



30 June 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Executive Pay Bill.

1. On 30 June 1955, following Mr. Pforzheimer's conversation with a representative of the Bureau of the Budget, I attempted to call Mr. Philip Young, Chairman of the Civil Service Commission, as well as Mr. John W. Macy, Jr., the Executive Director. Being unable to reach them I was referred to Mr. Ismar Baruch, Technical Advisor to the Commission, who has been working with Mr. Young on the Executive Pay Bill and who appeared to be completely knowledgeable. He advised me that last week Mr. Young had discussed this matter with the White House and the subcabinet group on which the Bureau of the Budget has been represented by its Assistant Director, Mr. Belcher. As of the 20th of June, immediately after the 7.5 per cent pay raise was signed, it was tentatively decided that this would be a good time to push forward on an amendment to the Executive Pay Act. Mr. Baruch is now working on a memorandum which Mr. Young is to use in another subcabinet meeting scheduled for Wednesday, 6 July.

2. The Civil Service Commission has been working with "selected" agencies in revising the Executive Pay Act. Mr. Baruch understands that the Administration is not going to press for this legislation during this session of Congress. However, if consultations between the Administration and the leadership in Congress indicate that a Bill can be put through without too much trouble it will go forward almost immediately. As of now, and Mr. Baruch emphasizes that it is still very tentative, it merely provides for an amendment to the present Executive Pay Act, with almost no positions added to the list already included, and, roughly, a 33-1/3 per cent increase. The Director and Deputy Director are now included in the Executive Pay Act and under the new formula their salaries would be paid at approximately \$21,300 and \$18,000 respectively. The \$18,000 figure for the Deputy Director was set because, according to the Civil Service Commission's thinking at the moment, this will eventually be the new ceiling for grade GS-18's at which the Deputy Director position is now pegged.

3. In further discussion, Mr. Baruch told me that under the new formula the Deputy Secretary of Defense would get \$26,700 and the Under

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Secretaries \$23,300; Cabinet members are to go to \$30,000. He told me quite confidentially that he felt we would run into very strong opposition if we attempted to have a number of other CIA positions included in the Executive Pay Act and suggested that our best bet might be to propose our own separate legislation and seek a package something like the Atomic Energy Commission now has. I told him that we were reluctant to propose our own separate legislation but did feel strongly that the Director should receive the same salary as the Deputy Secretary of Defense and the Deputy Director the same salary as the Under Secretaries, with several of our other senior people receiving salaries on a level with Assistant Secretaries. (This is to be \$20,000.) Mr. Baruch said that he certainly was in sympathy with this but knew that Mr. Young felt very strongly that if they opened the door at all to allow new positions to come in the whole matter would become so complicated that it would lose all chance of early passage.

4. I reported this conversation to Messrs. Pforzheimer and Kirkpatrick, after which Mr. Kirkpatrick asked Mr. Pforzheimer to prepare separate legislation for the Director's consideration.

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L. K. WHITE
Deputy Director
(Support)

O: DCI
cc: Inspector General
Legislative Counsel
Director of Personnel
Comptroller