cope. The manner in which we in the State Department and the Foreign Service assist in finding solutions to these problems, and the character and quality of the men and women who are concerned with their solution, is bound to have a deep effect upon the future history of our country.

The personnel of the Department of State and the Foreign Service, in my opinion, have in general acquitted themselves in a creditable manner. Steps have been taken during recent years to improve the management and administration of the Department and the Foreign Service. However, we have been handicapped by certain deficiencies in organization, legislative authorization, and personnel. Considerable progress has been made over the past 9 months in putting into effect improvements suggested by the Secretary's Public Committee on Personnel, within existing legislative authority and budget ceilings. However, much remains to be done.

It seems to me that without further delay, additional measures, especially necessary legislation, should be taken to enable the Department to overcome present deficiencies. I hope that, with the cooperation of the Congress, we shall be able within the next few years to achieve a much stronger and more broadly based professional Service manned by highly trained and capable personnel prepared to serve wherever and whenever in the opinion of their Government they can be the most useful. In spite of certain shortcomings, the Foreign Service, in my opinion, is even now one of the best in the world and one of which we can be justly proud. I do not believe that it is possible to find anywhere a more devoted, loyal, and able group of men and women than those who are at present in the Department of State and its Foreign Service.

Before taking up the matter of legislation, I would like to touch briefly on the four principal points of the Secretary's personnel program. The first and most

fundamental is to build up the Foreign Service Officer Corps to include, in addition to the present Foreign Service officers, those civil-service officers in the Department and its Foreign Service Reserve and staff who are engaged in essentially the same kind of work. This process, which we refer to as the "integration program," was launched last August. When completed it will make available to the Secretary a substantially larger corps of career officers each of whom is prepared to serve anywhere as the needs of the Service might require. At the time the program was started, approximately 30 percent of the officers under the Secretary's jurisdiction were members of the civil service stationed in Washington and not subject to transfer abroad. Integration is making many of these officers and the special skills they possess available for service both at home and abroad. At the same time, integration is making it possible for a larger number of Foreign Service officers to serve in the United States. I am convinced that in the years to come the Department of State and its Foreign Service will be more effective in the conduct of our foreign relations if most of the officer personnel shall have had experience both at home and abroad. The integration program, I should point out, does not increase the number of persons on our payroll. It merely involves the transfer of properly qualified civil service and Foreign Service Reserve and staff officers to the Foreign Service Officer Corps.

A second major need relates to the recruitment of able young men and women into the lower grades of the Service. Based on my years of experience, I am convinced that if the Foreign Service is to attract and hold good people, it must be able to offer them a genuine career. This means that once the present integration program is completed, entry into the Foreign Service Officer Corps should be, in our opinion, primarily through open competitive examination for class FSO-6 which is the junior or entrance level to the corps. To this end, the Department is undertaking what is perhaps the most intensive recruitment campaign in its history. Our emphasis upon recruitment does not mean, however, that we intend to lower the standards for entry into the Foreign Service.

A third fundamental need is to expand and improve the training of our personnel. The Foreign Service Institute is extending its facilities and broadening its training programs. Increased funds authorized by Congress last year have been most helpful in this regard. Much more remains, however, to be done in this field.

A fourth basic need is to provide more favorable conditions for our personnel serving abroad. Most of those who choose the Foreign Service as a lifetime career do so because of a devotion to public service. Their motive is not self-enrichment. Despite improvements provided by the Foreign Service Act of 1946, most of our personnel are still beset by real financial worries: how to find the means to give their children an adequate American-type education, how to assure their families proper medical attention when serving at distant and disease-ridden posts. It seems to me that it would be in the public interest to relieve these people, to an extent at least, of some of these financial burdens.

I would like at this point to discuss the provisions contained in H. R. 4941 as reported out by the House Committee on Foreign Affairs. These amendments are somewhat different from those set forth in the letter which the Secretary of State addressed to the Vice President and the Speaker of the House of Representatives on January 25, 1955. Nevertheless, in our opinion, they would accomplish the same general purpose.

Section 2 of H. R. 4941 amends section 413 of the present law by authorizing the appointment of Foreign Service officers at salary steps above the minimum salary rate for each class. The act of 1946 requires that appointments to classes 1 through 5, inclusive, be made only at the minimum salary rate of the class to which appointed. This provision is identical to the Department's proposed amendment.

As the committee is aware, Public Law 759 of the 83d Congress, effective August 31, 1954, amended the Foreign Service Act of 1946 to permit not more than 500 persons to be appointed to classes FSO-1 through FSO-5 at other than the minimum salary rate until March 31, 1955, from the classified civil service or the Foreign Service reserve or Foreign Service staff. This temporary authorization has enabled the Department to move forward on the integration program. The committee might be interested to know that by March 18, 1955, 572 officers have been certified by the Board of Examiners for the Foreign Service for appointment as Foreign Service officers under the present integration program; 351 of these have been confirmed by the Senate and an additional 219 have been nominated by the President. Of the 572 candidates, 411 have been approved for appointment above the minimum rate for classes 1 through 5 in accordance with Public Law 759.

Another 41 candidates who had been approved for lateral appointment prior to the inauguration of the present integration program also have been appointed pursuant to that act.

Since Public Law 759 expires on March 31, 1955, early approval of the requested authority to continue to make lateral appointments above the minimum rate is essential if the integration program is not to come to a halt. I believe it would be extremely detrimental to the efficient administration of the Department as well as to the morale of our personnel if the program should be interrupted at this point.

The proposed revision of section 413 of the Foreign Service Act of 1946, unlike Public Law 759, does not contain any limitation on the number of appointments that might be made above the minimum salary rate; neither does it impose a time limitation nor contain any reference to the categories or classes of personnel who may be appointed. Section 4 of the House bill, which I shall discuss in a moment, does, however, place a limitation on the number of persons who can enter the Foreign Service officer corps in classes 1 to 5.

Section 3 of H. R. 4941 amends section 443 of the present law to make Foreign Service officers and reserve officers eligible to receive additional compensation not to exceed 25 percent of basic salary while assigned to hardship posts; namely, posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions.

Such additional compensation is now paid to Foreign Service staff personnel and to civilian employees of other Government agencies who are stationed abroad. This provision of H. R. 4941 is identical to the Department's proposed amendment of the present law. I should add that Foreign Service officers at present receive extra credit toward retirement for service at unhealthful posts, namely, 1½ years for each year of such service. Unhealthful posts are included in the hardship post list. This provision contemplates that a Foreign Service officer may choose between receiving the extra credit toward retirement when assigned to an unhealthful post or receiving a salary differential. He cannot receive both for the same period of service.

Section 4 of H. R. 4941 amends section 517 of the present law in four principal respects. Section 517 relates to the examination and appointment of persons as Foreign Service officers in classes 1 through 5.

1. The first change relates to the type or types of examinations to be given candidates for such appointment. Under the present law a candidate may not be so appointed unless, and I quote, "he has passed such written, oral, physical, and other examinations as the Board of Examiners for the Foreign Service may prescribe to determine his fitness and aptitude for the Service"—end quotation. The Department's proposed amendment would have merely deleted reference to the various types of examinations. Its purpose was to remove any doubt that the Board of Examiners had discretion to determine the type or types of examinations that should be given. H. R. 4941 requires that the Board prescribe "comprehensive mental and physical examinations." In explaining this language, House Report No. 229, accompanying H. R. 4941, states that, and I quote, "the examination will be a 'comprehensive mental' one. It may be written, or oral, or both. The committee is not specifying the form or content of the examination"—end quotation.

2. A second change in the present law contained both in H. R. 4941 and in the Department's proposed amendment, eliminates the requirement that the qualifying period of service for lateral appointment be performed "immediately" prior to appointment.

3. A third change in the present law contained both in the Department's amendment and in H. R. 4941 is to open eligibility for lateral appointment to persons who have completed the required period of service in a responsible position in any Government agency or agencies rather than restricting such appointments to personnel who have acquired such service exclusively in the Department of State, or in the Foreign Service reserve or staff. As I have already stated, it is our firm intention to rely primarily on outside recruitment at class FSO-6 once the integration program is completed. However, from time to time, in our opinion, the national interest will be served if the Department is permitted to draw into the career corps a limited number of persons with prior service in other agencies of the Government.

4. A fourth change contained in H. R. 4941 but not included in the Department's amendments is that the House bill limits the number of lateral entry appointments to 1,250, until otherwise provided by act of Congress. The purpose of this limitation as explained in the report is to assure that the amendment

permitting lateral entry, and I quote, "will not lead to an excessive number of lateral entries and to enable the Congress to have another look at the program." The House bill also provides that not more than 40 of the 1,250 lateral entrants may be qualified persons who were not employed on March 1, 1955, in the Department, including its Foreign Service reserve and Foreign Service staff, and who have not also served in a position of responsibility in the Department, or the Service, or both, for the required period prior to appointment.

The 1,250 lateral entrants authorized by the House bill are in addition to those who will have been appointed under Public Law 759. Under such authorization the Department would be able to complete the integration program as well as to bring in a small number of outstanding persons from various Government agencies. It should be pointed out that once the 1,250 quota is exhausted, the effect of the House bill is to render inoperative section 517 of the Foreign Service Act until the Congress takes further action. The Department will undoubtedly come in at a later date and ask for an extension of lateral entry authority.

Members of this committee will recall that Public Law 759 of last year contains a provision that was added on the Senate floor limiting the application of the provisions of that law to persons from, and I quote, "the classified civil service or the Foreign Service reserve or Foreign Service staff"—end quotation. H. R. 4941 does not contain such a limitation. In my opinion it would be most unwise for such a limitation to be put on this bill. A considerable number of competent departmental officers with many years of departmental experience are presently serving in so-called excepted positions. Because their positions are in the excepted category, these officers cannot be considered as being in the classified civil service despite the fact that they have personal civil-service status. A number of other departmental officers with excellent records do not, for a variety of reasons, possess competitive civil-service status. I think it is only fair that these officers be given an opportunity to qualify for lateral entry.

The remaining provisions of the House bill may be briefly summarized as follows:

1. Section 5, which amends section 522 of the present law, extends the period a Foreign Service Reserve officer may serve from 4 years to 5 years, as requested in the Department's amendment. The Department's proposal that the Secretary be permitted further to extend this period of service by 2 additional years is dropped in the House bill.

2. Section 6 amends section 571 of the existing law to permit the Secretary, under special circumstances, to extend the 4-year period that an officer or employee may be assigned to the Department (or another agency) by not more than 4 additional years. The Department's proposed amendment left the matter of such an extension to the Secretary's discretion.

Both this section of H. R. 4941 and the Department's amendment modify the existing law to remove the requirement that an officer, once assigned for duty to the Department or to another Government agency, may not be reassigned for such duty until the expiration of a period of time equal to his preceding tour of duty or a 2-year period, whichever is the shorter. This revision will enable the Secretary to make the most effective use of his personnel to meet special needs. In practice such reassignments will be made only when there is a sound justification for the action.

Both this section of the House bill and the Department's amendment include a new provision that would permit the Department to be reimbursed for all or a part of the salary of an officer assigned or detailed to another Government agency.

3. Section 7 of H. R. 4941 is identical to the Department's proposed amendments of sections 633 and 634 of the existing law. The new provisions extend the selection-out system, which at present applies up to and including class FSO-2, to class FSO-1.

Another change is to clarify the basis for administering selection-out by stipulating that an officer may be retired from the Service either for failure to be promoted after having served for a maximum period of time in class or for failure to maintain an adequate standard of performance.

Finally, this section places a limit of not more than 1 year's pay on the amount of severance gratuities presently authorized for Foreign Service officers in classes 4 and 5 who are selected-out.

4. The provisions of section 8 of H. R. 4941 were not included in the Department's proposed amendments. The Department, however, would welcome this amendment, which modifies the Foreign Service retirement and disability system to grant a person free credit toward retirement for periods of active military service preceding his appointment as a Foreign Service officer. Such credit has been given under the civil-service retirement system since April 1, 1948. At present, an officer entering the Foreign Service who has received such free credit under

civil service must pay for his military service. The House bill removes this inequity and further provides for a refund of contributions that have been made since April 1, 1948.

5. Section 9 of H. R. 4941 amends section 853 of the present law by providing that no extra credit shall be given toward retirement for service at an unhealthful post if an officer receives a salary differential for such service. You will recall that section 3 of H. R. 4941 authorizes the payment of such differentials for service at hardship posts. This provision on retirement credit does not, of course, apply retroactively. The Department's amendment differs somewhat from the House bill in that it would not permit an officer to choose as between extra retirement credit or the salary differential. In our opinion, the House version is preferable.

6. Sections 10 and 11 of H. R. 4941 amend sections 901 (2) and 911 of the present law in two important respects. The House bill authorizes a home service transfer allowance to be paid to personnel of the Service when they are assigned from a post abroad to the continental United States between foreign assignments. Such a provision will assist officers in meeting the out-of-pocket expenses that result from the mobile nature of their employment.

The second provision, and one which we consider to be most important and fully justified, is authorization to defray a part of the expenses incurred by our people in educating their children while they are stationed abroad. I will not go into the particulars of this provision now. I wish again to emphasize that the financial and morale problems that result from the absence of such a provision are real and acute. The House version differs from the Department's amendment as regards legislative language, but the essential purpose of each is the same.

7. Section 12 of the House bill is identical to the Department's amendment to section 943 of the present law to provide for administering physical examinations and inoculations and vaccinations to dependents. This provision is not only humanitarian, but will also protect the Government.

Although there are some differences between the amendments requested by the Department and those contained in H. R. 4941, the two measures are alike as to purpose and concept. Accordingly, the Department endorses the provisions of the House bill.

Mr. Chairman, this concludes my statement. Members of my staff and I are at your disposal.

