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TO: Legislative Counsel		
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(47)

# Hays Bill Passed by Voice Vote in House

The House, by a voice vote on September 9, passed the Hays Bill (H.R. 6277) providing for a unified foreign affairs personnel system for the use of the Department of State, United States Information Agency and the Agency for International Development.

In addition to establishing the principle of one personnel system for the foreign affairs agencies the measure, titled Foreign Service Act Amendments of 1965, carried a number of new benefits for overseas employees.

The legislation was sent to the Senate for consideration after a dramatic all-afternoon debate and after unsuccessful attempts were made to negate its main purpose through amendment.

Leading the fight for House approval were Representative Wayne L. Hays (D., Ohio), the original sponsor and Chairman of the House Foreign Affairs Committee's Subcommittee on State Department Organization and Foreign Operations, and Representative E. Ross Adair (R., Indiana), also a member of the Subcommittee.

Mr. Hays was the floor manager of the bill for the Democrats, and Mr. Adair was the floor manager for the Republicans.

The debate and floor action consumed 28 pages in the Congressional Record. As a special service, the News Letter has reprinted in adjoining pages the most pertinent parts of the Committee Report on the bill, including background, recommendations and a section-by-section analysis.

Soon after Congressman Hays first introduced the proposal, President Johnson, in letters dated May 6 to the Speaker of the House and Vice President Hubert H. Humphrey, president of the Senate, asked that such legislation be passed to strengthen the personnel capabilities of the foreign affairs agencies of the Government.

For the Department, at a number of hearings, William J. Crockett, Deputy Under Secretary for Administration, was the principal witness. He got a powerful assist from John W. Macy, Jr., Chairman of the Civil Service Commission, and other supporters, in and out of Government. Opposition was voiced by some labor and veterans' representatives.

The Subcommittee made 74 amendments to the bill.

Another committee amendment was accepted in the floor action. Chairman Hays paid tribute to all



Mr. Hays



Mr. Adair

the members of the Subcommittee, Republicans and Democrats alike, for the development of the legislation.

With the exception of the one committee floor amendment extending veterans' preference to Foreign Service employees, where practicable, the bill was passed exactly as it had been reported out of committee on August 19.

The Hays Bill in summary provides:

--A new category of personnel to be designated as Foreign Affairs officers primarily to be used for employees in the domestic service of the Department of State, United States Information Agency and the Agency for International Development. Present Civil Service employees may, if they so elect, be appointed as Foreign Affairs officers or Foreign Service Staff employees without obligation to serve abroad unless they consent to assignment abroad in writing.

--Extension of the promotion-up and selection-out principle to the Foreign Service Staff officers and employees and to Foreign Affairs officers so that all employees in the foreign affairs personnel system will be subject to the same personnel concept and policy.

--An opportunity for Civil Service employees in the Department, USIA and AID to join the foreign affairs personnel system on a voluntary basis. Such transfer to be without further examination to an appropriate class in one of the Foreign Service categories that will assure no reduction in compensation.

--Extension of the benefits of the Foreign Service retirement system on the same basis that it has applied to Foreign Service Staff officers and employees of the Department of State (i.e., upon completion of ten years of continuous service) to those present em-

ployees in the foreign affairs agencies who elect to transfer to the Foreign Service and to all Staff officers and employees of

the agencies as well as to Foreign Affairs officers and Staff officers and employees who are appointed to the Foreign Service subsequent to the passage of the bill.

The bill also includes a number of other amendments to the Foreign Service Act.

Included in these changes are provisions for:

--Hazardous duty pay for couriers and other officers and employees whose duties require them to travel abroad in areas where regularly assigned personnel receive hardship differentials.

--Benefits similar to those now provided by the Missing Persons Act for the Relief of United States Citizen Employees, which will apply to certain alien employees who have been imprisoned by foreign governments as a result of their employment by the United States Government.

--The continuation of medical benefits now available to officers and employees and their dependents beyond the date of an employee's separation or death whenever it is considered in the public interest to do so.

--Authority for cooperation in, or interchange of, medical or related service abroad between the United States Government or foreign governments or international organizations.

--A provision for no charge for leave for a period of up to one year when there is absence from duty due to injury or illness sustained abroad by an officer or employee as a result of hostile activity; and

--Authority to pay up to 50 percent differential to officers and employees serving in a foreign area where there is unusual danger from hostile activity.

Representative Thomas E. Morgan, Pennsylvania, is chairman of the House Foreign Affairs Committee.

Members of the Subcommittee who joined in developing the bill are:

Mr. Hays, Ohio; Mrs. Edna F. Kelly, New York; Clement J. Zablocki, Wisconsin; Leonard Farbstein, New York; John S. Monagan, Connecticut; Donald M. Fraser, Minnesota; Armistead I. Selden, Jr., Alabama, and Benjamin S. Rosenthal, New York, all Democrats; and Mrs. Frances P. Bolton, Ohio, ex-officio member; E. Ross Adair, Indiana; William H. Cline, California; Vernon W. Thomson, Wisconsin, and F. Bradford Morse, Massachusetts, all Republicans.

# A Section-by-Section Analysis of the Hays Bill

## As Amended and Reported to the House

The Hays Bill (H.R. 6277), which provides for a unified foreign affairs personnel system, was favorably reported, as amended, to the House of Representatives on August 19 by the Committee on Foreign Affairs.

The Report was presented by Representative Wayne L. Hays, of Ohio, Chairman of the Subcommittee on State Department Organization and Foreign Operations.

Following are extensive excerpts from the Report which outline Committee action, objectives of the bill, and a section-by-section analysis of the measure:

### COMMITTEE ACTION

H.R. 6277 was introduced on March 15, 1965, and referred to the Subcommittee on State Department Organization and Foreign Operations. Previous to that the subcommittee had held several meetings with officers from the Department of State to determine the improvements that had been made in the management and organization of the Department, as well as the objectives in these areas that the Department hoped to accomplish. After the referral of the bill to the subcommittee it held hearings during which it received testimony from Hon. William J. Crockett, Deputy Under Secretary of State for Administration, and from Hon. John W. Macy, Jr., Chairman of the Civil Service Commission. A letter from the President to the Speaker of the House and one from the Secretary of State to Representative Hays, both of which appear in the hearings, endorsed the bill. Among the public witnesses who appeared were J. F. Griner, president, American Federation of Government Employees; Joseph E. Johnson, president, Carnegie Endowment for International Peace; Preston Jay Moore, former national commander of the American Legion; Francis W. Stover, director, National Legislative Service, Veterans of Foreign Wars; John S. Mears, assistant director, National Legislative Commission, the American Legion; and Robert Smith, legislative assistant, representing Nathan T. Wolkomir, president, National Federation of Federal Employees. In addition, 15 letters, telegrams, and statements sent by individuals on their own behalf or on behalf of groups, have been included in the printed hearings. Following the receipt of the testimony the subcommittee had six executive session meetings to discuss the bill section by section. It adopted a total of 75 amendments. While a number of these were technical or conforming in nature, others were substantive. The subcommittee unanimously ordered the bill reported to the full committee on August 5, 1965. The full committee had two meetings on the bill and ordered it reported to the House on August 18, 1965.

### OBJECTIVES

The primary objective of H.R. 6277, as reported by the committee, is to facilitate the establishment of a single personnel system within each of the three agencies most actively engaged in foreign affairs—the Department of State, the U.S. Information Agency, and the Agency for International Development. It deliberately excludes all other departments and agencies. These three agencies conduct their activities under two personnel systems—one operating under civil service laws and the other under the Foreign Service Act. The ground rules governing appointments, assignments, promotions, separation, and retirement are different for each system and, to some degree, for each of the agencies. The existence of dual personnel provisions denies the head of each agency the most effective use of the manpower and resources the Congress has voted him.

This bill adds neither jobs nor personnel to the payroll. More positions and more people will not solve administrative difficulties. This bill is based on the premise that voluntary transfer into the Foreign Service personnel system of those now employed under civil service provisions is the most equitable way to effect a transition from a dual to a single personnel structure. It also permits the development of uniform personnel policies among the three agencies while leaving to the heads of those agencies the management control of their own people. Thus it seeks uniformity in personnel policy. It is hoped that this bill enables officials to meet their enlarged and complex responsibilities with greater efficiency and a maximum use of their manpower it may be regarded as an economy measure.

