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*Committed to
single ceiling
principal. Brownman
is missing on
page on
JH*

Call

28 December 1973

To: GLC

Re: Personnel Ceiling for FY-75

STATINTL

1. It all comes off a little bit as a snow job. Although in congressional terms it is to be addressed as a sweeping new look at personnel policies, it in reality is a design to get more staff ceiling, retain contract flexibility under a "derived ceiling," take care of Brownman and Duckett's need for additional staff slots for converting contract types.

2. Additionally, as you have pointed out, even if we can get away with it we could only do so by talking a total personnel ceiling approximately [redacted] far higher than the ceiling figures we have given to Congress before and during an era when we are supposed to be reducing.

3. Additionally is your point and that recognized by Taylor that the long-term result might be that we lose flexibility.

4. Finally, I think that there is a fundamental underlying error in placing all full-time personnel under contract in the same category. It makes sense to lump all personnel together whether they be contract or appointed as a management device to get hold of and control overhead, but many contract types, particularly contract agents (are they in the contract ceiling?), and even contract employees, are tied exclusively to projects, do not become a burden for retirement and other long-time Government benefits, and are hired and severed theoretically as just one more asset of a particular project. In this sense they are money problems associated with a project and not an overhead problem where ceiling makes managerial sense.

LLM