APPENDIX II

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

FOREIGN SERVICE ACT OF 1946

SALARIES AT WHICH FOREIGN SERVICE OFFICERS MAY BE APPOINTED

[SEC. 413. (a) A person appointed as a Foreign Service officer of class 6 shall receive salary at that one of the rates provided for that class by section 412 which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

[(b) A person appointed as a Foreign Service officer of classes 1 through 5, inclusive, shall receive salary at the minimum rate provided for the class to which he has been appointed, except that until March 31, 1955, not more than five hundred persons may be appointed from the classified civil service or the Foreign Service reserve or Foreign Service staff at other than the minimum rate.]

SEC. 413. A person appointed as a Foreign Service officer shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

* * * * *

SEC. 432. (a) * * * OTHER OFFICERS AND EMPLOYEES

* * * * *

(c) A Foreign Service officer promoted to a higher class shall receive salary at the rate prescribed in section 412 for the class to which he is promoted from the effective date of his appointment to such class. A Foreign Service officer promoted to a higher class during a recess of the Senate shall receive salary at the rate prescribed for the class to which he is promoted from the effective date of his appointment to such class until the end of the next session. If the Senate should reject or fail to confirm the promotion of such an officer during the session following the date of his promotion, the Foreign Service officer shall, unless he has become liable to separation in accordance with the provisions of section 633 [or 634], be automatically reinstated in the class from which he was promoted and receive the salary he was receiving prior to his promotion, such reinstatement to be effective, in the event of rejection of the nomination, from the date of rejection; and in the event of the failure of the Senate to act on the nomination during the session following a promotion, from the termination of that session.

* * * * *

ADMINISTRATIVE ESTABLISHMENT OF SALARY DIFFERENTIALS

[SEC. 443. Whenever the President shall find and declare that the rates of salary provided for Foreign Service staff officers and employees in section 415 are inadequate for any positions allocated to any particular class or subclass, he may, under such regulations as he may prescribe, establish necessary schedules of differentials in the rates of salary prescribed for such classes or subclasses, but the differential in salary of a person holding any such position shall not exceed 25 per centum of the salary he would otherwise receive. Such differentials shall be granted only with respect to positions at posts at which extraordinarily difficult living conditions or excessive physical hardship prevail or at which notably unhealthful conditions exist. The Secretary shall prepare and maintain a list of such posts.]

Sec. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 per centum of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts.

* * * * *

ADMISSION TO CLASSES 1, 2, 3, 4, AND 5 WITHOUT PRIOR SERVICE IN CLASS 6

SEC. 517. A person who has not served in class 6 shall not be eligible for appointment as a Foreign Service officer of classes 1 to 5, inclusive, unless he has passed [such written, oral, physical, and other examinations as the] *comprehensive mental and physical examinations prescribed by the Board of Examiners for the Foreign Service* [may prescribe] to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution; and rendered at least four years of actual service [immediately] prior to appointment in a position of responsibility in the [Service or in the Department or both] *service of a Government agency, or agencies, except that, if he has reached the age of thirty-one years, the requirement as to service may be reduced to three years. After the date of enactment of the Foreign Service Act Amendments of 1955 and until otherwise provided by Act of Congress, not more than one thousand two hundred and fifty persons who have not served in class 6 may be appointed to classes 1 to 5, inclusive; of such persons, not more than forty may be appointed who were not employed on March 1, 1955, in the Department, including its Foreign Service Reserve and Foreign Service Staff personnel, and who have not also served in a position of responsibility in the Department, or the Service, or both, for the required period prior to appointment.*

* * * * *

APPOINTMENTS AND ASSIGNMENTS TO THE RESERVE

SEC. 522. Whenever the services of a person who is a citizen of the United States and who has been such for at least five years are required by the Service, the Secretary may--

(1) appoint as a Reserve officer for nonconsecutive periods of not more than **four** five years each, a person not in the employ of the Government whom the Board of the Foreign Service shall deem to have outstanding qualifications **of a specialized character**; and

(2) assign as a Reserve officer for nonconsecutive periods of not more than **four** five years each a person regularly employed in any Government agency, subject, in the case of an employee of a Government agency, other than the Department of State, to the consent of the head of the agency concerned.

* * * * *

ASSIGNMENTS TO ANY GOVERNMENT AGENCY

Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Director General, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than four years. He may not again be assigned for duty in a Government agency until the expiration of a period of time equal to his preceding tour of duty on such assignment or until the expiration of two years, whichever is the shorter.

Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years.

(b) A Foreign Service officer may be appointed as Director General, notwithstanding the provisions of the last sentence of paragraph (a) of this section, but any such officer may not serve longer than four years in such position or positions and upon the completion of such service may not again be assigned to a position in the Department until the expiration of a period of time equal to his tour of duty as Director General or until the expiration of two years, whichever is shorter.

(c) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, to a position in the Department, the period of his service in such capacity shall be construed as constituting an assignment for duty in the Department within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment or concerning reassignment contained in that paragraph.

(d) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary of the position in which he is serving in lieu of his salary as an officer or employee of the Service. Any salary paid under the provisions of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service and shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII.

(e) *The salary of an officer or employee assigned pursuant to the terms of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service. Such appropriations may be reimbursed, however, when the Secretary enters into reimbursement agreements with heads of Government agencies for all or any part of the salaries of officers or employees assigned to such agencies and payment is received pursuant thereto, or when an officer or employee of the Service is assigned to a position the salary of which is payable from other funds available to the Department.*

* * * * *

FOREIGN SERVICE OFFICERS IN CLASSES 2 AND 3

Sec. 633. The Secretary shall prescribe the maximum period during which Foreign Service officers in classes 2 or 3 shall be permitted to remain in such classes without promotion. Any officer who does not receive a promotion to a higher class within that period shall be retired from the Service and receive retirement benefits in accordance with the provisions of section 821.

FOREIGN SERVICE OFFICERS IN CLASSES 4 AND 5

SEC. 634. (a) The Secretary shall prescribe the maximum period during which Foreign Service officers in classes 4 or 5 shall be permitted to remain in such classes without promotion. Any officer who does not receive a promotion to a higher class within that period shall be retired from the Service and receive benefits as follows:

(1) One-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, payable without interest, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following; and

(2) A refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.

(b) Notwithstanding the provisions of section 3477 of the Revised Statutes (31 U. S. C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of this section shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (a) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.]

SELECTION-OUT

Sec. 633. (a) The Secretary shall prescribe regulations concerning—

(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

(2) the standard of performance which any such officer must maintain to remain in the Service.

(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

SELECTION-OUT BENEFITS

Sec. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

(b) Any Foreign Service officer in classes 4 or 5 who is retired from the Service in accordance with the provisions of section 633 shall receive—

(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following; and

(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.

(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U. S. C. 203), or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 633 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.

* * * * *

ANNUITANTS

SEC. 804. Annuitants shall be persons who are receiving annuities from the Fund on the effective date of this Act, persons who shall become entitled to receive annuities in accordance with the provisions of sections 519, 631, 632, [633,] 634, 636, 637, 831, 832, and 833, and all widows and beneficiaries of participants who are entitled to receive annuities in accordance with the terms of this title.

* * * * *

PRIOR SERVICE CREDIT

SEC. 852. (a) A participant may, subject to the provisions of this section, include in his period of service—

- (1) service performed as a civilian officer or employee of the Government prior to becoming a participant; and
- (2) active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

(b) A person may obtain credit for prior service by making a special contribution to the Fund equal to 5 per centum of his annual salary for each year of service for which credit is sought subsequent to July 1, 1924, with interest thereon to date of payment compounded annually at 4 per centum, except that no special contributions shall be required for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States prior to becoming a participant. Any such participant may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments during the continuance of his service.

EXTRA SERVICE CREDIT FOR SERVICE AT UNHEALTHFUL POSTS

SEC. 853. The President may from time to time establish a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to January 1, 1900, at such posts inclusive of regular leaves of absence, of participants thereafter retired, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such [service.] service, but no such extra credit for service at such unhealthful posts shall be credited to any participant who shall have been paid a salary differential in accordance with section 448, as amended, for such service performed subsequent to the date of enactment of the Foreign Service Act Amendments of 1955. [The President may at any time cancel the designation of any places as unhealthful without affecting any credit which has accrued for service at such posts prior to the date of the cancellation.]

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ATTACHMENT OF MONEYS

SEC. 864. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 634 [(b)] (c).

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QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U. S. C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

(1) allowances wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) cost-of-living allowances whenever the Secretary shall determine--

(i) that the cost of living at a post abroad is proportionately so high than an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at [his post of assignment] any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad;

(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

(iv) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911 (9);

(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

* * * * *

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay--

(1) the travel expenses of officers and employees of the Service, including expenses incurred while traveling pursuant to orders issued by the Secretary in accordance with the provisions of section 933 with regard to the granting of home leave;

(2) the travel expenses of the members of the family of an officer or employee of the Service when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(3) the cost of transporting the furniture and household and personal effects of an officer or employee of the Service to his successive posts of duty and, on the termination of his services, to the place where he will reside;

(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters whichever shall be shorter;

(6) the travel expenses of the members of the family and the cost of transporting the personal effects and automobile of an officer or employee of the

Service, whenever the travel of such officer or employee is occasioned by changes in the seat of the government whose capital is his post;

(7) the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Service and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

(8) the cost of preparing and transporting to their former homes in the continental United States or to a place not more distant, the remains of an officer or employee of the Service who is a citizen of the United States and of the members of his family who may die abroad or while in travel [status.] status;

(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education.

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PHYSICAL EXAMINATIONS AND COSTS OF INOCULATIONS

Sec. 943. The Secretary shall, under such regulations as he may prescribe, provide for the periodic physical examination of officers and employees of the Service who are citizens of the United States, and their dependents, including examinations necessary to establish disability or incapacity in accordance with the provisions of section 831, and for the cost of administering inoculations or vaccinations to such officers or employees, and their dependents.

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have often brought to this House bills that carry large sums for foreigners. Today we are presenting a bill that helps some of our own citizens who serve their country abroad.

Last fall the gentleman from Ohio [Mr. VORYS] and I traveled through the Far East, south Asia, and the Near East. We did not visit every place where our Foreign Service people are stationed. Those places we visited were usually the more important centers like the capital cities. But we soon recognized that living and working even in the best of those places is a far cry from living and working in this country. We found none of the fancy living that is sometimes attributed to our people overseas. The Foreign Service officers are a loyal and devoted group of public servants who have chosen a career that keeps them away from the United States for most of their adult life.

I wish more Members of Congress would travel around the world to some of the remote places. It gives you an insight into the problems our people face in a way that hearings and speeches cannot portray adequately. Every American owes these men and women a debt of gratitude.

About a month ago Secretary of State Dulles was in south Asia and the Far East. When he returned, he made this comment about our Foreign Service people:

I want to pay tribute to the Foreign Service and other representatives of the United States in the area I visited. Oftentimes they work under most difficult physical conditions. They do so without complaint and with a great sense of dedication to the service of our country. They are our first line of defense against an external peril which is perhaps the greatest our Nation ever faced. They deserve the respect and thanks of the American people.

I concur in that tribute.

The Foreign Service Act of 1946 was passed only after lengthy consideration by the Committee on Foreign Affairs and the Congress. It took as its basis the better features of earlier laws and added a number of improvements. The principles of that act are worth noting because this bill reaffirms them and, in my judgment, strengthens them. They are: A professional service, disciplined and mobile, serving without political influence, and adequately compensated.

The Foreign Service is a career service that a man enters at the bottom and works his way up. When the Committee on Foreign Affairs wrote the Foreign Service Act of 1946 which the Congress adopted, that principle was stressed. But we recognized that the immediate needs of the Foreign Service could only be met by adding people at the intermediate and upper levels. So we put in a provision to allow qualified individuals to transfer from the State Department and the Foreign Service reserve and staff to the Foreign Service officer corps. This is called lateral entry.

Since that act was passed, a number of commissions and committees have recommended that this lateral entry provision be used to enlarge the Foreign Service officer corps by bringing many of the State Department officers into the

Foreign Service. That was the recommendation of the Hoover Commission in 1949, of the Secretary of State's Advisory Committee on Personnel in 1950, of the Brookins Institution in 1951, and of the committee appointed last year by Secretary Dulles, referred to as the Wriston committee.

Before I get into an explanation of what is involved in this transfer process, I want to inform the House who was on the Wriston committee. There were eight members. Four of them came from business, industry or finance. These were John A. McCone, president, Josua Handy Corp., Los Angeles; Morehead Patterson, chairman and president, American Machine & Foundry Co., New York; Charles E. Saltzman, partner, Henry Sears & Co., New York; and John Hay Whitney, partner, J. H. Whitney & Co., New York. Two members have had distinguished careers in the Foreign Service, namely, Norman Armour, an Ambassador, retired Foreign Service officer, and a former Assistant Secretary of State; and Robert Murphy, Deputy Under Secretary of State. The other two came from the field of education. Donald Russell is president of the University of South Carolina and a former Assistant Secretary of State, and Henry M. Wriston, president of Brown University. Mr. Wriston was chairman of the committee. There are only two educators in this group. I know of the fine reputation of the chairman and I can testify from personal knowledge of the splendid ability, character, and dedication to public service of Mr. Russell.

This Wriston committee recommended that there be integration of State Department people into the Foreign Service. That word integration is a fancy bureaucratic term. All it means is the transfer of State Department desk officers and other personnel—except clerical and specialists—and of senior State Department people overseas into the Foreign Service officer corps. That committee estimated that there were 1,300 in the Foreign Service in early 1954. That number would be tripled by adding about 1,300 from the State Department and 1,300 from the Foreign Service reserve and staff.