This bill also includes a small number of amendments to the Foreign

### BACKGROUND

The Foreign Service Act of 1946 focused on the strengthening of a professional, disciplined, and mobile corps of Foreign Service officers who were available for worldwide service. It did not deal directly with the integration of the personnel in the Department of State with the Foreign Service officer group. Since its enactment almost 20 years ago official and unofficial bodies have addressed themselves to the issue of effecting such an integration. It is significant that all the studies have pointed in one direction—move the departmental personnel into the Foreign Service system. None has recommended that the Foreign Service move into the civil service system.

(1) *Commission on Organization of the Executive Branch of the Government (Hoover Commission), 1949*

This Commission, headed by the former President, included Members of Congress as well as prominent private citizens. It operated through a series of task forces, one of which dealt with foreign affairs. Both the task force and the Commission gave attention to a single career service. The task force report included this recommendation:

The consolidation (of the Foreign Service and the Department service) should be gradual in order not to weaken the morale and the present high quality of the Foreign Service or discard too abruptly many civil service employees of long service. It should however be mandatory and progressive, under legislative enactments which cannot be avoided by unsympathetic administration and which contemplate a complete consolidation within about 5 years.

Individuals in the civil service would be obligated to serve at home or abroad. Those who did not apply for admission to the single service or who could not qualify through examination "should be assisted in making transfers to other departments and agencies or should be retired under civil service rules within 5 years."

The Commission accepted the general principles recommended by its task force with the qualification that consolidation should be carried out gradually over a short period of years. The only exceptions were top-level officials and the lower grade employees.

(2) *Advisory Committee on Personnel (Rowe-Ramspeck-DeCourcy Committee), 1950*

The Secretary of State appointed this Committee to advise him on the desirability of changes in the personnel structure and the problems inherent in a dual personnel system. It examined many facets of the Department's personnel organization and concluded that a single personnel system was necessary.

There are too many variations in the several personnel systems being administered by the Secretary of State at the present time. These differences are reflected in the operation of three systems for American employees of the Foreign Service and variation in personnel practices as between Foreign Service and departmental people. The latter come under the civil service system which differs in almost every important respect from the Foreign Service systems. These differences have not made for efficient management; moreover, they have created certain morale problems by providing permanently unequal conditions of employment and status for people doing similar work. \* \* \*

There is an insufficient interchange between people in the Department and people in field establishments. The competent handling of foreign affairs must be predicated upon an understanding of both the foreign and the domestic scene, with the latter including a knowledge of how the Department of State functions in relation to the Government as a whole. Present systems and practices have not succeeded in developing this duality of qualifications. \* \* \*

The committee recommended "a single, but flexible, personnel system for the Department of State and the Foreign Service instead of the separate systems that exist at present" and that such a system be "established outside the framework of the present civil service system."

Rather than seek the necessary legislation to effectuate the changes recommended by the Hoover Commission and its own Advisory Committee, the Department relied on administrative action to move slowly toward a single system. Its principal approach was to liberalize entrance into the Foreign Service Officer category of departmental personnel on a voluntary basis. Had the Department acted in 1950 on the basis of the two earlier studies, this bill would not be necessary in 1965.

(3) *Wriston Committee, 1954*

The Secretary of State appointed a committee, headed by Dr. Henry M. Wriston, to recommend measures necessary to strengthen the effectiveness of the professional service to a standard consistent with the vastly increasing responsibilities in the field of foreign policy which have devolved upon the President and the Secretary." Its re-

(Continued from preceding page)

recommended "an integration of the functions and personnel systems of the two services where their functions and responsibilities converge." To this end it further recommended "the transfer of officers with civil service status to the Foreign Service" on a voluntary basis "under a revised lateral entry process." The lateral entry into the Foreign Service Officer category absorbed many departmental employees; but there still remained two separate personnel systems.

(4) *Herter Committee, 1962*

While previous studies had confined their attention to the Department of State, the Herter Committee, headed by the former Secretary of State, included in its considerations the personnel problems of the U.S. Information Agency and the Agency for International Development. It recommended that the personnel of the three agencies should "constitute a family of compatible services governed by uniform statutory provisions regarding personnel management." Further, it recommended that "the personnel of the foreign affairs agencies in the United States who are now in the civil service system should be redesignated as Foreign Affairs officers and employees and should be brought within the structure of the Foreign Affairs services."

ALTERNATIVES

(1) The committee could have taken the easy course of ignoring the problem. To have done this would imply either that the foreign affairs agencies have available sufficient administrative authority to effect any changes they deem necessary in the interests of management and personnel administration or that the Congress is indifferent to the situation. The Deputy Under Secretary of State for Administration told the committee that "as much uniformity in operation as can be achieved administratively had been accomplished. We now

need legislation to take the final steps \* \* \*." The committee accepted this proposition and then devoted its efforts to a consideration of the methods by which a single personnel system could be achieved.

(2) The Hoover Commission recommended a mandatory amalgamation of the civil service personnel with the Foreign Service personnel in a short period of time. As originally introduced, this bill followed the recommendation of the Commission by providing a 3-year period to complete the amalgamation of the two services. It became evident that such an abrupt organizational change could only be accomplished at a heavy cost of morale of those affected.

(3) The committee chose a more deliberate course that reflected its concern for the human factor. It accepted the basic principle of a single service but in a way that would be least unsettling to present employees. No such employee is required to transfer nor will he be discharged if he does not. The choice is his. The committee could have contented itself with this option alone. It did not. It wrote into the bill additional safeguards as well as some incentives for the approximately 19,000 employees of the 3 agencies covered by this bill.

(a) Those who elect to transfer will not be subject to an examination as proposed by the Hoover Commission.

(b) They will not be required to serve abroad without their written consent. While some may want to enlarge their professional experience by service abroad at least for one tour of duty, it is recognized that others will have compelling personal reasons that will make such service impossible.

(c) No transferee will suffer a reduction in his compensation by virtue of his transfer.

(d) The Chairman of the Civil Service Commission is included in the membership of the Board of Foreign Service. In addition to serving as a policymaking body the Board also acts as an appellate body on issues involving separation for cause. This should assure the protection of the rights of civil service employees who elect to transfer.

(e) The benefits of the Foreign Service retirement system will be available to those who transfer to the Foreign Service but choose to serve at home on the same basis as those who have an obligation for worldwide service.

It should be understood that the Foreign Service is no less a career service than is the civil service. Its personnel policies are governed by laws written by the Congress and by regulations formulated by the Secretary.

The provisions of this bill that permit a civil service employee to elect to transfer to the Foreign Service are complemented by those of Executive Order 11219 of May 6, 1965. That order permits the appointment in the competitive service of present or former Foreign Service personnel under certain conditions.

RECOMMENDATIONS

This is not a hastily constructed bill. The committee used H.R. 6277 as introduced as a point of departure to weigh the advantages and disadvantages of personnel realignment. That bill received the support of the President. Approved For Release 2007/03/06 : CIA-RDP67B00446R000600100030-2

ured pace that shows a proper concern for employee morale.

The committee cannot assure the House that this bill will resolve all the management and organization problems that beset the foreign affairs agencies. But it is confident that this is a necessary first step toward such a resolution. The committee urges favorable action on the bill.

SECTION-BY-SECTION ANALYSIS OF THE FOREIGN SERVICE ACT  
AMENDMENTS OF 1965

*Section 1. Title*

This section designates this act as the Foreign Service Act Amendments of 1965.

*Section 2. Objectives of the Act*

This section amends section 111(1) of the act relating to objectives of the act by inserting the words "at home and" to make clear that the conduct of foreign affairs programs requires the assignment of personnel at home as well as abroad. The amendment carries out one of the principal objectives of this bill, namely, the extension and broadening of the scope of the Foreign Service Act to facilitate the development of a single personnel system in each of the three principal foreign affairs agencies—the Department of State, the U.S. Information Agency, and the Agency for International Development.

*Section 3. Director General*

This section amends section 201 of the act relating to the Director General by upgrading the post of Director General of the Foreign Service. It provides that he shall be appointed by the President, by and with the advice and consent of the Senate. Further, he must be chosen from the top three classes of the career service—career ambassador, career minister, or class 1. He is to be responsible to the Deputy Under Secretary of State for Administration. As a Presidential appointee, he may act in the absence of the latter officer.

