

3 March 1955

Memorandum for: Deputy Director/Support

Subject: Salaries for Senior CIA Officials.

1. The passage of legislation to increase Congressional and Judicial salaries, and the imminent passage of legislation increasing the salaries of Federal employees, opens the way for an Executive pay bill to increase the salaries of appointed officials. This presumption is strengthened by the problem created by the inclusion in the Congressional pay bill of provisions establishing the salaries of the Deputy Attorney General at \$21,000 per annum, the Solicitor General at \$20,500, and Assistant Attorneys General at \$20,000 per annum. As Assistant Attorneys General are classified for pay purposes in the same category as Assistant Secretaries of the Executive Departments, it is presumed that the salaries of Assistant Secretaries will be placed at \$20,000 per annum in any Executive pay bill submitted.

2. You will recall earlier discussions with yourself, Assistant Director/Personnel and the Director in which it was at least tentatively agreed that we should seek authority for the Director to appoint no more than six principal assistants, one of whom shall be the General Counsel of the Agency, and each of whom shall perform such duties as the Director may prescribe, who would be paid compensation either at the rate of \$16,000 per annum or at the rate prescribed for Assistant Secretaries of the Executive Departments. It is considered preferable if the latter alternative were used so that any subsequent Executive pay raise for Assistant Secretaries would automatically mean a raise for these six officials. The alternative of tying them to a specific monetary sum means that in any future Executive pay raise a specific amendment would have to be included to raise the salaries of these six officials. If we now tie these salaries to the rate payable to Assistant Secretaries, these six senior officials will be compensated at the rate of \$20,000 per annum if the proposed Executive pay bill follows the precedent set for the Assistant Attorneys General in the Congressional pay bill.

3. On 2 March I talked with Mr. Spencer Platt, of the Bureau of the Budget, who has the major responsibility for this type of legislation, and it did not appear that he had received any final guidance on

the subject of an Executive pay bill. It was his recommendation, however, that when an Executive pay bill was forthcoming CIA should establish its positions in parallel legislation to avoid the problem of reclassification in the Executive pay bill itself. You will recall that the problem regarding the Director's and Deputy Director's salaries is not only a question of raising the monetary amount, but also reclassifying the position into a higher category in the Executive pay bill itself, and present thinking is to avoid reclassification of positions to prevent major log rolling on the Floor of the Congress by various agencies having voter appeal.

4. As soon as it has been determined what salary rate the Administration is prepared to support for heads of departments, Under Secretaries, and positions such as Chairman of the AEC and agencies whose work falls more nearly into a category comparable to CIA, then it will be possible to assign a specific figure which we would like to request as the salary of the Director and Deputy Director.

5. In addition to the Executive salaries, the Bureau of the Budget must now consider the problem created by the fact that the GS-18 salary remains at \$14,800, leaving a major gap between that figure and an Assistant Secretary at \$20,000. Two lines of thinking are presently under consideration: One is to reassign the salary rates of GS-16s, 17s, and 18s to fill the gap up to \$20,000; the second is to create two new supergrades -- 19 and 20 -- and place them between GS-18 (with an increase in rate for the latter) and \$20,000 per annum.

6. I have alerted the AD/Personnel to this overall problem and both he and I will keep in close touch with the situation so that we can advise you as the Executive pay program begins to jell.

Walter L. Pforzheimer
Legislative Counsel

OGC:WLP/blc

1 - AD/Personnel

2 - Signer

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