What is the reason for all these commissions and committees recommending this buildup of the Foreign Service officer corps? There are some mighty good reasons. A lot of these people in Washington are making and directing foreign policy, but they do not have the experience of overseas service. And that experience is important if they are to make correct analyses. They simply have to get the feel of the problems they deal with. It is just as important that our people overseas come back to this country more often. A representative of this country who loses touch with developments at home becomes a less effective spokesman for us. Last year the Wriston committee found that 43 percent of our Foreign Service officers had less than 1 year in the United States. One Foreign Service officer with 29 years service had only 8 months at home.

There is another good reason why this transfer ought to take place. The De-

partment of State is different from most other Government departments. It has two employment systems under the Secretary and each of them is pretty watertight. The people in Washington are under civil service, including its retirement system, they serve only in Washington, their pay scale is set by civil service, and they receive no allowances. On the other hand, the Foreign Service officers are appointed under the Foreign Service Act requirements, they have a more favorable retirement system, they spend most of their life abroad with only occasional tours in Washington, their pay scale is set by the Foreign Service Act and is different from the civil service, and, finally, when they are abroad they receive allowances depending upon the post and the responsibilities of the officer. In each of these two groups there is a lot of talent that our Government needs. But the Secretary cannot get the maximum use of it because some can only serve at home and some can only serve abroad. By requiring them to serve at home and abroad it would be possible to use their specialized knowledge wherever it is needed.

Let me make plain to the House that this integration will not add people to the payroll. It is essentially a transfer from the civil service system to the Foreign Service system, not of everybody in the State Department, but of about 1,300 out of about 5,000 and of another 1,300 in the Foreign Service staff and reserve who are now abroad but are not in the Foreign Service officer corps. This provision of the bill, similar in some ways to the one the last Congress passed, does not create more jobs in foreign countries nor does it increase American personnel abroad. It simply makes available a larger pool of qualified personnel for assignment abroad on a rotation basis.

One of the principal features of this bill is to encourage this integration or the transfer of State Department people to the Foreign Service officer corps. It is rather technical but I think the House ought to know what we are doing and how we are doing it. A man in the civil service of the Department who wants to transfer is reluctant to take a salary reduction. That's understandable. When he is transferred to the Foreign Service, one of the problems is to give him a salary that most nearly equals what he is receiving. Since the two salary scales are different, he cannot get exactly the amount he is receiving under civil service. Either he has to get a little more or a little less. The 1946 act allows him to receive only the minimum for the Foreign Service class to which he was appointed. Thus a man who was in a civil service grade for several years and had received several "in grade" salary increases would have to drop back to take the lowest salary for the Foreign Service class he was entering. In almost every case this meant a salary reduction of several hundred dollars and, in extreme cases, as much as \$1,600. I am including in my remarks at this point a table of the different salary scales so that Members may see how they compare with each other:

pensation when they serve at a hardship post.

This bill authorizes the payment of a home service transfer allowance when an officer is assigned to a tour of duty in the United States between tours of duty abroad. Such an allowance is already provided when the officer is transferred abroad. In a career service like the Foreign Service a tour of duty in Washington is just another transfer. It costs the officer as much, possibly more, to set up a temporary home here as it does abroad. Abroad he would receive various allowances to help him out; in Washington he does not. Once the integration program is completed the Department expects that an officer would serve about 4 years out of each 10 in Washington or one tour of duty. Thus, this allowance would be payable to an officer about once every 10 years.

The Department submitted draft language for an education allowance. We thought it was too loose and might lead to abuse in its administration. So our committee rewrote that provision and tightened it up. We started with three premises: First, the Government does not assume the responsibility for providing adequate education for Foreign Service children while overseas; second, a Foreign Service officer ought not to suffer financial hardship in providing for the education of his children while he is serving abroad; and, third, the parent should be free to determine the kind of education he wants to give his children.

We started with the standard of what educational services he would get free of charge if he sent his child to a public school in the United States. By serving abroad where he has to pay for these usual services he does incur an extraordinary and necessary expense. The yardstick set by this bill against which an officer may be reimbursed is what services are ordinarily provided without charge in our public schools. If he must pay for these when abroad he may be reimbursed. For example, public schools do not charge tuition fees for the usual courses. If the officer has to pay such fees, he can be reimbursed up to the amount set for that post.

In our committee report, we spell out the three types of allowance that may be set up for each post for primary and secondary education. No child could qualify for more than one such allowance.

(1) One allowance may be established for educating children at the nearest adequate school. This allowance may not exceed tuition and any other charges which must be paid to obtain services provided free by public schools in the United States plus board and room and periodic transportation between the post and the place where the school is located.

(2) A second allowance may be established for personnel who chose to send their children to a local school even though such local school is inadequate, provided the charges for this local school are less than the allowance for the nearest adequate school.

(3) A third allowance may be established for the post of personnel who wish to educate their children by the use of correspondence courses if the necessary costs involved in the use of this type of instruction are less

than the allowance for the nearest adequate school.

Section 11 covers educational travel allowances. We want to encourage children of Foreign Service people to have some opportunity for an American education. But we can not support a bill that would have the Government pay all the costs. This section provides that the Government will pay one round trip between the post where the parents are stationed and the United States for the purpose of attending high school and college. But no officer who receives a travel allowance can receive an educational allowance. If he sends his child to high school in the United States, he may collect the post allowance for secondary education, but he will have to pay his own travel expenses. This bill makes no provision for an educational allowance for college. All the officer can receive is the cost of one round trip for his dependent who is going to college.

Finally, in section 12 we authorize the department to give dependents medical examinations and inoculations and vaccinations. Although the department estimates that this will cost \$28,000 a year, I prefer to regard it as a provision that will save the Government money in the long run. A medical examination of dependents will often reveal symptoms that will not only permit the individual to be treated immediately but also determine whether an officer can be sent to a particular post. Let me give just one illustration. After a Foreign Service officer and his family arrived at a Far East post, it was discovered that his wife had tuberculosis. It was necessary to bring the family home. The estimated cost to the Government was \$5,000.

A person entering the Foreign Service is required to join the Foreign Service retirement and disability system. He may only obtain credit toward retirement for prior military service if he contributes 5 percent of his annual salary for each year of service for which credit is sought. People in civil service are given credit for such service without cost. Section 8 simply extends the benefits of civil service retirement to the Foreign Service officers.

One question the House is interested in is how much is all this going to cost. Based on the best estimates we could get the total annual cost would be less than \$1.3 million. By sections the costs are estimated as follows:

Salary adjustment for lateral entrants (sec. 2).....	\$75,000
Hardship post differential (sec. 3) ..	480,000
Home service transfer (sec. 10a) ..	200,000
Education allowance (sec. 10b) ..	442,000
Medical examinations (sec. 12) : ..	28,000
Military retirement credit (sec. 8) -	67,000
Total.....	1,292,000

The refund provided for those who bought their military retirement credit after April 1, 1948, would be about \$110,000. But that is a one-shot payment and not an annual charge.

Finally, there are provisions in this bill that will permit the Secretary to make administrative improvements in his department in the interest of more

efficient operations. I want to touch those briefly.

Section 6 permits the Secretary of State to extend the 4-year limit on the assignment of Foreign Service personnel to duty in the United States to an additional 4 years. It also authorizes the Secretary to make arrangements with other Government agencies for reimbursement of Foreign Service personnel detailed to those agencies.

Section 5 increases the maximum duration of Foreign Service Reserve appointments from 4 years to 5 years. The department asked for this authority because of the difficulty of working out two tours of duty of 2 years each with an intervening home leave during a 4-year period.

Section 7 extends selection out to Foreign Service officers of class 1. Under existing law officers in classes below 1 can be selected out. This is necessary to prune the deadwood and allow the more capable younger men to move ahead. In the same section the amount of retirement benefits paid to class 4 and 5 Foreign Service officers who are selected out is limited to a maximum of 1 year in lieu of the present law that gives such an officer one-twelfth of his current salary rate for each year of service without limit as to the number of years. The department estimates that this provision will result in a saving of about \$28,000 a year.

This is a better bill than the department sent up. The committee closed some loopholes and set up more rigid conditions for lateral entry. The first job of the department is to complete its internal reorganization. This bill forces it to do just that. At the same time we are anxious to raise the morale of the service. The few benefits extended by this bill, in my judgment, will help. If an officer is burdened by financial problems, he can't do a proper job. In this bill we give some measure of relief. If it helps to keep capable people in Government service, it will be worthwhile use of Government funds.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. What does this mean percentagewise by way of an increase in pay?

Mr. RICHARDS. I will say right now that it does not increase any pay, and it does not add anybody to the Foreign Service. It does a few other things in regard to educational allowances, retirement benefits, military credits, and so forth.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. SCHWENGEL. I would like to preface my remarks by saying to the gentleman, I agree with his philosophy, and I think it is a move in the direction which we should go as far as the Congress is concerned with reference to these employees. But, as I read this bill, this comes to my attention. On page 2, beginning on line 13, through the page to line 9 on page 3, in reference to who

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is eligible to serve out of this great group, you have set aside 40 employees, you say, who may be employed by the Department who happen to have these qualifications. The qualifications are 4 years' experience under 31 and 2 years' experience over 31. As I read this, had the Department hired these 40, you with your broad experience, should your administration sometime win, which we do not hope to see on this side, but you with all your broad experience could not be appointed by the State Department; is that correct?

Mr. RICHARDS. Under the planned integration program, about 2,600 people could be transferred. This bill provides for only 1,250. We want that done gradually and then have the Department come back to the Congress to ask for further authority if it needs it. They will still have about 1,400 who are eligible for transfer. With reference to the 40 in this bill, 26 are people who were in the Department in 1951 and filed an application for transfer. Before they were examined, they had been transferred to another Government agency as part of the reorganization plans. We felt it would be an injustice to them, because they had been transferred somewhere else not to allow them to be eligible. If they had remained in the Department, as they wanted to, they would have continued their eligibility. That leaves about 14 who could enter, provided they had previously held some responsible Government position. It so happens that the Foreign Service needs specialists from time to time. There may be just a few such qualified men appointed. We want just a few, because we do not want any political element to enter the picture. But we felt that the Secretary of State should have some latitude to take in 14 or so people, if he had to have, let us say, an industrialist or an engineer or an economist. That is the reason the 40 figure is there—first, to take care of the 26 and the balance to permit the appointment of qualified specialists. The general rule is that the individual must be in the Department of State or the Foreign Service reserve or staff for 3 years. That still holds, except for the 40.

Mr. SCHWENGEL. One further question: In determining who are to have this privilege, or this advantage, the gentleman states the qualification is they must have served in positions of responsibility in the Department. My question is, Who determines whether they have served in positions of responsibility?

Mr. RICHARDS. There you get down to something you cannot get away from. I do not care who is in charge. As a matter of fact, the Secretary of State will decide that.

(Mr. RICHARDS asked and was given permission to revise and extend his remarks.)

Mr. VORYS. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. VORYS. Mr. Chairman, the purpose of this bill, as the chairman of our committee has so ably stated, is to improve and strengthen our Foreign Service.

Mr. Chairman, our foreign relations nowadays involve the whole planet, all the time. Our Secretary of State has traveled 250,000 miles since he took office. Congressional committees probably have covered an equal mileage during that period. I know that the gentleman from South Carolina, Chairman RICHARDS and I traveled over 28,000 miles last year visiting 20 countries. I think such travel is extremely valuable to give Congress and the Executive first-hand, on-the-spot information and background about the countries and peoples of the world, but such travel is no substitute in forming foreign policy for the organized, daily observation and reporting of our Foreign Service officers as they go about their duties of looking after the interests of the country and our citizens in 244 posts in 113 countries, colonies, protectorates, and so forth, abroad.

Our President has stayed close at home. He understands organization and teamwork, staff work, as few if any of his predecessors have. He is profoundly aware of his own heavy individual responsibility in foreign affairs under our Constitution, but has not gone in for personal diplomacy, and I am glad he has not.

The recent publication of the Yalta papers should remind us of the disastrous results that can come from secret, high level, international conferences. I hope we have learned our lesson. I have the highest confidence in President Eisenhower and Secretary of State Dulles, but the success of any international conference in which we participate will depend on careful preparation, organization, and staff work before and during the conference and should not be based on personal diplomacy by our chief representative, whoever he may be.

This requires a well-organized State Department and a strong, able, and devoted Foreign Service.

Secretary Dulles recently paid this tribute to our Foreign Service:

I find them a most devoted, loyal, and capable group of people, many of them functioning under conditions of real hardship.

That is the kind of Foreign Service we have now. It needs improvement. If it were perfect we would not need this bill.

This legislation is necessary, first, to build the Service up to strength by lateral entry, as described by our chairman; second, to make sure we not only attract but hold our best personnel; and, third, to get rid of the deadwood by a better system of selection out.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. MEADER. I notice the gentleman mentioned his visits abroad in 20 countries. It happens that I had the privilege of visiting with several of the younger Foreign Service officers last fall. I may say to the gentleman that I was surprised at the concern they showed over the implementation of the Wriston report through the lateral entry from the State Department of Foreign Service Staff people into the Foreign Service, above the heads of the younger Foreign Service officers who had to take a rigor-

ous examination before they got their positions. They were disturbed that their prospects of promotion would be retarded because of these lateral entrants who did not go through the rigorous examination process Foreign Service officers have to go through. Can the gentleman assure me this bill does not put the stamp of approval on those objectionable features of what was done under the Wriston report?

Mr. VORYS. I think I can assure the gentleman in a couple of ways. Based on what the departmental officers have done so far, and an analysis of that is shown in our report, they have not picked out all the good jobs and given them to lateral entrants. They have spread them through the Service. Eighty-five percent have entered classes 3, 4 or 5, the intermediate classes of the Foreign Service. Five percent have entered class 6 at the bottom. Only 10 percent entered classes 1 and 2 at the top.