The duties and responsibilities of the Director General enumerated in existing law have been superseded by the provisions of Public Law 81-73 enacted in 1949. This latter act vested in the Secretary of State responsibility for the administration of the Foreign Service previously vested in the Director General and certain other officers of the Department of State. Since 1949 the Director General has performed only those functions delegated to him by the Secretary of State. The amendment does not specify the duties the Director General shall perform. Testimony given the committee indicates that he will serve the foreign affairs agencies included in this bill in a capacity similar to that which the Civil Service Commission performs for the civil service. He will develop and coordinate the personnel policies and procedures of the foreign affairs agencies to assure as much uniformity as possible. Since he is appointed from the upper echelon of the career service, it follows that he will bring to his position a broad understanding of the problems and needs of the Service. The committee regards the Director General as a key person in carrying out the objectives of a single personnel system within each of the principal foreign affairs agencies.

*Section 4. The Board of the Foreign Service*

This section amends section 211 of the act relating to the Board of the Foreign Service. The Board was first created by Executive order in 1924 and placed upon a statutory basis in 1931. Since 1946, the Board has included designated officers of the Department of State as well as representatives of other Government agencies having a peripheral interest in foreign affairs. The amendment made by this section provides for a Board of not less than seven members but specifies only two of them—the Secretary of State or an officer of the Department designated by him and the Chairman of the Civil Service Commission. The committee included the latter official to assure that the interests of civil service personnel who elect to transfer to the Foreign Service under the provisions of this bill are adequately represented. The other members of the Board, of whom there must be at least five, are to be designated by the President from among Government agencies which he determines are substantially engaged in foreign affairs programs and that utilize the foreign affairs personnel system of the Foreign Service Act.

Under existing law the Board has two functions: First, as a policymaking body dealing with the operations of the Foreign Service; and second, as a hearing board to review actions against individuals being separated for cause under the provisions of section 637 of the act. Section 637 provides, in part, that no officer or employee shall be separated for cause without a hearing by the Board of the Foreign Service unless the officer or employee waives his right to such hearing in writing. The amended language gives the President the authority to prescribe the functions of the Board but it specifically retains the role of the Board to hear cases involving separation for cause under section 637. In discharging its responsibilities under the latter section the language requires that a quorum of the total membership must be present. Under existing law, a quorum of the Board, a quorum is defined as at least one more than one-half of the then current membership.

*Section 5. The Board of Examiners for the Foreign Service*

membership shall consist of Foreign Service officers. The amended language does not alter this provision. The members are to be appointed by the Secretary of State and shall include representatives of those Government agencies determined by him to be substantially engaged in foreign affairs programs and activities and which utilize the foreign affairs personnel system as the basis for employment. The language is sufficiently broad to permit the inclusion of officers of the Department of State who are not Foreign Service officers.

First established in 1924 by Executive order, the Board was given a statutory base in the 1946 act. Since its creation it has been regarded as the principal means to assure an objective assessment as is possible of applicants for the Foreign Service. Existing law requires the Board to provide for and supervise the conduct of examinations. The amended language confers upon the Board the obligation to recommend to the Secretary of State the means by which highly qualified personnel may be recruited for service with the foreign affairs agencies included in the scope of this bill as well as to determine the standards for examining and appointing such individuals. Section 13 of the bill specifically places upon the Board the responsibility of prescribing for applicants for appointment as Foreign Affairs officers and Foreign Service Reserve officers after the enactment of this bill "such comprehensive mental and physical examinations" as will determine their fitness and aptitude for the work of the Foreign Service. The committee expects that the Board will give particular attention to the language qualifications of all applicants, particularly those appointed for worldwide service. It does not regard as unreasonable a requirement that applicants have a working knowledge of one foreign world-wide language.

The committee has also given the Board the responsibility to recommend to the Secretary such procedures as may be necessary to determine the loyalty of applicants to the United States and their attachment to the principles of the Constitution. This is similar to a provision in existing law.

Finally, the Secretary is authorized to confer on the Board any other functions and duties which he determines it should perform.

#### *Section 6. Categories of personnel*

This section amends section 401(3) of the act relating to categories of personnel. It repeals the language in existing law as it pertains to the present category of Foreign Service Reserve officers. In lieu thereof it identifies Foreign Service Reserve officers as those who are appointed or assigned under section 522(b) as amended by section 13 of this bill. Subsection (a) of the latter section authorizes the establishment of a category of career officers appointed without time limit and designated as Foreign Affairs officers.

#### *Section 7. Foreign Service Staff officers and employees*

This section makes two amendments to section 415(b) of the act relating to Foreign Service Staff officers and employees. First, it authorizes the Secretary of State to establish salary rates below those scheduled for class FSS-10 for American employees who perform duties of a more routine nature than are generally performed at the class 10 level. Existing authority limits the use of rates lower than class 10 to those American employees "recruited abroad who are not available or are not qualified for transfer to another post." Since all civil service employees in the foreign affairs agencies at the clerical level as well as the officer level will be appointed under the authority of the Foreign Service Act, this amendment will make it possible to accommodate clerical employees now at the GS-1, 2, and 3 grade levels. The entrance salary for an FSS-10 is \$4,480 while the entrance salary for a GS-1 is \$3,385.

Second, the amendment authorizes the Secretary of State to establish rates for wage board positions to be occupied by wage board personnel transferred from the civil service to the Foreign Service. The Department employs wage board personnel such as lithographers and printers. They are employed under regulations established by the Civil Service Commission while their salaries are determined on the basis of annual review and recommendations made by interdepartmental wage boards.

#### *Section 8. As Chargés d'Affaires ad interim*

This section amends section 421 of the act relating to chargés d'affaires ad interim. Under existing legislation only a Foreign Service officer serving as chargé may receive such difference between his basic salary and that of the chief of mission as the Secretary may determine to be justified. The needs of the Service may require that officers of the Service other than Foreign Service officers (such as Foreign Affairs officers or Reserve officers) be designated as chargés. This amendment authorizes them to receive appropriate compensation.

#### *Section 9. As officers in charge of consulates general or consulates*

This section amends section 422 of the act relating to officers in charge of consulates general or consulates. This amendment is similar to that made by section 8 except that it pertains to officers in charge of consulates general or consulates rather than missions. Under existing law only a Foreign Service officer or a consul of the Department who is a Foreign Service officer and who is temporarily in charge of a consulate general or a consulate may receive so much of the difference between his basic salary and that of the principal officer as may be deter-

Affairs officer or a Reserve officer who may be temporarily in charge of a consulate general or a consulate also may receive such differential.

#### *Section 10. Classification of positions*

This section amends section 441 of the act relating to the classification of positions in the Foreign Service and in the Department. Under existing law subsection (a) authorizes the Secretary of State to classify positions abroad that may be occupied by the different categories of Foreign Service personnel. Subsection (b) authorizes the Secretary similarly to classify positions in the Department which he designates as Foreign Service officer positions and to relate them to the appropriate classes of Foreign Service officer, Foreign Service Reserve officer, or Foreign Service Staff officer or employee.

The amendments made by this section repeal subsection (b) and delete from subsection (a) the words "at posts abroad" thus enabling the Secretary to classify all positions in the Service, including those in the domestic service of the foreign affairs agencies covered by this bill, as Foreign Service positions and to establish such positions in relation to the several classes established by section 412 (Foreign Service officers), section 414 (Foreign Service Reserve officers), and section 415 (Foreign Service Staff officers and employees). Under the language of section 522(a) of the act, as amended by section 13 of this bill, positions occupied by Foreign Affairs officers would be allocated to the several classes established by section 414, relating to Foreign Service Reserve officers. In a worldwide service it is essential that American personnel be assigned according to the needs of the Service, with due regard to the availability of personnel, health factors, and other pertinent considerations. This section provides a uniform basis for classifying all positions under the jurisdiction of the foreign affairs agencies including those presently covered by the provisions of the Classification Act of 1949, as amended.

#### *Section 11. Salary differential*

This section adds a new section 443 to the act. It authorizes the Secretary to grant officers and employees a salary differential not to exceed 15 percent of basic salary while they are performing duties abroad that require them to travel into areas where regularly assigned personnel receive hardship post differentials. The Department is requesting this authority primarily for the benefit of its diplomatic couriers. Although the majority of them are based at nonhardship posts, their duties require them to spend much of their time traveling in hardship areas where they are subjected to health hazards and physical and psychological strains. The authority for the payment of post differentials contained in section 231 of the Overseas Differentials and Allowances Act is not sufficient to qualify them for such a differential. No employee would receive a differential under this section who is already receiving a hardship post differential.

