

*Handwritten notes at the top of the page, including the date "19 02 1960".*

I was assigned to personnel work between January 1957 and June 1960. I mention these dates because what I have to say about the Agency's personnel problems and the things that we did to try to solve them had to do with the period of time that began 10 years after the establishment of the Agency and seven years after the Cold War reached its height with the outbreak of the Korean War. It can be said that every institution or agency comes of age in the field of personnel management after a certain number of years. This was true of our Agency. It had begun to come of age before I was assigned to the personnel office in a sense that most of the senior people in the Agency had become worried and frustrated because it was apparent that:

- a. We had reached and in fact somewhat exceeded our ceiling for personnel and yet we seemed to be continuously short of the kind of people we needed to undertake key important assignments.
- b. We found ourselves spending a great deal of time trying to find assignments for people in the middle and higher grades, who, although they had served well, were at that time becoming less and less useful.
- c. We were unable to hire as many young people as we thought we should in order to provide leadership in the future because of our trouble with the ceiling.

*ERIC. C. [unclear] 11/15/64*

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d. People whom we considered in the less useful category occupied positions and grades into which we wished to promote the more capable young people. The fact that we couldn't move the less useful people out of the Agency resulted in a slowdown of promotions.

e. Finally, our system of personnel management was based almost entirely on the existing Civil Service rules and regulations. In saying that these rules did not work for certain parts of our Agency, I do not wish to imply criticism of the Civil Service or of its administration over the years. As I got to know something about

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it, my respect for it and for the people who administered it, constantly increased. However, since it is designed to provide the Government with an honest and capable service with which to carry out its internal programs, it was obviously not designed to meet the needs of an agency operating overseas. Nor indeed was it even remotely designed to meet the needs of our kind of Agency.

Up until the time I became Director of Personnel, our Agency had mainly been occupied with hiring people, promoting them, getting them into the right assignments and keeping them happy. During the formative years, and largely at the instigation of our second Director, we had embarked upon a program which provided for the hiring of highly intelligent and capable young college graduates, their training, and then their placement within the Agency. This program is called the Junior Officer Trainees program and it still forms the backbone of our hiring, training, and placement operation. From its earliest inception this program has been a success. There is no doubt in my mind but that the Junior Officer Trainees (JOT's) will in the future form the hard core, particularly of our overseas service. At the time I became Director of Personnel, there was a strong movement on foot to create within our Agency a separate "commissioned" service based on the JOT program and similar to the Foreign Service and the commissioned services of the military establishment (Army, Navy, Air Force, and Marines). I see no

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indication at the present time that we will create a commissioned service, but there are still many capable and influential members of our agency who believe we should. For my part, I have consistently opposed this concept because I feel that in our work we need more flexibility in the management of personnel than is provided by a water-tight system.

It will be seen from the foregoing that my problem in 1957 was not hiring, but firing. It would be a great blessing for every personnel officer if people liked to be fired and an even greater blessing if you could let good, honest, decent people go without prejudicing their chance for future employment. This latter was our main problem and one that we will only partially solve even after the retirement bill we are advocating is passed by the Congress and signed by the President. Before discussing this main problem, that is, separating good, honest but unneeded people, let me mention the problem of getting rid of the bad eggs.

Our basic legislation authorized the Director to separate employees in the interest of the United States, and, in fact, did not impose any restriction on him in this regard. It was, however, clearly the original intent of Congress that he use this authority to protect the security of the organization. When the question arose whether to use this authority for other than security cases, we had a great debate one evening at the Alibi Club. From my point of view, the only useful thing that was said was that you either had to use the Director's authority as given in law or you had to go

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back to Congress for further authority. In the latter case, Congress would ask you why you didn't use the authority already in law. Since it was obvious that no one wanted to get that kind of answer from Congress, we decided to go ahead and use our authority.

After experimenting a little bit with special hearing boards and committees, I selected two officers in the personnel department to whom I assigned the task of reviewing all cases other than security cases and taking testimony from witnesses and from the person involved. When the cases were prepared by these officers, I then read them and made my recommendation to the Director. Before the case went to the Director, it would usually be read by the General Counsel or one of his officers. This system may sound cumbersome, but compared with review by an appointed board it was really very efficient. I found that every personnel or security board with which I had to do has included at least one member who became enormously interested in all manner of detail and often emotionally involved in the case. This resulted in a very good and very long hearing for the individual concerned, but frankly was too high a price to pay for the result obtained, i.e., the separation or retention of an admittedly mediocre worker.

The combination of Civil Service regulations for the hiring, advancement, and retirement of personnel on the one hand, and the Agency's special authority to separate insecure and unsuitable personnel on the other, has to the best of my knowledge met most of

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the requirements of those sections of the Agency that operate exclusively in Washington. The big problem had to do with our overseas service and its Washington headquarters element. It was with regard to this group that we were uneasy and frustrated.