Furthermore, the increase in the Foreign Service itself which is contemplated by this bill, which does not add additional Federal employees at all but transfers up to 1,250 into the Foreign Service, that expansion of the Foreign Service gives more opportunities for advancement.

I may say that in our travels and during the course of our hearings we heard of some misgivings by younger Foreign Service officers and others. However, we have a study and questionnaire conducted by Senator WILEY, of the other body, of over a hundred Foreign Service officers in the European area. The compilation is there at the committee desk. It shows that by and large a substantial majority of the Foreign Service officers were in favor of the implementation of the Wriston report.

I can give the gentleman one other line of assurance. This program is going to be administered by George Wilson, Assistant Controller for Personnel in the State Department, under the direction of Loy Henderson, Deputy Under Secretary of State. The fact that Mr. Henderson has had long experience and has proven his devotion to the Foreign Service as an organization and as a career I am sure is insurance to those in the Foreign Service that their interests will be protected, that they will not be crowded out by premature promotions.

Mr. MEADER. I share the gentleman's admiration for Mr. Henderson, and I believe he can do as much as any man could to alleviate the friction and uncertainty that results from a rapid integration of this character; but I wonder if the gentleman feels as I do that the morale of the existing Foreign Service has been materially affected by the rapid integration of persons from other branches of the State Department service?

Mr. VORYS. No. I will answer the gentleman in this way: I do not think that the integration of the 500 under the Wriston program has undermined the morale or prestige of the Foreign Service. I think that something which is still unfinished business has undermined the morale and prestige of the Foreign Service.

We have approximately 6,700 in FOA and about a thousand in USIA, serving here and abroad, who are not in the Foreign Service. Many of them receive pay and prerequisites that are not comparable to those in the Foreign Service. I think that one of the first chores that lies ahead for the Committee on Foreign Affairs, to be attended to before we adjourn this year, is the problem of organization and personnel when FOA goes out of existence as provided by law on next June 30, and the determination of how to integrate them into existing departments as provided by law.

Our committee felt that since the provisions of this act had received long study, it would be extremely important to enact them on their own merits. But, as has been stated by our chairman, the committee decided that not more than 50 could come by lateral transfer from FAO or other organizations outside the State Department at this time and under this legislation. The reason for any deadline or speed in this legislation is that the provision for the 500 lateral entries expires March 31, so that it is important to have continuing machinery for integration under the Wriston report, at least to the extent of 1,250. But, we have some chores with reference to personnel and organization of those serving abroad now in FAO and other organizations which will have to be faced by Congress before we adjourn this year. We expect to bring that up later. What we do and how we do it will involve the morale and prestige of the Foreign Service.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman from Michigan has referred to the Foreign Service officers. Can the gentleman from Ohio tell me what has been done so far as foreign staff officers are concerned who are overage and perhaps not eligible to entry into the Foreign Service through lateral entry? Have they been protected so that their years of service will be recognized?

Mr. VORYS. Well, they have their own retirement system.

Mr. BOW. Some are not ready for retirement and want to continue in service.

Mr. VORYS. There is still to be a Foreign Service staff, but the service is to integrate and amalgamate those who are capable of serving as foreign staff officers from the staff and the reserve and the Departments into the Foreign Service officers' branch. The staff will still remain and is not to be liquidated by this act. Certainly it could not be under the provisions that we have adopted so far, and those persons that you have mentioned will be protected by their retirement system.

Mr. BOW. I am speaking of the staff officers abroad who are now overage. Would they not be eliminated from advancement? They are not particularly interested in remaining in the service. Would they not, because of this bill, be eliminated from further advancement

in the service and the country deprived of their services in the future?

Mr. VORYS. No, not if they have still advancement availability under the present staff provisions. However, one of the things we have to guard against is loading up the Foreign Service with a lot of overage staff or civil-service personnel who would be seeking service merely for retirement privileges. Certainly, with overage staff officers, it is not expected that they would be transferred to the Foreign Service in order to take advantage of the retirement provision.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Will not the gentleman agree that those Foreign Service staff officers will be no worse off under this bill than they are under existing law?

Mr. VORYS. That is correct.

Mr. JUDD. Their positions and privileges will continue as they are now. The bill does not deny them anything they have. Some of them will not be eligible for integration into the Foreign Service.

Mr. VORYS. That is correct.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Connecticut.

Mr. MORANO. I wish to refer to the concern expressed by the gentleman from Michigan regarding the morale of the Foreign Service. This bill is designed to bolster the morale of the Foreign Service by the very provisions in it, is that not correct?

Mr. VORYS. Only one provision has to do with facilitating lateral entry. The other provisions have to do with retention of personnel, bolstering their morale, through improved conditions of service.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Iowa.

Mr. GROSS. Does this mean an increase in the number of personnel in the Foreign Service?

Mr. VORYS. Yes; there has been an increase. The service dropped down after the war to, I think, about 1,297 in 1954. There has been or will be an increase of 500 under the existing lateral entry law. But the Wriston committee and the Department contemplate that they need about 3,900 Foreign Service officers to staff these posts that I have mentioned.

Now, one other word. The Foreign Service must compete with other Government agencies and with private business both in this country and abroad in maintaining the quality and the quantity of its personnel. An interagency committee studied 16 private companies operating overseas back in 1952. Their report, which is contained on page 126 of the basic information document, says:

Retention rather than recruitment is a primary reason for offering extra incentive for overseas service.

If that is true in private employment it is equally true in the Foreign Service of the United States. This bill is based

on the theory that if conditions are such as to retain the best, this will help us to recruit the best. I hope the bill is adopted.

Mr. RICHARDS. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Chairman, I have for the last several years traveled rather extensively and have been amazed and distressed at the situation in our Foreign Service. I would say that by and large the Army and Navy follow where our diplomats lead. We have a Foreign Service that, of course, is loyal and hardworking and of very high caliber. We are losing rather than gaining.

I have been in business all my life. The purpose of a committee in business is to strengthen every department of that business. There is not a Member of this House who is not personally and through his district intimately and vitally interested in our Foreign Service. Negotiations of the most delicate character are carried out throughout the world in matters of defense, trade agreements, the handling of our exports, and other matters, every day. But we are losing out by not bringing strong, young men into the Service.

I would like to say to the gentleman from Michigan [Mr. MEADER] that I think this bill will do more to help bring in young men and help lift their morale. We are integrating into the Foreign Service people who are already in the State Department under civil service doing certain jobs. We have really two Foreign Services. We have the Foreign Service that goes abroad and then comes back here, and we have the civil-service people who are doing foreign-service jobs here in Washington. That is aside from staff and aside from reserves. If we can bring them all under one roof, we will not be adding anybody to the payroll. But we will be providing a pool that can be sent anywhere in the world. A young man may come in and get these better educational allowances. He may see the chance of advancement. He may see that he will not be held down because these people here are already above him doing these jobs in Washington. There are so many jobs to be done.

One of the objects of this bill is to bring in young men whom we are not now getting. The gentleman says that it will hurt the morale of the people in class 6 and class 5. I would say that it will help the morale of those people because I have talked to them. I have seen them, certainly throughout Europe for the last 6 or 7 years, and their morale is bad and resignations are coming in at an alarming rate.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I am glad to yield.

Mr. MEADER. I call the attention of the gentleman to page 5 of the hearings. Mr. Henderson of the State Department testified concerning the transfer of civil-service employees of the State Department into the Foreign Service. He recommended an elimination of the requirement that they enter the Foreign Service at the lowest grade in the class, saying that they would have to sacrifice

\$1,900 a year if the provisions of the present law were applied. It seems to me that illustrates graphically the complaint of these young Foreign Service officers who complained to me, namely, that the civil-service salary rates were so much higher than they were in the Foreign Service that these civil-service officers were transferred into the Foreign Service above them. Thus, their possibilities of promotion were retarded. I was assured that this situation was affecting the morale among the lower-rank Foreign Service officers all over the world. That is what has disturbed me.

Mr. CHATHAM. It does not disturb me at all, because I do not believe the civil-service rates for the same work are higher. But he has to go down to the lower part of the class. He will be doing work higher in the class but he has to go to the lower part, and he can lose up to \$1,600, as I remember. Of course, they are not going to do it.

If I were a young man—and I have a son that I personally hope is going into the Foreign Service—I would believe that under this bill, under this lateral entry, bringing these people into the Foreign Service and getting all under one roof, as I would say, I would feel I had a better chance of advancement through one unit like the Army or the Navy, where I could be sent anywhere and where adequate personnel would be there, and proper personnel. We are trying to get better personnel.

You cannot have a youngster of 26 do the job of a man of 35 who has had 5 or 6 or 7 years of experience here in Washington on a desk handling the affairs of, say, one country like the Argentine or Great Britain.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Pennsylvania.

Mr. FULTON. In further answer to the gentleman from Michigan as to the requirement of mental examination for people who come in by lateral entry on this integration program, the committee on pages 8 and 9 of the report has specifically required that there be a comprehensive mental examination for these people. We have felt that the Department procedure was insufficient, just in line with the gentleman's question, and I believe we have completely corrected it.

Mr. VORYS. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, it is with many varying memories that I take the floor on this occasion to speak in support of H. R. 4941, memories of my own 9 years in the Foreign Service with which this bill is concerned. The memories of those 9 years abroad are sometimes pleasant and sometimes not so pleasant, but underlying all of them is a deep admiration and respect for the men and women who serve our country throughout the four corners of the globe. There have been and probably will continue to be individual undesirables and misfits, just as in any similar organization, whether Government or private, but I can tell you from my own personal and intimate knowledge that this coun-

try possesses a Foreign Service of which it can be justly proud.

I do not intend to make a section-by-section analysis of this bill but shall leave that to other members of the committee who I feel sure will do a thorough and adequate job. I should like to tell you of some of the current problems of the service, problems which this bill attempts to meet, problems with which I had a close degree of familiarity.

In the first place, let us remember one thing—we are dealing with the Foreign Service of the United States, not the Foreign Service of the State Department or any other Government agency. The officers of the Foreign Service are commissioned by the President of the United States and they take great pride in this fact. Indeed, one of the most important duties of Congress in this matter should be to preserve that spirit of pride in the career service which our diplomatic and consular personnel enjoy at the present time. This pride should be every bit as great as that which an officer of the armed services has in his particular branch, whether it is the Army, Navy, or Air Force. It is with the idea of strengthening this sense of pride and improving the morale of the officers and employees of the Foreign Service that our committee is bringing this bill to the floor today.

One of the great criticisms which many Americans have had of the service is that its members seem to have lost the viewpoints and opinions of their own countrymen back home. It has been said in the past that a foreign service officer tends to so thoroughly identify himself with the people and the customs of the particular country to which he may be assigned that he loses his American contacts and sometimes becomes almost un-American in his thinking and feelings. That criticism does not lack a certain amount of justification and the foreign service people themselves would be the first to admit it. What is the answer? It means that not only do we have to recruit our foreign service people in this country even on a broader basis than in the past but also that once they are sent abroad, we have to bring them back to this country as often as budgetary and other limitations will permit.

All foreign service personnel of my own knowledge welcome and, indeed, anticipate the opportunity to return stateside, whether for assignment in Washington, for home leave or for temporary detail elsewhere in this country. But if a man is brought home for anything more than a few weeks he has got to be replaced in the field. You cannot bring him home for a longer period, no matter how desirable his services may be in Washington, until a replacement is available. Therefore, the State Department, following the recommendations of the Wriston committee, has been in the process of integrating many of its people with the foreign service so that a man or woman can be interchanged between Washington and the field with greater freedom and flexibility, so that we can get more of our State Department people and so that more of our foreign service people can come home, not only for

purposes of service in Washington, but also to better acquaint themselves and keep in closer touch with the American scene. The continuation of this process of integration is 1 of the 2 main purposes of H. R. 4941, and one of the many reasons why this bill should receive the overwhelming support of the Committee of the Whole House and later of the House itself.

In order to attract into the service even a higher type of American than we find today and in order to keep the fine men and women that we have there at the present time, there must be an improvement in the conditions of employment in certain respects. Such an improvement is the second main purpose of H. R. 4941, and I wish to devote the balance of my remarks to this theme.

Mr. Chairman, I think it is obvious that we want to encourage and assist our Foreign Service personnel to be able to raise and bring up their families in a truly American way. But the problems faced in this respect are perhaps among the most difficult which our foreign representatives face today. Again I speak from personal experience because I remember the problems encountered by my three children when I was serving overseas.

Foreign travel and education in foreign countries is in many ways a broadening experience for a child and can certainly be listed as a desirable asset for children of Foreign Service families. But, in my opinion, the drawbacks certainly equal the advantages. Imagine the problems of raising children who never have a permanent fixed home and who lack the security that goes with such a home. Think of the youngsters whose folks have to pack them up every 2 or 3 years and move them, along with all the rest of the bag and baggage, from some place say, like Reykjavik in Iceland to perhaps Leopoldville in the Belgian Congo in the heart of Africa. How much chance does a child like that have to acquire an American background when he or she has to spend perhaps 12 out of the first 15 years in foreign countries?

A Foreign Service youngster who grows up speaking Spanish or Polish or Arabic better than his own tongue is going to have an awful lot of adjustment to make when he finally gets back to the States. And then, too, there are many overseas posts where anything like decent educational facilities are nonexistent. Take our people who serve behind the Iron Curtain, for example. They cannot send their kids to public schools and have them educated into little Communists. If the posts are small, as most of them are there, there are not enough families to form a school of their own. At the present time, the Foreign Service officer with a family who is assigned to that area has to send his children at his own expense to some school in a free country or just give up 2 years of their education. That is not a fair or equitable burden to ask our Foreign Service people or their children to assume. But that is exactly what is happening today—it happened in my own case and I know it is happening in the case of a great many others.