#### *Section 12. Admission of Foreign Service officers*

Subsection (a) amends section 516 of the act relating to admission of Foreign Service officers to class 7 or 8. Under existing law the Secretary may recommend to the President the appointment directly to class FSO-7 of a limited number of persons who have qualified for class FSO-8 appointments. The amendment made by this subsection will permit direct initial appointments of individuals who have similarly qualified into class FSO-6. This authority will enable the Department to attract more mature persons with advanced education and relevant experience to the Foreign Service officer category through the examination process. The Department is not in the strongest competitive position in the recruitment of unusually well-qualified Foreign Service officer candidates who may now be appointed to civil service positions at salaries above those prescribed for class FSO-7. Similarly private employers are able to offer more favorable initial salaries. Officers appointed directly to FSO-6 would be required under an amendment proposed in section 22 of this bill to serve in a probationary status until promoted to class FSO-5. In recommending this authority the committee expects it to be used sparingly and only for those candidates for appointment who have a record of graduate training or previous employment which demonstrates ability or special skills and who have a competence in at least one modern foreign language.

Subsection (b) amends section 517 of the act relating to admission to classes 1 to 7 inclusive. The latter section is frequently referred to as the "lateral entry" section. It authorizes the appointment as Foreign Service officers in classes 1 through 7 of individuals who have worked in a Government agency for 4 years or, if over 31 years of age, for 3 years. Before their appointment as Foreign Service officers they must have passed "comprehensive mental and physical examinations" to determine their fitness and aptitude for the work of the Service and demonstrated their loyalty to the Government of the United States and attachment to the principles of the Constitution. The amendments made by this subsection would reduce the period of prior Government service from 4 to 3 years and, in the case of those seeking appointment to class 6 or 7 of the Foreign Service, reduce the period of prior Government service to 1 year. The amendment does not alter the requirements pertaining to the examination process or those

#### *Section 13. Appointments and assignments to the Reserve*

This section amends section 522 of the act relating to appointments and assignments as Foreign Service Reserve officers. The new lan-

(Continued from preceding page)

guage restructures the Foreign Service personnel system by creating a new category designated Foreign Affairs officers and removing time limitations on Foreign Service Reserve officer appointments. Under subsection (a) provision is made for a new category of professional career officers designated Foreign Affairs officers. Such officers will have a personal rank and be appointed without time limitation. At the time of their appointment they must have been citizens of the United States at least for 5 years. Foreign Affairs officers in class 1, 2, or 3 shall be appointed by the President by and with the advice and consent of the Senate; those in classes 4 through 8 will be appointed by the President alone or by the Secretary of State when directed by the President. The salary rates and classes of Foreign Affairs officers will be identical with those of Foreign Service officers and Foreign Service Reserve officers. All appointees to this category after the enactment of this bill except those transferred under section 29 must qualify for appointment by examinations as set forth in subsection (c). The Foreign Affairs officer category will provide most of the professional personnel for the home service, although the language is broad enough to permit their assignment overseas. Those individuals who transfer under the provisions of section 29 of this bill will not be subject to any examination nor will they be assigned abroad without their written consent.

Subsection (b) authorizes the appointment of Reserve officers. Under existing law such officers are limited to appointments of 5 years' duration plus an additional 5 years—a maximum of 10 years. The amended language removes all time limits for Reserve appointments. Reserve officers may be appointed for a limited period either for home service or service abroad. They may also be appointed for temporary service or such other periods of service as the Secretary may determine. The removal of the time limit on their period of service will provide the foreign affairs agencies with sufficient flexibility to meet their changing personnel requirements. The new language permits the continuation of the present authority of the Secretary to arrange with other agencies for the assignment of the personnel of those agencies as Reserve officers. Although the provisions for selection-out contained in section 20 of this bill are broad enough to permit their application to Reserve officers, they probably will not be subject to selection-out since they have temporary or limited appointments.

Subsection (c) makes clear that applicants for appointment as Foreign Affairs officers and Reserve officers after the enactment of this bill, except those assigned from other Government agencies, must take such comprehensive mental and physical examinations as the Board of Examiners may prescribe. This is a provision identical with that governing the appointment of Foreign Service officers through the lateral entry process. The committee recognizes that a uniform examination is not feasible. The type and content of the examination will be determined by the type and level of position to be filled. But it is insistent that there be an examination of substance that will maintain the professional character of the Service.

#### Section 14. Appointment or assignment to a class

This section amends section 523 of the act relating to appointment or assignment to a class. The new language makes clear that any Foreign Affairs officer or Foreign Service Reserve officer appointed or assigned for worldwide service shall be subject to transfer from post to post as the interests of the Service require. Such a condition would not apply to officers appointed for domestic service, although they could agree to serve occasional tours of duty abroad without the need for reappointment. Those individuals who elect to transfer from the classified civil service to the Foreign Service under the provisions of section 29 of this bill may not be assigned abroad without their written consent.

#### Section 15. Reappointment or reassignment of Reserve officers

This section repeals section 527 of the act relating to reappointment or reassignment of Foreign Service Reserve officers. The latter section is incompatible with the provisions of section 522 as amended by this bill which provides for the establishment of a career category as well as appointment or assignment in the Reserve for an indeterminate period. It also makes clear that the expiration of a limited or temporary appointment does not prevent a subsequent appointment at any time the services of the individual are needed and he is willing to accept such appointment.

#### Section 16. Commission as consul or vice consul

This section amends section 533 of the act relating to the granting of consular commissions to staff officers and employees. Under existing law a staff officer may be commissioned a consul by the President, by and with the advice and consent of the Senate. The Secretary may commission a staff officer as a vice consul. The amended language broadens this authority to permit the President, by and with the advice and consent of the Senate, to commission staff personnel as a diplomatic or consular officer. **Approved For Release 2007/03/06 : CIA-RDP67B00446R000600100030-2**

The Department has recognized the need for a corps of staff officers to complement Foreign Service officers and Reserve officers and

foreign affairs work. This is particularly the case in many consular and administrative positions such as visa work where the principal requirement is a knowledge in depth in the area of specialization. Staff officers who perform satisfactorily in these positions would not be penalized for their work in such specialized areas when considered for promotion. The authority granted by this section will enable the Department to appoint staff officers to certain key field positions and to develop an attractive and more meaningful career program for its the provisions of this act are applicable.

#### Section 17. Citizenship requirement

This section amends section 534 of the act relating to the citizenship requirement of Foreign Service Staff officers and employees. It requires a 5-year minimum period of citizenship prior to appointment. Existing law requires only that an individual be a citizen at the time of his appointment. Department of State regulations, however, currently require 5 years' citizenship at the time of appointment. On occasion a local employee becomes a U.S. citizen. In order that that individual may be appointed as a Foreign Service Staff officer or employee and continue in the employ of the Government, this amendment authorizes the Secretary to waive the requirement of 5 years' citizenship as a requisite for appointment as a Foreign Service Staff officer or employee, but retains the requirement that the individual be a citizen at the time of his appointment.

#### Section 18. Assignments to any Government agency or international organization

This section amends section 571 of the act relating to assignment or detail to duty in the United States. It repeals that part of subsection (a) which limits such assignment or detail to not more than 4 years except that under special circumstances the Secretary may extend the 4-year period for not more than 4 additional years. Under existing law any further extension may only be made in individual cases when personally approved by the Secretary. By deleting the limitation on duration of assignments of personnel to domestic positions it will be possible for the foreign affairs agencies to meet their manpower needs by assigning their personnel wherever and for whatever period of time the services of such individuals are necessary. The last sentence of subsection (b) is also deleted since the removal of limitations of duration of assignment from subsection (a) makes this sentence unnecessary.

The amendment made by subsection (b) will permit a Foreign Service officer to be assigned to a position the salary of which is established under the Federal Executive Salary Schedule without losing his status as a Foreign Service officer. The latter act established 30 positions at salary levels IV and V that may be allocated by the President to the various Government agencies. Three of these have been allocated to the Department of State.

Over the years the Department has been developing a policy of rotation between posts in order to contribute to the growth and experience of its officers. In recommending the authority to remove any fixed time limit that an officer may spend at one post the committee is not thereby endorsing the abandonment of a rotational policy. Rather it is supporting the concept that a rigid time limit may be unduly restrictive in utilizing fully the special talents of an officer.

#### Section 19. Assignment for consultation or instruction

This section amends section 573 of the act relating to assignment for consultation or instruction. It deletes subsection (a) of the latter section since the removal of limitations concerning the duration of domestic assignments from section 571 (a) made by section 18 of this bill eliminates the need for this provision.

