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Chief, Plans /OSO

16 November 51

Special Contracting Officer

Legislative Pay Increases

*Contract Employee Correspondence*

REF:

Your memo of 7 November 1951; Same Subject

1. I doubt very much whether your suggestion in paragraph 2. of the attached memorandum is a practical basis for determining eligibility for possible pay increases. In most cases, it is not possible to ascertain from the language of contracts as to whether or not there is any relationship between the contractual salary and a GS rating. The real criteria, in my opinion, is whether the relationship between the individual and CIA is that of employer-employee. It would thus seem necessary to examine each case rather than rely upon the phraseology of an individual contract.

2. There are numerous other problems in addition which must be resolved concurrently. There is scarcely a contract which is not tied into "Agency Regulations" either as to salary, allowances or leave. Since recent legislation will effect all of these regulations, we are faced with a critical problem.

3. This has been brought to the attention of the ABDA with the suggestion that an ad hoc committee consisting of the General Counsel, Special Contracting Officer, Finance Division Chief, Assistant Director of Personnel and the designees of the Assistant Directors of the Covert Offices be established to develop appropriate policies and procedures to solve the many problems involved.

4. I am afraid that it will take some time before the necessary Agency policies can be developed. As a matter of fact, many problems arising from the new legislation are unresolved for appointed employees. It is therefore suggested that OSO not ask for amendment of contracts until final policies have been developed. It is suggested, however, that OSO might wish to have the Divisions compile lists, by pseudonym, of those contract personnel whom they believe should receive such increases as may be authorized. This will doubtless assist in the final action.

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