Our Foreign Service people are proud of being Americans and they want their children to be educated in the best American tradition even if they have to be sent back to America for this purpose. It is hard enough to be separated from your own children for a couple of years or more but our Foreign Service people are willing to make this sacrifice. But sometimes it is impossible from a financial standpoint even to do this. Sometimes our people have to keep their children in these foreign lands because they just do not have the money to send them back home. The bill, H. R. 4941, which the committee has before it, is an attempt to at least partially correct this situation and to provide some financial assistance for the Foreign Service family who want to see their children brought up in American schools with an American educational background but who find this impossible because of money difficulties at present.

There are other similar attractions in this bill such as the extension of salary differentials for service at hardship posts that I will not go into now. But let us get one thing straight. The Foreign Service has been attacked in the past for being snobbish, for putting on airs, for being narrow-minded and restricted to high-income groups, for being a bunch of cookie-pushers and teacup jugglers and for being addicted to cocktail parties and striped pants. It has been criticized, in effect, for being a rich man's club. Now some of this criticism may be justified, most of it is not. But I can tell you that the surest and best way to remove such a label from the Foreign Service is to make it attractive enough so that a man or woman can come in without having outside means or an independent income and once in that he or she will want to stay in. It is the same type of problem we in Congress faced with regard to ourselves a few weeks ago and it should be solved generally in a similar way.

In the past Congress has not dealt especially kindly with the Foreign Service, with the outstanding exception of the Foreign Service Act of 1946. The service itself is somewhat to blame for this. At this point, Mr. Chairman, I ask permission to insert at the conclusion of my remarks the text of an article which I wrote for the July 1954 number of the Foreign Service Journal and which touches on some of the problems which have arisen in the past between Congress and the Foreign Service. However, I believe that these problems are disappearing to a large extent.

The men and women of the Foreign Service, our Foreign Service, are called on to face many hardships and dangers during their Government careers. They face them cheerfully and willingly as they keep our flag flying in all parts of the world. Because of the duties and responsibilities they undertake, because of the services they render to American individuals and American business interests, because of their vital role in the conduct of our foreign policy, we in the Congress should demand that the service be attractive enough to get the highest type of American men and women into its ranks. I myself am proud to

have served in that organization and I want to see it continue its splendid record of service in the past on to the future. For that reason, and because I believe that this bill contains improvements which are vital to the continued welfare of our Foreign Service, I urge the adoption of H. R. 4941.

At this point, Mr. Chairman, I include the text of an article which I wrote for the July 1954 number of the Foreign Service Journal which touches on some of these problems:

CONGRESS AND THE FOREIGN SERVICE

As a former member of the Foreign Service and now occupying the unique (for an ex-FSO) position of a Member of Congress, I have had many occasions to come into contact with my former colleagues during the past year of congressional service. Membership on the House Foreign Affairs Committee and its subcommittee on State Department Organization and Personnel has perhaps given me more opportunity for such contacts than the average Congressman possesses, to say nothing of the advantages offered to a trip to Western Europe last October with the Merrow study mission.

On the other side of the fence I have discussed problems of the State Department and the Foreign Service with a large number of my congressional colleagues as well as others prominent in the Eisenhower administration. As evidence of my continuing interest in the service, I cite my introduction, during the last session of Congress, of H. R. 4538, a bill to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system.

As far as the American public is concerned in the last few years, the Foreign Service has received an extremely bad press, due perhaps more to ignorance than any other single reason. The uncovering of the presence of a relatively small number of undesirables, both from loyalty and security standpoints, within the Service and the widespread publicity which has consequently resulted has also been a contributing factor. It is a very real pity that steps cannot be taken to bring the Service and its splendid record of achievements more into direct public focus, such as, for example, is done with the armed services, the Federal Bureau of Investigation or even the agents of the Treasury Department.

When American diplomatic or consular officers are characterized in any form of entertainment media, whether radio, television, films or the legitimate stage, or even newspaper comic strips, the overwhelming impressions are, at best, those of cautious and timid individuals. Such persons always give the appearance of being hopelessly ensnared in redtape and are usually attempting to hinder and frustrate others in the same way.

This public impression of the Foreign Service is most important for the Service itself to realize. As in so many other examples, public impression is transmitted from the people to their elected representatives in Washington. In other words, if the average voter or constituent has a fixed opinion of our diplomats and consuls; there are few Congressmen who are willing to take the time and trouble (and risk) to change this opinion. The best way to influence the Congress in a favorable manner is to work on the folks back home.

Continuing to speak frankly, there is another matter which should be brought to the attention of the Service, especially those in the field. There is a very definite impression among some members of the present administration, and concurred in by many members of the majority party in Congress, that officers and employees of the Service are by and large sympathetic to the

programs and aims of the previous administration. There is no thought of criticizing any officer or employee for his personal political beliefs and this is not a subject for my discussion. But if an officer or employee should permit these personal beliefs or opinions to influence his own work, it is another matter. He should also remember that, when he is representing his Government abroad and when he discusses the American political scene with foreigners, even in private conversation, his words are given much more weight than he might generally believe.

It might only seem natural to criticize investigative individuals and methods of the Congress, especially where they have touched upon the Service itself. But in doing so, the Foreign Service officer runs the risk of committing two grave errors. In the first place, he is leaving the impression with his foreign listener that the American people as a whole are condemnatory of such individuals and methods, which is not at all the case. In the second place, he is merely building a case for those persons of extreme partisan nature who attempt to make a spoils system out of the entire Service and who would like to replace many of our trained diplomats and consuls with faithful party workers.

This is a matter of real concern to me since I have heard it voiced in high-placed circles within our Government and by individuals who are truly objective in their thinking. The administration is not demanding the votes of the Foreign Service but it is demanding its complete and unquestioning loyalty. For this reason, officers and their families should be extremely careful when discussing political developments in this country, especially, for obvious reasons, at social gatherings.

There is no desire within the Congress to cripple or emasculate the Service, not even on the part of Senator McCARTHY. On the contrary, there is a very real feeling that it should and must be strengthened, especially in view of our responsibility as the leader of the free world, a responsibility which we did not seek but which we have willingly assumed.

One more word of caution to my former colleagues who are in the field. You have been and will be visited by many congressional committees and study missions in your posts. Social functions are pleasant and sometimes have a certain value but they are often fatiguing to a person who is honestly trying to acquire a large amount of varied information within a short space of time. A Congressman worth his salt is trying to meet and talk with as large a number of people as possible and not just those on a certain social level. If you will put yourself in the position of a campaign manager and pretend they are running for office in your area, you will understand what I mean. I am now talking about the average hard-working, sincere Representative or Senator and not those misplaced individuals who give the word "junket" the unfortunate connotation it has today.

I sincerely trust that my former colleagues will take these suggestions in the same frank spirit with which they have been offered. There are many of us who really want to reinforce and improve the Service but who are constantly forced to battle its critics. To the extent that your own conduct will assist us to meet this criticism, to that extent will we be able to help you in turn. We are all of us interested in upholding the prestige and maintaining the security of the United States. The more that Congress and the Service can cooperate toward these objectives, the more certain they will be of continued fulfillment.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. The distinguished gentleman from Michigan has made a very fine statement. He has completely reflected my views on this measure.

Mr. BENTLEY. I thank the gentleman.

Mr. RICHARDS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Chairman, this is a bill long overdue.

Before I discuss some of its provisions, I, along with my colleague [Mr. BENTLEY], want to pay a tribute to the men and women in the Foreign Service of the United States. They are a devoted group of public servants whose work is often carried on under the most adverse conditions. They have been much misunderstood and even ridiculed by those who do not understand the nature of their work and of their responsibilities.

This bill aims to strengthen the Foreign Service. It should do much to raise morale and improve its administration.

Our hearings on this bill were lengthy. We were particularly concerned that, in continuing the transfer of individuals into the Foreign Service, the merit principle be left untouched. I think the provisions in section 4 give an assurance to the career officers that they will not be flooded with individuals whose qualifications are any thing but professional in character. We specifically limit the transfer of 1,210 out of 1,250 to those who, on March 1, 1955, are on the payroll of the State Department. That means that any individuals from other departments or agencies can only come in, if at all, under the small margin of 40 we left. And that 40, as the committee report states, is to take care of some individuals who were caught in the reorganization and would otherwise have qualified. I can assure the Members of this House that all of these carefully phrased sentences in section 4 have one purpose—to preserve the merit system.

The other provisions of this bill have a general purpose—to provide more adequate incentives not only to recruit capable young men and women but, even more important, to hold them after they are employed.

Mr. Chairman, I have only the strongest admiration for the wife of the Foreign Service officer who is trying to carry out her responsibilities as a wife and a mother in a strange land. She often has to serve as a teacher for her children who may have no adequate school to attend.

In this bill we provide a small measure of relief by granting an educational allowance for primary and secondary school. It is not a luxury item—and the amount is intended merely to supplement the cost of education abroad. I want to make clear that it does not provide a finishing school education for the children. Section 10 (b) is so worded that the test of payment for educational allowance is how many services the public schools of the United States provide without charge. If those are available locally, the officer receives no reimburse-

ment. If they are charged for, then the officer may be compensated.

In the case of secondary and college education the bill permits the officer to be reimbursed for one round trip between his post and the United States for each kind of education. But I want to point out that when that travel is paid for, the officer does not receive the costs of the education. In other words, he gets either the cost of travel or the post allowance for education—which, of course, will be far less than the cost of keeping his child in the United States.

I sincerely hope that the passage of this bill will result in the correction of certain undesirable aspects of administration of the Foreign Service. In its hearings on the bill, the committee encountered at least two instances in which the elementary principles of sound personnel administration were being disregarded. In one instance this involved a disregard of a specific provision of law.

The Foreign Service Act rightly provides firm requirements for the selection out of Foreign Service officers who do not measure up. Such a process is essential to the operation of a career service. It is necessary that no one appointed to the Foreign Service feel that he is guaranteed a job for the rest of his life regardless of his performance. It is essential also that the higher ranks should not become filled up with people who are merely trying to get by until they can retire.

No one can disagree with the objectives of the selection-out system. Nevertheless, there are two features of its operation which I believe call for improvement.

The first has to do with the right of a Foreign Service officer to see the efficiency reports which his superiors make with regard to his performance. The Foreign Service Act of 1946—section 612—dealt with this problem by requiring that “under such regulations as the Secretary may prescribe and in the interest of efficient personnel administration the whole or any portion of an efficiency record shall, upon written request, be divulged to the officer or employee to whom such record relates.”

The reasons for this requirement are obvious. These efficiency ratings can either make or break a Foreign Service officer. There is always a danger that personal antagonisms and petty gossip may be reflected in such reports and the person affected may have no opportunity to refute unfavorable comments about him. If a superior officer is not willing to acknowledge and defend his evaluation of a subordinate, he should not be given such responsibility.

In spite of the administrative soundness of this requirement that a Foreign Service officer should be shown the efficiency reports about him and in spite of the provision of the law which I have read, the committee found that the State Department has been refusing to show Foreign Service officers such reports. Instead a summary of such reports has been shown. There is no way the officer can tell what has been omitted from such a summary or how accurate it may be.

I want to emphasize the statement made in the committee report on this bill which says:

The committee can see no justification for this disregard of the explicit provision of law. It expects the law to be implemented.

There is one further problem which I want to refer to. This involves the situation of the Foreign Service officer who finds that he has been selected out. Under present practice, he is given no right to appeal.

I recognize that no person believes that he is justly being selected out and that there are many complaints which are not justified. Nevertheless, you are dealing in such cases with human beings and human weaknesses. The United States has many small posts where there are only 2 or 3 persons. People are assigned ordinarily for a minimum of 2 years. A man may have a very bad efficiency rating in such a post which reflects personal friction rather than poor work.

It seems to me there should be some sort of appeal procedure which will make sure that on one is selected out unless his performance record clearly justifies such action.

I am sure that this bill gives the Secretary of State the opportunity and the authority to build a strong Foreign Service which will represent the United States in the way in which this great Nation should be represented overseas. I am confident that effective use will be made of this opportunity.

Mr. Chairman, I trust this bill will be unanimously approved by the House.

(Mrs. KELLY of New York asked and was given permission to revise and extend her remarks.)

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, this bill has many provisions. The main ones have been described and all are fully explained in the very excellent committee report. May I take time only for a few general observations?

The first responsibility of a good government is to safeguard the security of the nation. The first line of defense in achieving this first objective of a good government is our diplomatic corps and those who direct and back it up in the Department of State. That simple truth is demonstrated by the fact that the highest post in the President's Cabinet is that of Secretary of State.

It is recognized that all of our accomplishments here at home will stand or fall in the end on whether or not we are secure in our relations with other countries around the world.

Just recently we passed a bill providing greater benefits and inducements for men to enter the armed services, to become better trained professionally, and then to stay in the armed services. Some 3 million men in our Armed Forces may never be required to go into battle if we succeed in our first line of defense, the skillful handling of our diplomatic, political, economic, military, and other relations with the rest of the world. There was only one vote against that bill to expand the benefits and provide

greater inducements for first-class men to go into the armed services and to make it their career by staying in the armed services.

Mr. Chairman, this bill provides for those in our Foreign Service in approximately the same way as that bill provided for those in our armed services. It gives extra allowances and educational benefits for hardship posts, gives retirement credit for military service, and a half-dozen similar fringe benefits. It brings into one corps those who are doing essentially the same work. If we do for the some 3,000 who are our first line of defense, the kind of thing we are doing for the 3 million in our armed services, we may never have to use—I certainly hope we will not have to use—the latter in armed conflict. To send the 3 million into battle not only costs billions more in money but a lot of them lose their lives.