Subsection (b) of existing law is rewritten to broaden the authority of the Secretary with respect to the assignment or detail of any officer or employee of the Service for purposes of instruction, training, or orientation, with educational or nonprofit institutions, or with trade, labor, commercial, or other organizations. Such assignment or detail may be of short duration for the purposes of lectures, seminars, conferences, and other types of meetings. Or it may be in the nature of a "sabbatical leave" to enable the officer to participate more fully in the work of the institution or organization to which he is assigned. In any case reimbursements could be accepted from the institution or organization for all or any part of his salary and expenses. The amendment also authorizes assignment or detail to any office or agency in or under the legislative branch of Government. The variety of experiences gained from an assignment to the office of a Member of Congress or to a committee staff will contribute to a better understanding of the role of the Congress in the foreign policy process.

There has been a growing recognition that officers who have spent many years abroad have a diminished understanding of current thinking and attitudes in the United States. An assignment in the United States outside of Washington can be mutually beneficial. For the officer it affords an opportunity to comprehend in greater depth the changing American scene. On the other hand, the community will have in temporary residence an individual who can draw on his professional experience and observations to interpret more meaningfully some of the complexities of foreign policy.

#### Section 20. Selection-out

This section amends section 622 of the act which relates to selection

in classes seven and eight. The criteria for selection-out are the standard of performance of the officer and the maximum period of time in class as prescribed by the Secretary. Under current regulations the maximum time in class for officers in class one is 15 years, for those in classes two and three it is 12 years, and for those in classes four through seven the period is 10 years.

The amendments made by this section retain the two criteria for selection-out in the present law—standard of performance and the maximum period in class. They extend the application of the selection-out principle to include career ministers as well as Foreign Service officers in classes one through seven, Foreign Affairs officers in classes one through seven, and Foreign Service Staff officers in classes one through six. The language is sufficiently broad to include staff personnel in classes 7 through 10 but the committee was advised that the Department does not plan to use this authority for the junior nonprofessional personnel.

Since this is a personnel procedure not widely understood, the committee gave considerable attention to the request to extend the application of the selection-out principle. Contrary to popular interpretation, it does not rest upon the judgment of a single individual at a single time. It is a process of comparative evaluation of an individual over a period of years with others of the same class or rank and performing approximately the same functions. Equally important but often overlooked is the fact that it is the same method by which individuals of outstanding merit are identified for promotion.

The procedures for determining individuals who should be promoted or selected out are governed by regulations established by the Secretary. Each year Selection Boards are established which consider one or more complete classes in the Service. Their membership includes not only more senior members of the Service but public members chosen for their prominence in business, labor, education, and other private sectors. Other foreign affairs agencies in the Government are also represented. No member of a Board may serve 2 consecutive years.

Before beginning their deliberations the Boards receive precepts or instructions setting forth procedures and factors to be considered in evaluating officers. The precepts for the Boards that met in 1964 covered 35 pages. Using these precepts as a guide, the Boards examine each of the files of individuals eligible for promotion to the next higher class. Generally they identify those whom they consider, on a comparative basis, to be in the top 20 percent. At the same time they identify those whom they consider to be in the low 10 percent, including those officers who have failed to meet the standard of performance, i.e., who are substandard. Ordinarily, it is not sufficient that an individual fall within the low 10 percent on one occasion. He must be judged in the low 10 percent by a second Selection Board while he is in the same class. Beyond this is a review by a panel of senior officers. Only when the panel has affirmed the judgment of the Boards is the individual selected out.

Indicative of the modest use of the selection-out authority is the fact that during recent years less than 2 percent of the Foreign Service officers (the only group in the Department of State to which it is currently applicable) have been selected out. The Agency for International Development has a similar authority for its Foreign Service Reserve personnel. With a Reserve complement of about 3,300, only 47 were recommended in 2 years for selection-out. Of these, 24 left by resignation or retirement before selection-out had been completed. The chairman of the Civil Service Commission, Hon. John W. Macy, Jr., made this observation to the committee:

Any fears of wholesale dismissals by selection-out are contradicted by the record of the Foreign Service in using the authority on a limited conservative basis.

In this connection the committee noted with interest a recommendation included in the "Report on the U.S. Department of State" made last year by the Special Liaison Committee of the American Legion:

The Department should intensify its efforts to weed out mediocre personnel by increasing materially the number selected out on the basis of Selection Board evaluations.

The committee is aware that the procedures used in evaluating the work of individuals are established by regulations and not by law and in the case of the Department of State have been limited in their application to Foreign Service officers. It sought the views of the Department as to its proposed operation of selection-out to other categories of Foreign Service personnel including those in the other foreign affairs agencies who would be included by the provisions of this bill. The Deputy Under Secretary of State for Administration, Hon. William J. Crockett, provided the committee with this explanation:

\*\*\* Foreign Affairs officers in the home service would compete for promotion or selection-out on a functional basis with their functional colleagues. The standards for selection-out would be applied differently, however, to different groups. The maximum time-in-class standard (promotion-up or selection-out) would be applied only to Foreign Service officers and to unprofessional personnel. Officers in the functional field would compete with them on the basis of comparability of functional career field. The standard of low ranking in class or functional group would also be applicable to Foreign Service officers and to those officers in other categories who, because of their functional field, are competing with them.

Therefore, these officers would be retained in the Service, even if they were not promoted, as long as their performance was satisfactory.

There is no plan at this time to apply selection-out to Staff support; i.e., clerical and technical personnel of the Foreign Service Staff, either those in the worldwide service or those in the home service \*\*\*.

It is not planned to apply selection-out to categories of personnel with limited or temporary appointments. The Foreign Service Act already contains authority for the termination of officers and employees from limited or temporary appointments.

The committee recognizes that the principles of personnel administration included in this section represent a departure from those generally applicable to civilian personnel. It considered carefully and at length the advantages and disadvantages, both to the individual and to the Government. In recommending the inclusion of this section it is convinced that the interests of the individual are adequately protected and the interests of the Government are best served by the use of the authority conferred by this section.

#### Section 21. Selection-out benefits

This section amends section 634 of the act relating to selection-out benefits. Since selection-out is currently limited to Foreign Service officers, such benefits are available only to such officers. The particular type of benefit as distinct from the amount is determined by the class in which the officer was serving when he was selected out.

Under existing law Foreign Service officers of class 1, 2, or 3 who are selected out are entitled to an immediate annuity computed in accordance with the provisions of section 821 of the act. The amendment made by subsection (a) of this section extends this benefit to Foreign Affairs officers of class 1, 2, or 3 and to Foreign Service Staff officers of class 1 who are participants in the Foreign Service retirement system.

In the case of Foreign Service officers in class 4, 5, 6, or 7 who are selected out existing law provides that such officers are entitled to severance benefits computed at one-twelfth of a year's salary for each year of service but not to exceed a total of a year's salary. In addition they may elect to receive a refund of contributions made to the Foreign Service retirement fund or to take a deferred annuity payable at age 60 provided that at the time of separation they have 5 or more years of creditable service. The amendments made by subsection (b) of this section extend these benefits to Foreign Affairs officers in class 4, 5, 6, or 7 and to Foreign Service Staff officers in class 2, 3, 4, 5, or 6 who are participants in the Foreign Service retirement system. If an officer who is a participant and is selected out from one of the classes enumerated in this subsection dies before reaching age 60, his death shall be considered a death in service within the meaning of section 832 of the act which relates to death in service.

Severance payments under existing law are paid from the Foreign Service Retirement and Disability Fund. As amended by paragraph (3) of this subsection such payments would be made from the Salaries and Expenses appropriation of the Department of State and from the corresponding accounts of the other foreign affairs agencies to which the provisions of this act are applicable.

Subsection (c) provides that any officer or employee who is not a participant in the Foreign Service retirement system and who is selected out under section 633 may be granted the severance benefits made available under section 634(b)(1). The definition of "participant" is extended by section 25 of the bill to include Foreign Affairs officers and Foreign Service Staff officers and employees who have completed at least 10 years of continuous service in one or more of the three foreign affairs agencies included in this bill. Pending the completion of the 10 years, the individual is a participant in the civil service retirement system. Should he be selected out while he is a participant in the latter retirement system, he would receive the benefits that accrue to one who is involuntarily separated.

