

**THE PERSONNEL PROGRAM OF THE
SECURITIES AND EXCHANGE COMMISSION**

Address of

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Chairman
Securities and Exchange Commission
Washington, D. C.

before the

COMMISSION AND STAFF

at the Commission's

SECOND ANNUAL SERVICE AWARDS PROGRAM

Washington, D. C.

September 19, 1956

My fellow Commissioners and I are glad to be meeting with you this afternoon for the purpose of giving official recognition to 62 members of the staff who have completed 20 or 10 years of service with the Securities and Exchange Commission. Today marks our Second Annual Service Awards Ceremony, our first one having been held at this same time last year.

As was the case at last year's ceremony, we are happy to have with us today our Regional Administrators who are here in Washington for a week-long conference, and I know all of you join me in welcoming them. Since some of you may not as yet have had the opportunity to meet all of them, I would like to introduce our Regional Administrators to you at this time:

William Green of the Atlanta office,

Philip E. Kendrick of the Boston office,

Thomas B. Hart of the Chicago office,

Milton J. Blake of the Denver office,

O. H. Allred of the Fort Worth office,

Paul Windels, Jr., of the New York office,

Arthur E. Pennekamp of the San Francisco office,

James E. Newton of the Seattle office, and

Daniel J. McCauley, Jr., of the Washington, D. C. office.

It is always a particular pleasure for the Commission to have occasions like this to meet with all of you since it affords an opportunity to tell you about matters of general interest to the staff. This afternoon I want to present briefly some interesting facts about our employment situation and to summarize some of the excellent results achieved under the Incentive Awards Plan approved by the Commission in January, 1955.

First, let me bring you up to date on some significant developments in employment. As a result of a series of budget cuts during the period from 1949 to 1954, the Commission's staff was reduced from 1,149 in 1948 to 666 as of June, 1955. The figure of 666 represented an all-time

low since the formative days of the Commission. As a result of recommendations in the President's Budgets submitted to the Congress for Fiscal Years 1956 and 1957 and of the favorable actions of the Appropriations Committees of the House of Representatives and the Senate, the Congress has reversed this downward trend. Since July 1, 1955, we have made in the aggregate 204 appointments to fill the new positions provided for by these appropriations and to replace retirements and resignations. Also we have had 22 temporary clerical employees appointed during the summer months and 10 law school and business college students hired this summer under our newly established student assistant program. During this same period, it was possible to make 179 promotions for members of the staff who were assigned increased duties and responsibilities which made possible their upgrading. The policy of recognition of hard, devoted and productive work by our staff, which has resulted in these increased responsibilities at higher grades is basic in providing incentive and enthusiasm and we believe contributes to the very high professional standing of the agency.

Our permanent staff as of today is 769 and our statutory authorization this year is 794 positions. We believe that an adequate staff is essential to assure that the basic policies of the Congress enacted in the securities laws for the protection of the investing public shall continue to be effectively discharged by this agency.

During the past year we have conducted intensive reviews of our organization and operations. As a result, we have realigned the functions and personnel of the Divisions of Corporation Finance, Trading and Exchanges, Corporate Regulation and Administrative Management, and of the New York Regional Office. These changes have been designed to provide for more effective use of the staff and facilities at our disposal, so that we can better cope with our tremendously increased workload. These realignments are in accord with basic policies of the Bureau of the Budget and Committees of the Congress for continuous review of organization and functions so as to provide maximum effectiveness of manpower utilization and economy of operation of departments and agencies of the Federal Government.

During the past two or three years a number of important measures designed to strengthen the civil service merit system have been put into effect, and new or additional benefits granted to Federal employees. Included are a career conditional appointment system for employees in the competitive civil service; a cost of living increase for all Federal employees; unemployment and group life insurance; and the recently increased retirement benefits. In addition, there have been

a number of improvements of more limited application, such as a new classification and job evaluation system for the postal service and the inclusion of thousands of overseas personnel in the competitive service.

Here at the Commission, we administratively extended to certain of our employees in the excepted service the career tenure given to employees in the competitive service by law and regulation. In January of this year, we adopted a program making possible the conversion of the indefinite appointments of our attorneys who came with us after December 1, 1950, to a permanent or career basis. In addition, we took administrative action converting to a permanent basis the indefinite promotions of employees in excepted positions.

During the past year there have been fine accomplishments under our Incentive Awards Plan. Last September, the Commission recognized the long service of its career employees by presenting ten and twenty year service pins and certificates to a total of 453 employees, or 63% of the entire staff. During fiscal 1956, six employees were awarded \$175 for adopted suggestions, and cash awards totalling \$3,500 and certificates of merit were presented to 33 employees.

Fiscal 1956 also was a notable year for the recognition of the achievements of members of our staff by other organizations. In December, 1955, the National Civil Service League presented one of its 10 career service awards to Andrew Barr, Chief Accountant of the Division of Corporation Finance, and certificates of merit were awarded to Orval L. DuBois, Secretary of the Commission, Arden L. Andresen, Assistant General Counsel, Karl C. Smeltzer, Financial Analyst in the Division of Corporate Regulation, and William E. Becker, Director of Personnel. In March, 1956, two of sixteen Rockefeller Public Service Awards made throughout the Federal service were granted to Manuel F. Cohen, Chief Counsel of the Division of Corporation Finance, and Edward C. Jaegerman, Attorney Adviser in the Division of Trading and Exchanges. Thus far in this fiscal year, a number of other members of our staff have received awards or special recognition from outside organizations. In August, Elizabeth B. A. Rogers, Attorney Adviser in the Office of the General Counsel, was awarded a certificate of merit by the William A. Jump Memorial Foundation. A few weeks ago, three of our employees, Harry A. Thomas, Louis G. Guadagnoli and Murray B. Weiner, Financial Analysts in the Division of Corporation Finance, were selected for participation in the Civil Service Commission's Eighth Junior Management Intern Program, out of a total of only 19 government employees admitted to this program.

Today it is my pleasure to present several special awards in addition to the awards for length of service with the Commission.

The Treasury Department Award in recognition of outstanding achievement in the United States savings bonds program is being presented to James J. Riordan, Management Analyst in the Office of the Executive Director.

The National Civil Service League 1956 Merit Citation, in recognition of outstanding careers in the public service, are being awarded to Thomas B. Hart, Chicago Regional Administrator, Joseph B. Levin, Assistant Director in the Office of Opinion Writing, Emily E. Whalen, Administrative Assistant in the Division of Corporate Regulation, Tell T. White, Chief Oil and Gas Engineer in the Division of Corporation Finance, and posthumously to Edward H. Hoopmann, who was Chief of the Office of Investigation in the New York Regional Office.

The Commission is justifiably proud of this outstanding record of distinctions earned by members of its staff, and they are richly deserved by an able and conscientious staff that has contributed so much to furthering the objectives for which the Commission was created.