I do not know of any legislation that is of greater importance to us in the present dangerous state of the world than to do everything reasonably possible to expand our Foreign Service in a proper way, to integrate the elements in it, to strengthen it, to improve its morale, and to make possible its most effective functioning.

I hope there will be the same support for this bill as there was for the bill to strengthen our Armed Forces, and to give greater inducement for men to become career soldiers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. After listening to the gentleman, and looking at two members of the Armed Services Committee who are present, I am wondering whether we need an Armed Services Committee or an Army if our security depends entirely on the State Department?

Mr. JUDD. I did not say "entirely." I said "our diplomatic corps is the first line of defense." We have to use the Armed Forces only when we fail to resolve our difficulties by nonmilitary measures. That is, war is like the ambulances, the fire trucks, and the police cars running down the road, upsetting traffic and endangering lives in an effort to retrieve something out of the disaster it was the business of diplomacy to prevent.

Mr. GROSS. I really rose to ask the gentleman what is the meaning of section 571 on page 3 of the bill. Why delegate that kind of power to the Secretary of State?

Mr. JUDD. Because of special needs and situations. A man is assigned to a special task for 4 years. Perhaps he is carrying on a research program or an administrative reorganization or a special project that has to do with estimating the capabilities of a potential enemy or of an ally, or something of that sort. His term expires in the middle of the project. Obviously it is advantageous to extend the assignment.

Mr. GROSS. But you do not limit it to technicians or specialists. This can cover anyone in the Foreign Service.

Mr. JUDD. Yes, but the language "except that under special circum-

stances, the Secretary may extend this 4-year period for not more than 4 additional years," means that the Secretary has got to make a finding that there are special circumstances which require such action by him. I cannot feel that the authority is going to be carelessly used. One of the major difficulties in handling our Foreign Service is that there has not been a big enough pool of officers to permit bringing them home more frequently and for longer periods of service here. We have erred in keeping them abroad too long instead of keeping them at home for too extended periods.

Mr. GROSS. They can be detailed to any Government agency. This is not confined to merely bringing them home. They can be detailed to any Government agency.

Mr. JUDD. Yes, by the Secretary at the request of that Government agency. Sometimes some other agency needs an expert on a particular country or area, or in a particular field and such an expert is available only in the Foreign Service. Under this authorization the Secretary may, in his discretion, detail that expert, an officer or employee of the Foreign Service, to the FOA, or the armed services, or the National Security Council, or the CIA, or the Department of Agriculture, or the Treasury Department to help with specific problems, at their request only.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that this provision for assignment to other branches of the Government has been in the law for many years?

Mr. JUDD. Yes, that is true.

Mr. VORYS. The only new thing was to put in that under special circumstances the period may be increased, and the section on the next page providing for reimbursement for the persons so assigned.

Mr. JUDD. That is right.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. Gordon].

Mr. GORDON. Mr. Chairman, I am pleased to support H. R. 4941, the Foreign Service Act Amendments of 1955. The House Foreign Affairs Committee considered this measure very thoroughly after exhaustive hearings. Since a substantial part of the drafting of the Foreign Service Act of 1946 was done by the Committee, it was in good position to consider amendments to that act designed to bring it up to date.

I have constantly supported the foreign aid program of the United States because I felt it was vital to our own national security and best interests, but I must say here that in my opinion, an efficient Foreign Service corps, well manned, and adequately compensated and with good morale, is more important for our security and best interests than a foreign aid program. I do not intend to minimize our foreign aid program, but rather to emphasize the importance of our representatives overseas upon whom we depend so much for our day-to-day

negotiations and contact with foreign countries.

I believe this bill will have a profound effect on the vitality and efficiency of the Department of State as the Foreign Office of the United States. Through the integration of Department of State personnel into the Foreign Service, which is authorized by this bill, a larger pool of qualified personnel for assignment abroad on a rotation basis will be made available. No longer will we have a situation where a desk officer in the Department of State is passing on matters affecting a country with which he is not personally and directly familiar. No longer will we have two personnel systems administered by the Department of State, one for those individuals serving at home and another for those serving abroad. The mechanism of integration authorized by the bill should give us the type of mobile force which is needed in a world of fast moving events.

I have had many occasions to speak to Foreign Service officers with respect to their problems and their desire to do the best possible job unhampered by inequitable personal expenses, and afforded treatment equal to that given to other categories of overseas United States personnel. Under section 3 of the bill, payment of salary differentials for service at hardship posts, now limited to Foreign Service staff personnel, is extended to Foreign Service officers. Under section 9 of the bill, a Foreign Service officer serving in an unhealthy post will be given the choice of accepting a salary differential for service at such post, or one and one-half years' credit for each year of service at such post toward retirement.

In section 10 of the bill, the committee has removed one of the major obstacles to Foreign Service morale. At present, a considerable number of Foreign Service personnel find themselves with a financial burden confronting them in educating their children. The cases of such financial burdens described on page 15 of the committee report amply demonstrate this morale factor. I believe that we have met this problem fairly and justly by authorizing the payment of educational allowances to cover expenses incurred by Foreign Service personnel in obtaining educational services which are ordinarily provided without charge by public schools in the United States.

One other provision in the bill, which is particularly important, is contained in section 8, which permits participants in the Foreign Service retirement and disability system to receive credit for their military service without making special contributions, which contributions are required under present law. Section 8 removes a source of discrimination, since civil-service employees who have had military service have been given retirement credit for such military service without cost to them.

There are other provisions in the bill which strengthen the Foreign Service Corps and which will make possible a greater degree of morale in our first line of defense.

Truly, the Foreign Service of the United States constitutes our best investment abroad. Let us protect it.

Mr. RICHARDS. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, the gentleman from Ohio said just now:

The recent publication of the Yalta papers should remind us of the disastrous results that can come from secret high-level international conferences. I hope we have learned our lesson.

Now, I do not know where Yalta comes into this, but I am not going to let the gentleman get by with that statement without comment. May I add this: Referring to the remarks of the gentleman from Ohio, the manner and timing of the release of the Yalta papers should also remind us of the disastrous results that might come both in the field of bipartisanship here at home and in international relations abroad from such ill-considered and devious action by the State Department in this connection.

Mr. VORYS. Mr. Chairman, I only rise to say that, looking toward the future, I hope we can join in bipartisan support of this measure to strengthen our Foreign Service and our foreign relations and to help implement our foreign policy.

Mr. ZABLOCKI. Mr. Chairman, I am pleased to join with my distinguished colleagues in urging favorable action on H. R. 4941, a bill to amend the Foreign Service Act of 1946.

This measure embodies the first major overhaul of the Foreign Service Act of 1946. As such, it has been needed for some time, and it constitutes a step in the right direction. The bill, when approved by this body, will go a long way in strengthening and revitalizing our foreign service.

For a number of years, I have had many contacts with our foreign service personnel. While I have had deep respect for our foreign service, I have felt that it could be greatly improved. We needed a broader base for our staff, consular and diplomatic personnel. The foreign service needs more recruits, drawn from all sections of our country, and from different backgrounds and environments. They need men with broader training in the field to which they are devoting their lives.

For this reason, I have repeatedly proposed the establishment of a foreign service academy, which would give our country a plentiful reserve of young, able, and well-trained people who could serve our Government in various capacities both abroad and in Washington. It is my hope that the academy will become a reality in the future. Until that happens, however, I feel that we should continue to exert every effort to better our foreign service through measures such as H. R. 4941.

The bill before us, based on the recommendations of the Wriston committee, will enable the Department of State to continue the integration of its personnel into the foreign service. Further, it will improve the conditions of employment of Foreign Service personnel so that qualified individuals will make it a career.

This legislation will not create any new jobs, it will not increase the salaries of Foreign Service personnel, and it will not add anyone to the Federal payroll. It will, however, strengthen and revitalize the Foreign Service by transferring into it individuals already employed by the State Department.

I have attended hearings on this legislation, and studied it very carefully. In my humble opinion, this is a sound, constructive bill, and it merits overwhelming support. It is my hope that the bill will receive such support from this body.

The CHAIRMAN. All the time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Foreign Service Act Amendments of 1955."

Sec. 2. Section 413 of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"Sec. 413. A person appointed as a Foreign Service officer shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive."

Sec. 3. Section 443 of such act is amended to read as follows:

"Sec. 443. The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 percent of basic salary, for Foreign Service officers, Reserve officers, and staff officers and employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. The Secretary shall prepare and maintain a list of such posts."

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I am not impressed with arguments made here today that the Foreign Service requires front-line duty; that it is as hazardous as the service of a doughboy in the Armed Forces. We have had quite a dose of that here this afternoon in an effort to build up this bill on the basis that there is something tremendously hazardous in the Foreign Service. What was the rate of attrition of diplomats in Korea, for instance? I do not know of any diplomat who lost his life in the war in Korea, but it will be recalled that we had 35,000 dead American soldiers in that conflict. It is my observation that diplomats die in bed.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. I do not know anybody who has suggested that the life of a diplomat, on the average, is as hazardous as that of a doughboy. What I did suggest was that if we have as effective and efficient a Foreign Service as we ought to have and want to have, the doughboy may not have to go abroad in his obviously more hazardous occupation.

Mr. GROSS. I am still not impressed, I may say to the gentleman from Minnesota [Mr. Judd]. I rose to ask whether section 443 in this bill is new or old. It says:

The President may, under such regulations as he may prescribe, establish rates of salary differential, not exceeding 25 percent of basic salary, for Foreign Service officers, Reserve officers—

And so forth. Is this new or old, or what? When I last made inquiry I was greeted with the answer that it is something that has been in the law. But is this new or is it old?

Mr. JUDD. Mr. Chairman, if the gentleman is yielding to me to answer that question, this provision authorizes allowances for posts considered unhealthful and extra hazardous. Such provisions already exist for people who serve abroad in FOA, or under the Agriculture Department, the Commerce Department, or various other agencies. They are already available to other employees of the Department of State, who are under civil service, or in the foreign staff—stenographers, technicians, and so forth. But such allowances are not now authorized for Foreign Service officers. This section merely extends to the Foreign Service officer the same allowances for extra hazardous posts as now are authorized for persons who go abroad in service for other agencies of the Government. That is approximately the situation created by this section.

Mr. GROSS. Here again is a new delegation of power to the President, any President, to increase certain salaries by 25 percent; is that correct?

Mr. JUDD. No; it only applies where certain posts are designated as unhealthful or extraordinarily hazardous.

Mr. GROSS. I said "certain salaries." Will not the gentleman agree with me that that is sufficient to cover it?

Mr. JUDD. I should have said salaries for certain posts which are designated to be unhealthful and hazardous. Suppose, for example, someone is to be sent to Saigon, which is certainly considered a very dangerous post. In the first place, there is a good deal of guerrilla activity there. Second, there is the question of the climate; excessive heat and heavy rains 5 months of the year. Third, housing; it is almost impossible to find housing that is satisfactory. There is no hot running water, and so forth.

Mr. GROSS. Will the gentleman now agree with me that this is a further delegation of power to the President?

Mr. JUDD. Certainly, it is a delegation for this group of power that he already has for other groups. We want him to have that power for the Foreign Service officers as well. They have cholera, typhoid, malaria, dysentery, dengue fever, smallpox, and other diseases at many of these posts, and the people occupying them are in considerably greater hazard than we in this chamber or the officers in the Department face.

Mr. GROSS. Why does not the committee establish or decide which are hazardous posts?

Mr. JUDD. For the very same reason which was discussed in the discussion of the rubber plant bill earlier this afternoon. I do not think this legislative body, and I do not think the Committee on Foreign Affairs of the House is in a position to go through all of these hun-

dreds of posts and designate that this one shall have a 10-percent hardship allowance, another one should have a 15-percent allowance, and still another one a 25-percent allowance. That has to be an administrative decision within the Department of State.

Mr. GROSS. Let me ask the gentleman this question. By how much has the personnel in the Department of State been reduced since January of 1953?

Mr. JUDD. The Foreign Service staff—

Mr. GROSS. I am asking now about the Department of State.

Mr. JUDD. I could not offhand give the gentleman the figures on that. I think they are to be found in the hearings somewhere. This bill does not deal with the Department of State.

Mr. GROSS. Why does it not?

Mr. JUDD. Because this is a bill dealing only with the Foreign Service.

Mr. GROSS. The Secretary of State can assign a man in the Foreign Service to any Government agency?

Mr. JUDD. Yes.

Mr. GROSS. Why does it not deal with the State Department? Any of the personnel can be assigned to work in the State Department if the Secretary so chooses.

I think the gentleman will agree with me that the personnel of the State Department has been increased since 1953 despite the fact that the gentleman and others came before the Congress back in 1953 and got a new Under Secretary of State or Assistant Secretary of State for the express purpose of reducing personnel in the State Department. The Assistant or Under Secretary of State did not reduce the personnel of the State Department. Is not that correct?

Mr. JUDD. I do not have the figures on that. Does the gentleman have the figures on it?

Mr. GROSS. No, I do not.

Mr. JUDD. When the bill that deals with number of employees comes before the Congress from the subcommittee that handles appropriations for the State Department it will have those facts. This is a bill to amend the Foreign Service Act. It deals with only that one corps within our whole diplomatic establishment.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentlemen from Massachusetts.

Mr. NICHOLSON. I think the gentleman from Ohio said they were going to put 500 more on this year.

Mr. VORYS. We are in the process of putting 500 more, by March 31, into the Foreign Service through lateral entry from other Federal employees in the State Department. The personnel of the State Department as a whole has been reduced through reduction in appropriations, I understand, in the past 2 years. However, the number in the Foreign Service and the State Department combined will not be increased by virtue of this legislation.