#### Section 22. Foreign Service officers retired from class 7 or 8

This section amends section 635 of the act which relates to the retirement of Foreign Service officers from class 7 or 8. The amendment conforms to that made by section 12 of this bill which authorizes the Secretary to recommend for appointment directly to class FSO-6 a candidate who has passed the FSO-8 examination and for whom, in the opinion of the Secretary, such appointment is appropriate on the basis of age, experience, and other qualifications of the candidate. This amendment places all FSO's appointed to a class under the provisions of section 516(b) as amended in the same probationary status. Any new officer appointed directly to class FSO-7 or 6 would occupy probationary status until promoted to class FSO-6 or 5, respectively.

#### Section 23. Separation for cause

This section amends section 637(a) of the act which relates to separation for cause. Separation for cause is distinct from selection-out. The latter is an evaluation of an officer or employee in comparison with others in his class. Separation for cause is an action against a specific individual based upon specific charges made against him. Under procedures established by departmental regulations the officer is furnished a formal statement of the charges against him, and he is granted a reasonable period of time, ordinarily 30 days, in which to reply. If the

(Continued from preceding page)

charged has the right to be present at the hearing, to present information orally or in writing, to be accompanied or assisted by a representative of his own choosing, and to present witnesses. When the panel has heard the evidence and has taken testimony, it prepares a record of the hearing and its report. The report contains the findings of the panel with regard to the charges and is submitted to the full Board of the Foreign Service. The Board then renders its own opinion, based upon the verbatim panel record, whether the unsatisfactory performance of duty or such other cause has been established at the hearing, and it makes its recommendations to the Secretary of State. The Secretary then makes the final decision as to whether the officer or employee is to be separated and the officer or employee charged is notified in writing of the Secretary's decision. During the last 4 years the Board of the Foreign Service has acted on five cases involving separation for cause.

The amendment made by this subsection is intended to provide for a reasonably expeditious disposition of the case. A request for a hearing by the accused must be made within 30 days after he has received notice of the proposed separation. The Board of the Foreign Service which serves as a hearing board in separation-for-cause actions must render its decision within 120 days after the individual has requested a hearing. Should either party request, for good cause shown, an extension of that time, the Secretary may grant one extension of 60 days beyond the original 120 days. This section is not retroactive in its application.

#### Section 24. Imprisoned alien employees

This section adds a new section 664 to the act. It provides the Secretary with authority relating to the relief of certain alien employees similar to the authority now provided by the Missing Persons Act for the relief of U.S. citizen employees. It would apply to alien employees appointed under section 541 of the Foreign Service Act as well as to alien employees under personal service contracts in accordance with the provisions of title 5, United States Code, section 170g(c). This section would authorize the Secretary to make appropriate payments when it is determined that as the direct result of the alien's employment by the U.S. Government he has been imprisoned by a foreign government. When such a determination has been made, the alien employee's salary, including normal within-class increases and related fringe benefits, would be paid to the employee or his dependents as if he had continued in the employment of the U.S. Government. It does not authorize compensation for any other losses such as confiscation of property.

The primary criteria the Secretary will use in determining the eligibility of an individual for compensation under this section is whether such individual was imprisoned as a result of his employment as an alien employee of the United States. If so, the Secretary may compensate such individual (even if that individual is no longer an alien employee of the United States) under such terms and conditions as the Secretary deems appropriate. This latter provision gives the Secretary sufficient authority to deny such compensation to individuals who may have received similar compensation by way of private relief legislation enacted by the Congress. It is anticipated that the enactment of this provision could reduce or eliminate the necessity for private relief bills of this nature.

In justification for this new authority the Department advised the committee that it is aware of about 30 former alien employees of the Department of State who since World War II have suffered imprisonment or detention because of their employment by the U.S. Government. Some of these employees have been imprisoned for as long as 12 years before being released. The provisions of this section will make it possible for the U.S. Government to show its interest and appreciation for alien employees who have suffered or may suffer as a result of their service to this Government. The authority of this section extends only to those agencies legally authorized to use the Foreign Service Act alien employment authority.

#### Section 25. Participants

This section adds two subsections to section 803 of the act which relates to participants in the Foreign Service retirement and disability system. Under existing law participants in that system are restricted to two major categories of personnel: (1) All Foreign Service officers, and (2) Foreign Service Staff officers and employees of the Department of State who have 10 or more years continuous service. Those with less than 10 years of service as well as all Foreign Service Staff officers and employees of USIA and AID are participants in the civil service retirement system. Although the two systems have been similar in benefits since 1960, the Foreign Service retirement system permits voluntary retirement, and requires mandatory retirement, at an earlier age in recognition of the fact that its participants have served most of their years abroad. It also provides for benefits to participants who are discharged out.

The amendments made by subsection (a) accord to three groups of present and prospective officers and employees of the three foreign affairs agencies identical treatment in the matter of participation in

Foreign Service Staff personnel. Subparagraph (B) includes the Foreign Service Staff personnel of the three agencies who are not now in the Foreign Service retirement system. Subparagraph (C) deals with future appointees as Foreign Affairs or Foreign Service Staff personnel who at the time of appointment agree to worldwide service. As the provisions of section 29 make clear, present employees who elect to transfer are not obligated to serve abroad without their written consent. But the committee believes that their inclusion in the Foreign Service retirement system will serve as an incentive for them to elect to transfer into the Foreign Service system.

Participation in the Foreign Service retirement system is mandatory for individuals included in each of the above three groups after they have completed 10 years of continuous service (exclusive of military service) as an officer or employee of one or more of the three foreign affairs agencies. All immediate previous continuous service both at home and abroad with one or more of the three foreign affairs agencies counts toward the qualifying 10 years. Military service does not count toward the qualifying 10 years but upon transfer into the Foreign Service retirement system it may be credited toward retirement.

Paragraph (2) is a "phase out" provision to take care of the older officers and employees who mandatorily become participants under the provisions of paragraph (1). This will permit older officers and employees who become participants to retire at a later age than the mandatory age of 60.

Paragraph (3) is an incentive to older participants who transfer into the Foreign Service system under section 29 to retire before reaching the mandatory age of 60. As soon as they qualify for participation in the Foreign Service retirement system by virtue of 10 years of continuous service in one or more of the three foreign affairs agencies and reach age 57, they may apply for voluntary retirement.

Subsection (e) provides that any participant in the Foreign Service retirement system who is appointed a Foreign Affairs officer or a Staff officer or employee without a break in service in excess of 3 calendar days remains a participant in that retirement system. All Foreign Service officers on appointment become participants in the system. There may be occasions when it is to the advantage of the officer or of the Department to have him transfer to a different category such as Foreign Service Staff. Under this subsection such an officer may continue his participation in the Foreign Service retirement system even though his total length of service may not qualify him for participation in the category into which he transfers.

Subsection (b) of the bill delays the effective date of the amendments made by subsection (a) of this section until 1 year after the enactment of this act. The purpose is to give the foreign affairs agencies affected by these provisions an opportunity to make the many administrative changes necessary for the implementation of this section. The only exception to this effective date is in the case of those Foreign Affairs officers and Foreign Service Staff officers and employees who have already completed their 10 years of qualifying service before such effective date. They may elect to become participants effective on the first day of the second month following the date of their application for earlier participation.

#### Section 26. General provisions

This section amends section 911 of the act which relates to general provisions including travel and related expenses by adding a paragraph 11 to that section. Since the passage of the Foreign Service Act in 1946, section 911 has been amended on several occasions to meet changing conditions and circumstances. In the interests of the Service the Secretary needs broader authority to authorize the travel of personnel and their dependents for purposes of training, representation, rest and recuperation, and personal emergencies. Present authority is also inadequate in cases where it is necessary to bring members of an officer's family to the United States en route to a new post of assignment for purposes of training and orientation or to remove dependents from the country of an officer's assignment for reasons of state. The new language is sufficiently broad to permit the payment of the cost of preparing and transporting to an appropriate place of interment the remains of an officer or employee or of members of his family who may die in the Service either in the United States or abroad.

The phrase "without regard to the provisions of this or any other law" has been included to eliminate certain confusion which has existed with respect to the Secretary's authority under this section to prescribe Foreign Service travel regulations as such authority relates to the Administrative Expenses Act of 1946 and to the Travel Expense Act of 1949. It is not included to permit the circumvention of provisions of law regarding the use of American-flag ships or of American-flag aircraft.