In getting at this problem, I received help from three sources. First, I came across in my reading a pamphlet written by a young faculty member at Princeton University about the Foreign Service. In the pamphlet the author analyzed the problems confronting the Foreign Service before it had been reformed under the Riston Committee described the reforms and then went on to show how the reforms had affected the service. The author used statistical techniques in his analysis of the service and he demonstrated how important these could be in supporting arguments for change and also in showing the management of the department where they stand at a particular point and time. My second source of support was a very capable personnel officer who also happened to be a good statistician. For a period of two years, he and I worked together in compiling statistics and developing arguments for a revision of our personnel practices. My third source of support was the Senior Assistant to the President's Personnel Adviser. This gentleman, who had had many years of experience in federal management, who had dealt extensively with Congress, and who had had an opportunity to follow the affairs of different parts of the government as seen from the senior top down, was able to show me that our problems were not entirely unique and he encouraged me to propose bold solutions but in such a way that they would be acceptable to Congress.

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With the advice and help that we received we decided that we needed for our overseas service a system of recruitment, advancement, separation, and retirement which would produce the following results:

a. Keep the service equipped with a balanced group of officers in terms principally of age.

As a result of the very rapid recruitment that we did during the Korean War, we found ourselves in the mid-50's with an uncommon proportion of our officers in the age group 29-35. Thus, we decided it was necessary, before developing regular and continuing rates of intake and separation, to take special measures to reduce this group. This also offered us an opportunity to separate the good but unneeded officers with a minimum of prejudice.

b. Provide an opportunity for advancement which would permit the outstanding officer to assume his first position of responsibility at a relatively young age and while he is still developing.

NOTE: During its first years of existence, our Agency inherited (from the Office of Strategic Services) or recruited (from among former military intelligence personnel) a strong and capable group of men who at the time of our study ranged in age between 45 and 50. Almost all of the key positions in our foreign service were occupied by men in this age group. If we had allowed nature to take its course and had permitted these officers to continue on in their positions until the mandatory age of retirement in the civil service (70), we

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would have blocked the advancement to positions of responsibility of a whole generation of officers. This may sound exaggerated but it is in fact exactly what happened among the agencies created by President Roosevelt in the early 30's. The capable and dedicated young men who came to Washington at that time were still to be found in their offices in the middle 50's. As they reached retirement age, it was almost impossible to replace them since there had been no upward movement and development of executive personnel in these agencies for over a decade.

c. Attract young men to the service by offering a reliable rate of advancement and opportunity.

NOTE: This point is broader than the one that proceeds it, since it involves a larger number of young men. The problem had been caused by the rapid expansion of the Agency during the Cold War. It is axiomatic that you cannot expand rapidly without promoting rapidly. If you do the latter, you invariably end up with a certain proportion of your medium and higher-graded positions occupied by people who are less able than new people who have since been hired. Obviously this is a situation which one can never avoid entirely and the results of which must be accepted as part of the price we pay for fair and sensible administration. However, when one has gone through a very rapid period of expansion, this problem takes on an acute form and requires special attention.

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d. Provide means whereby personnel who were recruited for para-military operations or other such highly specialized fields could be separated without prejudice and with suitable support or annuity before reaching the normal age of retirement.

e. Finally, to have a means whereby we can provide for the hiring of persons in the higher grades in order to introduce into the service skills and knowledge that one might gain in scientific, commercial and other fields.

Once we determined all the goals that we wished to realize in devising the system, we drew up a statistical analysis of the male personnel in our foreign service according to age groups and grade groups. By using the findings of the Civil Service Commission and other government departments, we were able to represent the make-up of the foreign service five, ten, and fifteen years in the future

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graphically. As you can well imagine, the picture of the graph showed the make-up of the service fifteen years in the future was somewhat similar to the officer corps of the Prussian Army at the time of the Battle of Jena. Other and more refined statistical studies showed us in detail where our problems were with regard to rates of advancement and gave us a fairly clear idea of the extent of the job we needed to do in separating people and in arranging for early retirement in order to enjoy a fairly healthy personnel situation.

Most of the measures which we recommended and some of which we have already taken are reflected in the attached proposed legislation (see page 10, H.R. 7216). In reading this Bill, you will find the financial arrangements bewildering. Let me guide you through it. The provision beginning on line 9, page 23, is essentially the provision which Congress accepted in another form and which we used one or two years ago in an attempt to achieve our first objective, i.e., to equip the service with a balanced group of officers in terms of age. On page 24, starting with line 24, and again on page 25, starting with line 6, you will see that we are proposing the reduction of the mandatory age for retirement from 70 to 65 in the case of persons in grade GS-10 and above and from 70 to 60 in the case of all other persons. Even more important I think are the provisions cited on page 22, line 4, and page 23, line 6. These provide for the voluntary and involuntary retirement of officers. Taken together these several provisions that I have cited deal

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specifically with the other goals of our program.

I shall be glad to answer any questions you have about our system. You will recognize that having been away from it for 3½ years, I have ceased to be an expert. The meaning of some of the language in the proposed Bill is obscure to me but that is nothing new. The lawyers who draft such things have their own complicated way of expressing ideas.

Attachment: H.R. 7216

*only copy  
given to HARRIS*

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