Mr. GROSS. Did not the gentleman from Ohio in his remarks here say that in order to adequately staff the Foreign Service it would require 3,000 additional employees?

Mr. VORYS. No, I did not. If I did, it was an inadvertence. We will have about 3,000 Foreign Service officers after the completion of the program authorized by this bill. The Wriston committee recommended that there be 3,900 Foreign Service officers, and that that increase would be taken care of through lateral entry. Neither the Wriston committee nor this bill increases the total number in the State Department and the Foreign Service, because the whole program so far is by lateral entry.

Mr. GROSS. Will the gentleman answer this question: By transferring 500 people from the classified civil service, will 500 people be added to the classified civil service?

Mr. VORYS. No. The way the Wriston committee recommendations work out is by designating dual-service desks. That is the departmentese phrase for picking out positions in the State Department that could be served either by a civil-service employee or a Foreign Service officer. That is the only way to get Foreign Service officers home for home duty without increasing the total numbers in the State Department and Foreign Service. Therefore, they have designated a series of approximately 2,600 dual-service positions in the Department of State which could be filled by either Foreign Service officers or departmental people. It is contemplated that those places will be ultimately filled by Foreign Service officers during their tour of duty at home. Three thousand of the proposed 3,900 for the Foreign Service could be filled under the provisions of this legislation in addition to legislation already on the books.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to this debate with a great deal of interest. I am particularly interested in the objectives of this legislation, as I understand them to be. I understand this legislation is intended to alleviate hardship on the part of the Foreign Service personnel and to lift the morale of that personnel and to provide, perhaps, some incentive to improve the caliber of that personnel and increase its effectiveness. Am I about right in that general interpretation? Well, I certainly want to subscribe to those objectives. There are, however, a few questions that came to my mind as I listened to the debate, and I would appreciate it very much if the chairman of the committee would be good enough to assist me by answering those questions. There has been some reference made to the FOA. I would like to know, first of all, the extent to which this bill will permit the integration into the Foreign Service of FOA personnel.

Mr. RICHARDS. This bill could conceivably admit 40 people from FCA. In other words, there are only 40 who can be brought in from other than the State Department. Of that 40, there are 26 who have been in the State Department heretofore, and who will be eligible. Therefore, 14 would be the most that could be brought in from FOA. There will certainly not be any grand slam of the FOA going into the State Department or the Foreign Service.

Mr. HARDY. I am glad to hear that there will be no grand slam here, but we have a problem involved in this FOA proposition. I presume the functions of the FOA would be continued, or at least a great part of them. The FOA personnel will continue to represent this Nation of ours. If that is the case, I would like to know who is going to direct the policies? Will it be tied down to the Secretary of State or how is it going to be done so that we can be reasonably assured of a satisfactory representation on the part of those people?

Mr. RICHARDS. The gentleman has asked the \$64 question. I have been trying for 3 months to find that out. Perhaps the President who comes from the other side could tell us. From what I hear, it is going to be proposed this year that the FOA personnel and the FOA operations be turned over to the State Department. The FOA, under existing law, dies on June 30 of this year.

Mr. HARDY. I call the gentleman's attention to the fact that the Committee on Foreign Affairs certainly has some responsibility in connection with this matter. I wonder if you are going to wait for the recommendation of the President or does the Committee on Foreign Affairs have any inclination to take any steps in this matter.

Mr. RICHARDS. We do have some responsibility certainly in the field of implementation of our foreign policy, but it is the custom here on the Hill, either under a Democratic or a Republican administration to await the recommendations of the executive department in this field because the executive department has the responsibility. We are still waiting and have been waiting for 3 months.

Mr. HARDY. I understood that that was the position but I just wanted to hear the gentleman confirm his attitude in that respect.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. VORYS. As our distinguished chairman says, we have been ready, willing, and able to receive any executive recommendations along this line. I read in the papers recently that this question was going to be left to the Congress. I hope we do not have an Alphonse and Gaston act where both the executive and the legislative branches say, "You first, my dear Gaston," up until June 30. I think that what will probably happen is that we will receive the recommendations of the executive branch when we return here after the Easter recess and as our chairman sometimes says, "The Executive proposes and the Congress disposes."

Mr. HARDY. I hope the gentleman will not take all of my time, and I wish to thank him for his answer, but it surprises me a little here to hear this inference from the gentleman who is so close to the President and the Department of State that he depends upon the newspapers for his information. I hope the gentleman can provide us with something that is more authentic than that.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. RICHARDS. This is an important question. We have not heard from the executive department. They have taken their time, and I want to assure the House that the Committee on Foreign Affairs is going to take its time when it comes up here.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I am delighted to yield to the gentleman from Minnesota.

Mr. JUDD. The delay described by my friend is not an unusual problem. Under other administrations we have not had recommendations for FOA come from the executive branch to the Foreign Affairs Committee until May.

Everybody knows the President called back from private life Mr. Joseph M. Dodge, of Detroit, to make a study of precisely this problem and a number of others in order to integrate all these activities we are carrying on abroad and to have them operated under one foreign policy. He has a terrific job, but I am sure recommendations will come from him soon to help me in this matter.

Mr. HARDY. I appreciate the gentleman's contribution.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(On request of Mr. GROSS and by unanimous consent, Mr. HARDY was allowed to proceed for 3 additional minutes.)

Mr. HARDY. Before I yield to the gentleman from Iowa I would like to make this observation concerning the comments of my friend from Minnesota. I never thought the shortcomings of a previous administration would be frankly admitted in this way, and used to justify the shortcomings of this administration.

Mr. JUDD. We inherited so much trouble from our predecessors that it is taking quite a while to fix everything up.

Mr. HARDY. I yield to the gentleman from Iowa.

Mr. GROSS. Let me see if I understand what this bill is about. It is designed, it seems, to pick up some 40 employees out of the Foreign Operations Administration, which presumably is going out of existence.

Mr. HARDY. As I understand, this bill apparently is designed to pick up 12 employees from FOA and a total of 40 from all agencies, which leads me to my next question.

I am and have been greatly concerned with the type of representation our Nation has overseas. I have been aware of the fact that not all of the people representing our Government are Foreign Service personnel nor State Department personnel, but there are representatives of various agencies overseas. I wonder if the gentleman could tell us how many such representatives other than those who depend upon direction from the State Department are operating in other countries.

Mr. RICHARDS. In reply to the question, I do not know whether you would call them representatives or not, but we have overseas in the neighborhood of 200,000 people employed by agencies of

the United States Government. About 53 percent are aliens.

So far as people in the Foreign Service and State Department are concerned, we have 5,200 people employed overseas, and 9,300 aliens. I believe that is correct.

Mr. HARDY. I shall try to point out the problem I have in mind and enlist the assistance of the Foreign Affairs Committee in trying to see whether we can find something to correct the situation. It has been my observation that we have officials of every conceivable agency of the Government expressing themselves rather profusely overseas without any very coordinated policy direction from back home. It seems to me that that has gotten us into a good bit of trouble. It has the potentiality of getting us into a great deal more trouble. I hope the Foreign Affairs Committee can provide some integration in this matter.

Mr. RICHARDS. The gentleman knows the Foreign Affairs Committee has given a great deal of consideration to the matter. A lot of those employees are civilian employees from other departments of the Government such as the Defense Department, Commerce Department, and others. I assure the gentleman, so far as the Foreign Affairs Committee is concerned, we will try to do as good a job on that as we think we have done on this.

Mr. HARDY. I desire to express my appreciation to the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. JUDD. Let me call the gentleman's attention to the fact that last year this Congress took the attachés of Agriculture out from under the State Department against my judgment. And the same was proposed for Labor and Commerce attachés.

Mr. HARDY. It seems to me that this has complicated the problem.

The CHAIRMAN. The time of the gentleman from Virginia has again expired. The Clerk will read.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

(The balance of the bill reads as follows:)

Sec. 4. Section 517 of such act is amended by striking out the first sentence and inserting in lieu thereof the following: "A person who has not served in class 6 shall not be eligible for appointment as a Foreign Service officer of classes 1 to 5, inclusive, unless he has passed comprehensive mental and physical examinations prescribed by the Board of Examiners for the Foreign Service to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution; and rendered at least 4 years of actual service prior to appointment in a position of responsibility in the service of a Government agency, or agencies, except that, if he has reached the age of 31 years, the requirement as to service may

be reduced to 3 years. After the date of enactment of the Foreign Service Act Amendments of 1955 and until otherwise provided by act of Congress, not more than 1,250 persons who have not served in class 6 may be appointed to classes 1 to 5, inclusive; of such persons, not more than 40 may be appointed who were not employed on March 1, 1955, in the Department, including its Foreign Service Reserve and Foreign Service Staff personnel, and who have not also served in a position of responsibility in the Department, or the Service, or both, for the required period prior to appointment."

Sec. 5. Section 522 of such act is amended by striking out in paragraphs (1) and (2) the word "four" wherever it appears therein and inserting the word "five" in lieu thereof; and by striking out in paragraph (1) the phrase "of a specialized character."

Sec. 6. (a) Section 571 (a) of such act is amended to read as follows:

"Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than 4 years, except that under special circumstances the Secretary may extend this 4-year period for not more than 4 additional years."

(b) Section 571 is further amended by adding at the end thereof a new subsection (e) which shall read as follows:

"(e) The salary of an officer or employee assigned pursuant to the terms of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service. Such appropriations may be reimbursed, however, when the Secretary enters into reimbursement agreements with heads of Government agencies for all or any part of the salaries of officers or employees assigned to such agencies and payment is received pursuant thereto, or when an officer or employee of the Service is assigned to a position the salary of which is payable from other funds available to the Department."

Sec. 7. Sections 633 and 634 of such act, and the headings thereto under "Part D," are hereby repealed and the following headings and sections are hereby enacted in lieu thereof:

"SELECTION-OUT

"SEC. 633. (a) The Secretary shall prescribe regulations concerning -

"(1) the maximum period during which any Foreign Service officer below the class of career minister shall be permitted to remain in class without promotion; and

"(2) the standard of performance which any such officer must maintain to remain in the Service.

"(b) Any Foreign Service officer below the class of career minister who does not receive a promotion to a higher class within the specified period or who fails to meet the standard of performance required of officers of his class shall be retired from the Service and receive benefits in accordance with the provisions of section 634.

"SELECTION-OUT BENEFITS

"SEC. 634. (a) Any Foreign Service officer in classes 1, 2, or 3 who is retired from the Service in accordance with the provisions of section 633 shall receive retirement benefits in accordance with the provisions of section 821.

"(b) Any Foreign Service officer in classes 4 or 5 who is retired from the Service in accordance with the provisions of section 633 shall receive -

"(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of 1 year's salary at his then current salary rate, payable without interest, in 3 equal installments

on the 1st day of January following the officer's retirement and on the 2 anniversaries of this date immediately following; and

"(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 percent, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of 62, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits dies before reaching the age of 62, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of 62, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 percent, compounded annually, shall be paid in accordance with the provisions of section 841.

"(c) Notwithstanding the provisions of section 3477 of the Revised Statutes, as amended (31 U. S. C. 203) for the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of section 833 shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (b) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment."

Sec. 8. (a) Section 852 (a) (2) of such act is amended by inserting "Air Force," after "Marine Corps,"

(b) Section 852 (b) of such act is amended by deleting the period at the end of the first sentence thereof and adding the following: "except that no special contributions shall be required for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States prior to becoming a participant."

(c) A special contribution to the Foreign Service Retirement and Disability Fund made by any participant on or after April 1, 1948, for the purpose of obtaining service credit in accordance with the provisions of section 852 (a) (2) of the Foreign Service Act of 1946 for periods of active military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States shall be refunded. Such refund shall not include any interest covering the period such special contribution, or any part thereof, was on deposit in the fund.

Sec. 9. (a) Section 853 of such act is amended by striking out the period at the end of the first sentence thereof and adding the following clause: "but no such extra credit for service at such unhealthful posts shall be credited to any participant who shall have been paid a salary differential in accordance with section 443, as amended, for such service performed subsequent to the date of enactment of the Foreign Service Act Amendments of 1955."

(b) Section 853 is further amended by striking out the last sentence of that section.

Sec. 10. (a) Section 901 (2) of such act is amended by striking out the phrase "his post of assignment" at the end of paragraph (1) of that section and substituting in lieu thereof the phrase "any post of assignment abroad or at a post of assignment in the continental United States between assignments to posts abroad."

(b) Section 901 (2) is further amended by adding at the end thereof a new paragraph (1v) which shall read as follows:

"(1v) that extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the

Service, by reason of his service abroad, in providing for adequate elementary and secondary education for his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowance paid to him shall be reduced accordingly; no allowance shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under section 911 (9):"

Sec. 11. Section 911 of such act is amended by changing the period in paragraph (8) to a semicolon and by adding at the end of the section the following new paragraph:

"(9) the travel expenses incurred by an officer or employee of the Service who is assigned to a foreign post, in transporting dependents to and from United States ports of entry designated by the Secretary, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education."

Sec. 12. Section 943 of such act is amended by adding the phrase "and their dependents" after the words "United States" and before the comma, and again at the end of the section immediately before the period.

Sec. 13. Sections 432 (c), 804, and 864 of such act are amended respectively as follows:

(1) Section 432 (c) is amended by striking out the phrase "or 634" in the third sentence thereof.

(2) Section 804 is amended by striking out "633."

(3) Section 864 is amended by striking out "634 (b)" at the end of the section and inserting "634 (c)" in lieu thereof.

Sec. 14. Notwithstanding the provisions of this act, existing rules, regulations or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of this act, unless clearly inconsistent with the provisions of this act.

Mr. SIEMINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this is a good bill but I would like to ask one question, the answer to which I think could add considerably to the morale of our forces in the State Department at home and abroad.