#### Section 27. Commissary service

This section adds a new subsection to section 921 of the act relating to commissary service. The act relating to non-Government-operated commissary service is liquidated because of the closing of a post or for any other reason, the disposal of assets that remain after the payment of creditors is handled in a variety of ways. Sometimes they are distributed to members, at other times they go to local charities, and



lar operations elsewhere in the world. It also permits a similar use of funds contributed by, or otherwise derived from, a commissary because of changed conditions at a post. For example, a sharp reduction in the American staff at a post may justify a partial liquidation of the commissary rather than its complete dissolution. Assets that have accumulated since January 1, 1950, are included in this subsection in order that funds in the amount of \$128,164.51, derived from the closing of the employee-operated commissary at Seoul, Korea, in June 1950, and which have been held in a suspense account since that time, may be made available to assist other commissary operations.

#### Section 28. Medical services

Section 27 adds two new sections 944 and 945 to the act.

The new section 944 authorizes the Secretary to continue medical benefits under part E of title IX (medical services) for officers and employees beyond the date of separation and for dependents beyond the date of the death or separation of an officer or employee whenever it is considered in the public interest to do so. Under existing authority medical benefits for officers and employees cannot be continued beyond the date of separation from the Service and dependent benefits cease automatically at the time the employee dies or is separated from the Service. There have been a few instances in which a dependent who has been in a hospital at the time the sponsoring employee died or was separated has had to assume responsibility for all care rendered after the date of death or separation. Employees and dependents on the verge of receiving treatment have been denied it because of the mandatory separation or death of the employee. The law presently accords to eligible dependents the identical medical benefits granted to employees except for (1) the first \$35 of the cost of hospitalization or similar treatment, and (2) a 120-day limit on the period of treatment at U.S. Government expense for a single illness or injury. It is proposed to continue these limitations under the authority granted by the new section 944.

The new section 945 provides the Secretary with broad general authority for cooperation in, or interchange of, medical and related services abroad between the U.S. Government and foreign governments or international organizations when he considers such cooperation or interchange desirable to effectuate the purposes of those sections of the Foreign Service Act dealing with medical services. By this means provisions related to medical treatment, travel for medical purposes, physical examinations, and inoculations now authorized for U.S. citizen employees and their dependents may be made available to the employees of foreign governments or international bodies or may be provided for U.S. citizen employees and their dependents through the facilities of foreign governments or international organizations.

Provision would be made for the payment and transfer of U.S. funds or goods and the receipt of funds from other governments or international organizations in connection with such arrangements. Any person eligible to receive medical and related services under part E of the act who has such illness or injury aggravated as a result of an arrangement entered into under the provisions of section 945 would, for the purposes of all Federal legislation, be considered as if he had incurred or had aggravated this illness or injury under the Department's medical program.

#### Section 29. Transfer of personnel

This section provides the President with authority to issue the necessary Executive order or orders to carry out the objectives of this bill, namely, to develop a single personnel system in each of the three agencies to which this bill is applicable. The committee has specifically limited the application of this bill to the Department of State, the U.S. Information Agency, and the Agency for International Development. It deleted all references to the personnel of any other agencies or departments. It further restricted the inclusion of other agencies by deleting the reference to officers and employees "in or under" these three agencies and substituting officers and employees "of" these agencies. The purpose is to exclude the Arms Control and Disarmament Agency, the Peace Corps, and any other agencies that may have a relationship to the three specified agencies.

While the committee is desirous of accelerating the concept of a single personnel system in each of the agencies, it is aware of the concern and interests of individuals who presently enjoy the advantages of the civil service system. After the President has initiated the transfer authority given him by this section, the determination rests with the employee whether to avail himself of the opportunity to transfer. The section makes clear that the employee cannot be transferred from his present employment category to one of those in the Foreign Service system without his written consent. If he elects to transfer, he will not be subjected to any examination. The presumption is that he has already established his qualifications. He will be transferred to an appropriate class in one of the Foreign Service categories that will assure him no reduction in compensation. Further, the section specifically provides that any employee who transfers will not be required to serve outside the United States without his written consent. These safeguards apply only to employees on the roll of one of these three agencies at the time this bill is enacted into law. They do not apply

#### Section 30. Chief of mission

This section is intended to strengthen the role of the Chief of Mission as the official responsible for the overall performance of U.S. personnel drawn from many departments and agencies who are stationed in the country to which he is accredited. Each Government employee is subject to periodic reports, usually prepared on an annual basis by his supervisor. These become part of the individual's personnel file and form the basis for promotion and salary increments. Because they are directed to different agencies other than the Department of State, there may be no opportunity for the Chief of Mission to incorporate his own assessment of the individual's performance. The language of this section is intended to encourage the Chief of Mission to make such reports at any time he deems them appropriate. They may be favorable or unfavorable. They are not intended to be routine in content but to incorporate comments on any marked deviation from average standards of work and conduct that reflect favorably or unfavorably on the United States.

There have been occasions when a particular officer or employee abroad has regarded the comments of his rating officer as biased or inaccurate. In such cases he may request the Chief of Mission to forward to the appropriate department or agency through channels the latter's own comments.

The language of this section is sufficiently flexible as to leave to the judgment of the Chief of Mission the determination of the frequency and of the contents of reports on personnel serving in the country to which he is accredited.

The committee has incorporated this section as an evidence of its continued concern that the reports of the Chief of Mission involving personnel should be the basis for appropriate action by the agency concerned.

#### Section 31. Regulations

This section makes the usual provisions for the continuation in force of existing rules and regulations until such time as they are revoked, modified, or superseded by regulations made in accordance with the provisions of this act, unless they are clearly inconsistent therewith.

#### Section 32. Inapplicability of certain laws

This section makes inapplicable to the officers and employees of the three foreign affairs agencies included in this bill the provisions of four basic laws that cover civil service personnel: (1) the Civil Service Act of 1883, as amended; (2) section 6 (a) and (b) of the Lloyd-Lafollette Act of 1912, as amended; (3) the Veterans' Preference Act of 1944, as amended; and (4) the Classification Act of 1949, as amended. Those individuals presently covered by the various provisions governing civil service employment may elect to transfer under section 29 of this bill to the foreign affairs personnel system to which the provisions of the first, second, and fourth laws are inapplicable. The protection they may have under the Veterans' Preference Act, and in the case of USIA employees under section 1007 of the U.S. Information and Educational Exchange Act of 1948, is incompatible with the proper functioning of Selection Boards whose responsibility is to determine the most meritorious as well as the most ineffective individuals. Further, veterans' preference is not applicable to Foreign Service officers since they are appointed by the President by and with the advice and consent of the Senate. Foreign Affairs officers whether similarly appointed or appointed by the President alone or by the Secretary of State are equated with Foreign Service officers in terms of professional standards and responsibilities.

In making the transfer of present employees in the three foreign affairs agencies a matter of individual choice rather than mandatory, as originally proposed. Employees will give full consideration to the distinctive features and merits of both personnel systems before making their decision.

#### Section 33. Annual and Sick Leave Act

Subsection (a) amends section 205 of the Annual and Sick Leave Act by adding a new subsection. The new language provides that, for a period not to exceed 1 year, no charge against leave shall be made for any absence due to injury or illness sustained abroad by an officer or employee as a result of hostile activity or clearly caused by the fact that he was located abroad. The provision will permit an absence without charge to leave in those extraordinary situations in which officers and employees sustain serious illnesses or crippling injuries from physical violence and unavoidable involvement in wars, guerrilla and militant insurgent situations, or localized hostile mob actions. Similarly, it will protect the employee's earning power in those situations where prolonged disability results from illness which can be attributed solely to the fact that he was serving abroad and which would not have been incurred had he remained in the United States. Personnel serving abroad particularly in the tropics are exposed to a wide range of disabling and debilitating diseases. The section grants by this section the authority to make it possible to retain them in full-pay status while rendering them all necessary hospitalization and related care.

Subsection (b) makes the amendment in subsection (a) retroactive to January 1965. The committee was advised that since that date a

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including the terrorist-type attack against the chancery in Saigon. The committee believes that those employees should not be denied the full benefits conferred by this section.

*Section 34. Overseas Differentials and Allowances Act*

This section amends section 231 of the Overseas Differentials and Allowances Act to authorize the payment of up to 50 percent of basic compensation to officers and employees serving in a foreign area where there is unusual danger from hostile activity. The current situation in Vietnam exemplifies the need and the justification for an additional allowance for personnel in strife-torn areas. In addition to the dangers of violence attendant upon assignment in Saigon employees are required to travel over many parts of the country, much of which is under Vietcong attack.

*Section 35. Department of State management fund*

This section adds a new section 14 to the act entitled "An act to provide certain basic authority for the Department of State" enacted in 1956. The new section authorizes the Department to establish a Management Fund.

The Department provides administrative support services to many programs financed by different appropriations including those of AID,

USIA, Defense, Peace Corps, and many other Government agencies. These common services are funded from the "Salaries and expenses" appropriation of the Department which is reimbursed from the other appropriations available to the Department and other agencies in accordance with comprehensive support agreements. In fiscal year 1960 expenses for shared administrative support services amounted to more than \$100 million. The settlement of accounts covering the last week or months of the fiscal year are frequently not made until after the close of that fiscal year, thus making unavailable to the Department for obligations reimbursed sums due it for rendering administrative support to other agencies.

The establishment of the Management Fund would permit the merging of funds from two or more appropriations in order to provide an improved method of managing, financing, and accounting for administrative support and other reimbursable services. Funds would be transferred to the Management Fund from other appropriations in much the same manner as presently followed in transferring funds to the Department's "Salaries and Expenses" appropriation.

The language in this section is not an authorization for an appropriation. It would authorize the carryover from one fiscal year to the next of not more than \$1 million which would permit a more economical and effective procurement program and the replenishment of supply inventory levels as well as the expeditious handling of emergency-type situations.

## "Federal Times" Newsman Reviews Hays Bill

*Bill Andronicos, writing in the Federal Times, made this clear and accurate analysis of the Hays Bill:*

THE primary objective of H.R. 6277, as reported by the Committee, is to facilitate the establishment of a single personnel system within each of the three agencies most actively engaged in foreign affairs--the Department of State, the U.S. Information Agency, and the Agency for International Development.

Presently, these three agencies conduct their activity under two personnel systems--one operating under civil service laws and the other under the Foreign Service Act. The ground rules governing appointments, assignments, promotions, separation, and retirement are different for each system and, to some degree, for each of the agencies.

The Committee has specifically limited the application of this bill to these three agencies--and has deleted all references to the personnel of any other agencies or departments.

The Hays bill adds neither jobs nor personnel to the payroll. It simply gives Civil Service employees in State, AID and USIA the option either to remain in their Civil Service jobs or to transfer to new Foreign Affairs positions in the Foreign Service. Those who transfer and are ordered selected out during the first five years could appeal their cases to the Civil Service Commission.

Those who refuse to transfer would retain their present Civil Service jobs and continue under the Civil Service personnel system. Foreign Service reservists likewise would continue for the duration of their five or 10-year

istration, the bill could prove the forerunner of a more liberal retirement system for all federal employees. Civil Service employees and Foreign Service reservists would have to be under Civil Service retirement for 10 years before they could transfer to the Foreign Service retirement system, but their service would count toward Foreign Service retirement.

This means that the bill, as it stands now, would afford some 16,000 Civil Service and Foreign Service reservists in State, AID and USIA the opportunity to retire at 50 after 20 years service, just as Foreign Service officers are permitted to do.

The overall bill is based on the premise that voluntary transfer into the Foreign Service personnel system of those now employed under civil service provisions is the most equitable way to effect a transition from a dual to a single personnel structure. At the same time, the bill permits the development of uniform personnel policies among the three agencies while leaving to the heads of these agencies the management control of their own people.

If and when the measure is passed, it also would increase benefits for Foreign Service employees who serve in dangerous areas.

For example, the maximum salary differential would be raised from 25 to 50 percent--and employees in Vietnam definitely would be eligible to receive it.

In addition, the federal government could provide medical and hospital care for up to a full year without charge to leave for employees who become diseased or injured while in the line of duty.

embrace several employees who were injured when the American Embassy in Saigon was bombed earlier this year. Two of the employees are threatened with loss of sight as a result of the injuries--and other employees serving in Vietnam have been afflicted with tropical disease.

Also, Foreign Service personnel or members of their families who suffer war-related injuries could continue to receive hospital and medical care after their retirement.

Under existing authority, medical benefits for officers and employees cannot be continued beyond the date of separation from federal service, and dependent benefits cease automatically at the time the employee dies or is separated from the service. As a result, there have been instances in which a dependent who has been in the hospital at the time the sponsoring employee died or was separated has had to assume responsibility for all care rendered after the date of death or separation.

Other outstanding provisions contained within the bill follow:

- \*Civil Service employees who choose to transfer into the Foreign Service will not be subject to an examination, as originally had been proposed by the Hoover Commission.

- \*Transferees will not be required to serve abroad without their written consent. While some may want to enlarge their professional experience by overseas service at least for one tour of duty, others may be recognized that others may be compelled by personal reasons to stay in the United States.

- \*Foreign Affairs officers in the

dent could either appoint those in the remaining five classes or delegate his power to the Secretary of State.

• The Board of Foreign Service Examiners and the Board of Foreign Service would be reconstituted. Both had been abolished during a recent State Department reorganization plan--and the move spawned fears that examinations, promotions, selections and the like would be made on other than a competitive-merit basis.

• The Director-General of the Foreign Service would be appointed by the President and confirmed by the Senate. He would serve as the chief employment officer for all three agencies.

• A chief of mission shall prepare and submit reports on the service of any employee serving overseas under his command.

• The Secretary of State is empowered to appoint private citizens as well as federal employees as Foreign Service Reserve officers. The appointments would bear no time limitation, and would be made on the basis of merit and fitness.

• Insofar as travel is concerned, the Secretary is provided broad authority to pay the travel expenses of officers and employees

of the service. This includes the cost of transporting furniture, household and personal effects, cost of transporting his automobile, the travel expenses for members of his family--and for a host of other similar expenses involving appointments, service and separation.

• Moreover, the federal government would pay travel and related expenses of Foreign Service families to places such as Bangkok and Hong Kong to visit their husbands and fathers stationed in South Vietnam where dependents are not allowed.

**T**O date, the National Federation of Federal Employees stands out as the chief opposition to the otherwise strongly-backed Hays bill.

The union has charged repeatedly that they had been refused a chance to testify before the House Foreign Affairs subcommittee on the wide-sweeping bill which would remove civil service and veterans preference protection in the three major foreign affairs agencies. The union also is concerned about the bill's selection-out and removal procedures. A number of veterans' or-

ganizations also have opposed the bill.

However, proponents of the measure consistently point out that one of the most persistent causes of misunderstanding--and perhaps dissatisfaction--is a failure to recognize that the Foreign Service is a career system, providing significant career protection and benefits to its employees. State Department officials continue to stress that the Department does not contemplate the destruction of any career system. Rather, it plans to strengthen and improve it.

Consequently, personnel with career status under the Civil Service System will be transferred to the Foreign Service as domestic "Foreign Affairs Officers" or Staff with career status in those categories. Personnel who have not completed their probationary period at the time of the transfer will be required to complete their probationary service before being granted career status.

Having achieved career status, Foreign Affairs officers and staff are protected against arbitrary dismissal by section 637 of the Foreign Service Act, which provides for a hearing by the Board of the Foreign Service before dismissal actions can be taken.

## Congress Approves \$3.36 Billion Aid Authorization Bill

A \$3.36 billion foreign aid authorization bill was cleared by Congress on August 24.

Congress set a ceiling of \$2.19 billion on economic aid, and \$1.17 billion on military aid.

In signing the bill September 6 at his Texas ranch, President Johnson described the foreign aid program as "a vital part of United States foreign policy in four administrations of both parties since the end of World War II."

The authorization measure is limited to Fiscal Year 1966 instead of two years as voted originally by the Senate.

However, the House of Representatives is expected to give serious consideration next year to authorizing foreign aid legislation covering two or more years.

A Senate-House conference report stated that "although the House conferees could not agree to blanket two-year authorization under present conditions, they were not irrevocably opposed to authorizing foreign aid funds for

The report added, "It was the consensus of the Committee of Conference that there have been so many changes in the world situation since 1961 that a most careful review of the basic premises behind the foreign aid program is overdue."



LONG SERVICE--Fraser Wilkins, Inspector General of the Foreign Service, shakes hands

## Uniform Security Rules Are Adopted By State, AID, USIA

New, uniform security regulations took effect on a world-wide basis September 1 for the State Department, the Agency for International Development (AID), and the United States Information Agency (USIA).

The regulations, which were set forth in Chapter 900, Foreign Affairs Manual, Volume 5--Communications and Records, depart considerably from prior regulations, and introduce new procedures and forms to control and record the processing of classified documents.

Approximately 300 State and AID employees, including Principal Unit Security Officers, Unit Security Officers, Top Secret Control Officers, and their alternates, attended a briefing on the new regulations in the West Auditorium of August 23.

The briefing was conducted by Alfred Harrison, Chief of the Education and Training Staff, Office