Does this bill contain any provision for funds that would be adequate to give each of our stations overseas, or offices, adequate stenographic help?

Mr. RICHARDS. I may say that with respect to those folks on the Foreign Service staffs, it does not add anything to their present help or to their present emoluments.

Mr. SIEMINSKI. If I may take the time of the House, I simply wish to voice a concern in that direction. One of the things I deeply regret is the fact that a Foreign Service officer may submit a report today and 10 years later be in jeopardy for his prior ideas. I wonder if we cannot in the Congress get known to the people of America that when a man submits a report during the year 1955, voicing whatever observations he has made, based on good faith, that his efficiency report at the end of that year

is an indication by the Secretary of State that the prevailing opinion of the time states that the man has an efficiency rating based on the judgments then in being in the country. If a man's efficiency report is made during a time of opinion on an issue in a particular year, O. K'd by the Secretary of State, say in 1955, a man in the Foreign Service should then be able to rest assured or in peace in 1965 that you will not go back and impugn his motives or say that he was in 1955 a Fascist or an ism because of ideas then expressed, or a Communist because he might have said China was going under the hammer and sickle, or that China could be saved from Reds but wasn't. If we have adequate stenographic help, and Foreign Service officers' remarks, like ours in the House, and like ours in committee, were recorded for all to read particularly as related to key issues and conferences, then it would seem to me that the cause of peace and harmony and of personal security and confidence in being able to do a first-rate job in diplomacy and in government is enhanced. This would force Monday morning quarterback to show how they were recorded, if at all, on an issue when it was hot and debate on it prevailed.

Had the Yalta reports, for example, been released in 1945 or 1946, open and prompt disclosure might have exerted fierce pressures for the Soviets to keep commitments made at that time. In 1945 and 1946 the Soviets were extremely sensitive to world opinion. Then too, if it was known that the Yalta reports would be disclosed in 1945 or 1946, perhaps in them, more morality or greater regard for political sensibilities might have prevailed.

But here, 10 years later, in the Yalta reports, we reveal something that lacks with it the prevailing climate of opinion of the times with its concepts of strategy for the future peace of Europe, Asia and the world. Then, men, money, and materials were moved like pawns across the board. Strategic considerations seemed to permeate political thinking. The peace appears to have been a peace based on the principle of stalemate and checkmate which appears only now, in 1955, to have come about in Europe with the signing of the Paris pacts, and in Asia, with Korea, Indochina, and Formosa in the deep freeze, political sensibilities notwithstanding. On that analysis, perhaps one could say that the Yalta reports were promptly published, or published when due, let the chips fall where they may.

Presumably, the Appropriations Committee made no provision then (1945), nor has it now, for automatically putting these Yalta or conference or diplomatic type reports out. Nor is there the provision even today for the prompt publication of United States foreign affairs data as there is for us in the printing of our committee hearings or the CONGRESSIONAL RECORD, two items that do much to give us sleepless nights and to help save our scalps come election every 2 years. The Foreign Service officer has no such automatic aids, other than his efficiency report which to date has had scant ef-

fect in his behalf when the heat was on, especially in ex post facto.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. I yield to the gentleman from Ohio.

Mr. VORYS. In our report, on pages 12 and 13, the gentleman will find a reference to the provision of law which permits Foreign Service officers to see their efficiency reports, and a regulation which we felt prevented the carrying out of the law. The gentleman will find on page 13 that we said:

The committee can see no justification for this disregard of the explicit provision of law. It expects the law to be implemented.

That is a partial answer to the gentleman's question.

Mr. SIEMINSKI. In closing, may I say that there are some who, though they could swim in money, say that foreign service officer morale could be improved if only we could avoid the very un-American approaches to each other that have been made on certain things that were submitted years ago in reports; that even 10 or 15 years from now, unless we do, foreign service officers could be shamed, under present procedures, for what they are reporting or in fear of reporting.

It would seem to me that an efficiency report rendered in 1955, signed or approved by the Secretary of State on behalf of his Foreign Service officers, should be valid in 1965. On it, the books should be closed; else the unsatisfactory man should be promptly retired. This procedure allows the public, it seems to me, to cast its ballot in every election, on the issues, be they foreign or domestic, with motives not impugned.

If we do not have ready information, if, as a matter of record, we do not make known our position at the time events shape up and reports are made, then, it seems to me, we have slept on our obligations and are in default. In democracy, I presume that is what is meant by the expression, "eternal vigilance is the price of liberty."

Quarterbacking is a great American pastime. It is constructive when it points to winning next week's game; otherwise, over our shoulders, we strike at windmills or go mad, and, like a certain animal, chew ourselves to death.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to ask the chairman of the committee if he will attempt to clarify my understanding of the last section in the bill, section 14 on page 10 which reads:

Sec. 14. Notwithstanding the provisions of this act, existing rules, regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of this act, unless clearly inconsistent with the provisions of this act.

Now, just what is the meaning of that section?

Mr. RICHARDS. The gentleman is talking about section 14?

Mr. MEADER. Yes.

Mr. RICHARDS. That simply means that the correct rules and regulations not changed by this legislation or not requiring change by this legislation will be in force and effect in the implementation of the resolution we have introduced here, and those regulations were made by the State Department itself.

Mr. MEADER. In other words, what I was trying to get at was this: A year or so ago the so-called Wriston Committee was established within the State Department—

Mr. RICHARDS. No; by the State Department.

Mr. MEADER. By the State Department. They had public members, and so on. The committee on which I served in the last Congress, the International Operations Subcommittee of the House Government Operations Committee, got out a report last December challenging some of the actions taken as the result of the Wriston committee report on the ground that they stretched, if not violated, existing law. Now, does section 14 put the stamp of congressional approval and ratification upon all the regulations issued by the State Department as the result of the Wriston committee report?

Mr. RICHARDS. No; it does not. It says that insofar as this legislation is concerned, no rules and regulations are changed or modified by this measure; that the existing regulations will be changed. That is all.

Mr. MEADER. This section, in the chairman's opinion, then, would not make legal a regulation which the State Department issued which was otherwise illegal?

Mr. RICHARDS. It certainly would not. There is no doubt about that.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. VORYS. This is, I think, taken verbatim from section 1135 of the Foreign Service Act of 1946 and is sort of a transition section. It is certainly not intended to give the Department any such authority as the gentleman contends. And, I might mention to the gentleman that in at least one instance which has already been mentioned some suggestions of the Wriston committee which were found to be in violation of past law were changed administratively, so that I know at the present time of no regulations that are at present in violation of law with the possible exception of the one to which I just called attention, and that is the right of a Foreign Service officer to take a look at his own efficiency report.

Mr. MEADER. Then, the gentleman agrees with the gentleman from South Carolina?

Mr. VORYS. I do.

Mr. MEADER. That nothing in the bill we are acting on today would make legal any regulation concerning which there was a question about its validity or illegality?

Mr. VORYS. I thoroughly agree.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ENGLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4941) to amend the Foreign Service Act of 1946, as amended, and for other purposes, pursuant to House Resolution 181, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

UNEMPLOYMENT DUE TO IMPORTS OF RESIDUAL FUEL OIL

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the Record.)

Mr. SAYLOR. Mr. Speaker, on Monday of this week the Secretary of Labor was asked at a press conference whether or not he had any comment on unemployment brought about because of competition from foreign products, and he replied that any such job displacement was negligible. A reporter next asked—and I quote:

Are you familiar with the recent testimony before Congress on the trouble in the coal industry?

Secretary Mitchell responded:

I am not familiar with that.

As representative of a congressional district which has long felt the disastrous effects of residual oil imported into the United States coal industry's legitimate markets, I should like to call the Secretary's attention to a table prepared for me on March 8 by the United States Department of Labor, Bureau of Labor, Division of Manpower and Employment Statistics. It covers the employment situation in the Johnstown metropolitan area, which includes Cambria and Somerset Counties, Pa.

This table discloses that unemployment rose from 15,500 in January 1950 to 18,200 in January 1955, and that unemployment is now 17.9 percent of our civilian labor force. Assuming that the Secretary will concede that there is nothing negligible about 18 thousand American citizens unable to find work, let us look at the major reason for this inexcusable situation.

The number of wage and salary workers employed in the mining industry dropped from 20,900 in January 1950 to 12,200 in January of this year—a loss of 8,700 jobs. Had the mining industry maintained its 1950 level of employment, our area would now show a 6,000-man gain instead of a 2,700-man loss in that 5-year period.

For the Secretary's further information, I state without equivocation that the principal reason for so much unemployment in the coal industry of my district is residual oil imports. Central Pennsylvania's mines are within easy access to east coast fuel markets, and our coal people would be glad to pinpoint—at the Secretary's request—some of the power companies and industrial plants which have switched from coal to foreign oil in the past several years. By going back beyond 1950 to the time when alien residual oil first began to encroach upon our markets, we can produce even more startling statistics than those shown on the Department of Labor table to which I have referred.

On January 26 of this year the Acting Commissioner of Labor Statistics told a committee of Congress that the Department of Labor is planning to expand its program of current statistical reports and studies of the unemployed. He said:

We need more information from time to time on where unemployment is developing, and what locations and from what industries.

Let me say that unemployment has already developed in my district. We have the location and we have the industry where the greatest losses have been felt. The Secretary of Labor, before he entered Government service, was an executive of a large department store in New York. If that firm's shoe department suddenly found that it was necessary to lay off some of its clerks because another outfit was selling foreign-made shoes at half the cost of American products of similar quality, I do not think it would require an investigation by a battery of economic analysts to determine the cause of the layoffs. It is as simple as that in regard to our lost coal business, too. Our mines have closed and our men are out of work because so much of our east coast industrial business has been taken over by foreign residual oil that is underselling our domestically produced fuel.

I might add, Mr. Speaker, that I can understand how easy it would be for the Secretary to become confused about our foreign trade policy and its implications. So many conflicting figures are bandied by the free trade element that one gets the impression that computations are drawn up on a trampoline—foreign made. I trust however, that the Secretary is willing to take the figures of his own Department regarding unemployment in our area. If he is, then I feel sure that he will not repeat the erroneous replies made at this press conference on Monday.

Johnstown metropolitan area (Cambria and Somerset Counties)—Number of wage and salary workers, January 1950 to January 1955

Industry	January 1955	January 1954	January 1953	January 1952	January 1951	January 1950
Nonagricultural, total	70,350	76,900	81,650	82,250	82,650	76,100
Mining	12,200	15,900	18,500	20,300	21,100	20,900
Contract construction	1,800	1,400	1,900	2,900	1,800	1,250
Transportation and public utilities	4,950	5,100	5,500	5,400	5,000	4,500
Wholesale and retail trade	13,200	13,300	13,900	14,800	14,500	14,150
Finance, insurance, and real estate	1,450	1,450	1,450	1,450	1,450	1,400
Service and miscellaneous	11,450	11,100	10,700	16,900	10,400	9,900
Government	2,500	2,500	2,500	2,500	2,500	2,450
Manufacturing	22,800	26,150	27,150	27,000	25,900	21,550
Durable goods industries:						
Lumber and furniture products	950	1,150	1,200	1,100	900	800
Stone, clay, and glass products	700	700	900	950	850	700
Primary metals	(1)	(1)	(1)	(1)	(1)	(1)
Fabricated metals	650	550	650	650	750	600
Machinery and transportation equipment	300	500	400	500	350	300
Nondurable goods industries:						
Food products	1,150	1,200	1,150	1,100	1,150	1,150
Apparel	3,900	3,700	3,450	3,000	2,900	2,800
Paper and printing	600	600	600	550	550	500
All other manufacturing industries	200	200	250	350	350	500
Unemployment	18,200	12,300	7,500	4,750	6,600	15,500
Unemployment as a percent of civilian labor force	17.9	12.1	7.3	4.6	6.4	14.8

¹ Omitted to avoid disclosure of individual company figures.

Source: U. S. Department of Labor, Bureau of Employment Security.
 Prepared by U. S. Department of Labor, Bureau of Labor Statistics, Division of Manpower and Employment Statistics, Mar. 8, 1955.

AMENDING THE RULES OF THE HOUSE OF REPRESENTATIVES

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 151 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That rule XI 25 (a) of the Rules of the House of Representatives is amended to read:

"25. (a) The Rules of the House are the rules of its committees so far as possible, except that a motion of high privilege in committees. Committees may adopt additional rules not inconsistent therewith."

Sec. 2. Rule XI (25) is further amended by adding at the end thereof:

"(h) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two.

"(i) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

"(j) A copy of the committee rules, if any, and paragraph 25 of rule XI of the House of Representatives shall be made available to the witness.

"(k) Witnesses may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

"(l) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

"(m) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall—

"(1) receive such evidence or testimony in executive session;

"(2) afford such person an opportunity voluntarily to appear as a witness; and

"(3) receive and dispose of requests from such person to subpoena additional witnesses.

"(n) Except as provided in paragraph (m), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

"(o) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

"(p) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

"(q) Upon payment of the cost thereof, a witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee."

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown].

Mr. Speaker, at this time I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SMITH of Virginia: On page 1, line 4, after the word "as", strike out the word "possible" and insert in lieu thereof "applicable."

The committee amendment was agreed to.

Mr. SMITH of Virginia. Mr. Speaker, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SMITH of Virginia: On page 2, line 7, after the word "witnesses", insert "at investigative hearings."

Mr. SMITH of Virginia. Mr. Speaker, I think I should say a word in explanation of that amendment. The bill reads:

Witnesses may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

The real purpose of this bill has to do with investigative committees and not legislative committees. This amendment simply makes that clear, that it applies not to the legislative committees.

The SPEAKER. The question is on the committee amendment offered by the gentleman from Virginia [Mr. Smith].

The committee amendment was agreed to.