Program Planning

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(2) Follow up on recommendation on page 34

MEMBERS OF THE NIXON TASK FORCE ON
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SUMMARY OF RECOMMENDATIONS

We recommend that the President-elect give first priority to organizing more effectively the White House and Executive Office as the best way to improve the operations of the entire Executive Branch.

1. We urge preparation now of a message for early delivery to Congress. It should request renewal of the President's general reorganization authority: that is, reenactment of the statute expiring in December 1968, which, with certain limitations, authorizes the President to submit reorganization plans which will take effect unless vetoed by Congress within 60 days. In addition, this message should request new discretionary authority to reorganize the Executive Office without further reference to Congress. The first Hoover Commission pointed out as long ago as 1949, that "to enable the President to make use of the total resources in a flexible manner, he should be given complete freedom to adjust the internal relationships of the President's Office." At present, the President does not possess formal reorganization powers for his own Executive Office which are comparable to those of Cabinet officers in their separate departments. He should have such powers.

2. Using these powers (or resorting to administrative expedients if Congress declines to act), the President should provide himself with new or improved resources

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in five critical areas: executive management, program development, personnel management, organizational reform, and provision of critical information.

a. First, he should elevate and greatly strengthen the Budget Bureau's Office of Executive Management, placing it under a new Deputy Director and assigning it responsibility to review, evaluate, and coordinate federal programs and to make sure that executive departments work in harmony and make the most effective use of regional and local agencies, especially in their relation to state and local governments.

b. Second, he should establish a new Office of Special Studies under a Director with the status of a presidential assistant. With a small career staff and authority to form specialized program development committees of both government officials and outside experts, this Office would provide in-depth studies of problems on which the President needs careful and reflective advance thought. Such an office would provide studies which are responsive to the President's needs and which are much less subject to the risks of irresponsible action inherent in public commissions.

c. Third, he should establish an Office of Executive Personnel to guide and review proposals for changes in the many federal personnel systems, and eventually to set policies governing recruitment, classification and transfer of all super-grade civil service personnel.

d. Fourth, he should reestablish the President's Advisory Committee on Government Organization, the members of which would be drawn from private life. With no permanent staff of its own, but with full support from the Budget Bureau's new Office of Executive Management, this Committee would recommend to the President plans for

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improvements in the organization and administration of the Executive Branch. We believe that this device will provide far greater flexibility and responsiveness to the President's needs than would a new, statutory "Hoover Commission."

e. Finally, by reinforcing the Bureau of the Budget, the National Security Council, and the staff resources available to his chief assistants, the President should achieve an improved capability for obtaining critical information, both from the Executive Branch and from the outside.

Although the President probably will not want to make immediate changes elsewhere in the Executive Office, possession of reorganization powers would enable him later to transfer functions or personnel into or out of such units as the Office of Emergency Preparedness, the Office of Science and Technology, and the Council of Economic Advisers.

3. We recommend further that the President assign to the recreated Advisory Committee on Government Organization, as a matter of continuing high priority, the study of the desirability for consolidating, or dividing, existing agencies concerned with both domestic and foreign affairs. In the meantime, we urge use of small Cabinet or NSC committees as flexible instruments for executing programs which cut across departmental and agency boundaries.

We do not recommend a statutory "Hoover Commission" because we believe that it is unlikely to be responsive to your needs, that it will be slow and cumbersome in getting at problems, and that it will deprive you of the initiative and flexibility to use the most suitable approach to each major organizational problem.

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4. We also recommend that the President impress upon each newly appointed agency head:

a. The potential usefulness of long-range budget planning as a tool for gaining control over his departmental policies and programs

b. The need for top quality assistants, including men skilled in budgetary analysis, to serve him directly in staff, not line, positions

c. The importance of establishing better criteria by which to measure the effectiveness not only of experimental but also of on-going programs

d. The importance of active steps to improve morale among, and obtain enthusiastic cooperation from, departmental career employees in the field as well as in Washington

5. Finally, we urge that the President himself take steps to win understanding, confidence and cooperation from the career employees upon whose performance much of the success of his administration will depend.

Each of these recommendations receives amplification in sections that follow.

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INTRODUCTION

The Nixon administration has a unique opportunity to convert the federal government from a sprawling, cumbersome bureaucracy that has become virtually unmanageable in such areas as urban problems into an instrument which will serve the public interests responsively and effectively.

There has now developed a durable consensus among both the Democratic and Republican parties, manifested in a substantial body of legislation, that the federal government has major responsibilities for promoting the health, education, and welfare of the citizenry; helping rebuild our cities; modernizing our transportation system; achieving a high level of economic growth with full employment and stable prices; controlling the balance of payments; and bringing the disadvantaged into meaningful participation in our democratic society. These new functions are in addition to the more traditional but greatly expanded functions of defense and foreign affairs.

The issue now is not whether government should do these and other things the public requires to improve our society, but how it can do them well.

There is, therefore, an urgent need to organize and manage the executive branch for the most effective execution of its myriad responsibilites—from delivering mail on time to attaining a peaceful world order.

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The resources for attaining a great society are available but our institutions, and most especially our governmental institutions, have failed so far to utilize our vast resources with the imagination, vigor, and skill required to move the country forward.

Greatly improved governmental organization and management are not mundane and technical considerations. They are central to the task of the new administration. They are of the highest priority and of the greatest significance. If they are accomplished, the benefits will be felt by every citizen, and the government will regain the confidence and respect of the people it is expected to serve. If they are not accomplished, our society cannot help but deteriorate further, perhaps fatally.

In this light, we have addressed ourselves to the most pressing problems of governmental organization and management that will face the new administration in its first 90 days. We have identified tasks that must be tackled immediately with courage and boldness, so that the immediate opportunities and options for real improvement in government efficiency are not lost, and we have set forth specific recommendations for action in the 90-day period.

We have also provided for the tools which we believe the President will require to carry out the more fundamental reforms of the Executive Branch in the longer run. These tools, or instruments for more thorough analysis and more profound change, are designed to provide you with the most practical means for continuously improving governmental operation and for bringing about responsible and efficient administration. These include, as detailed in our report, a greatly strengthened Office of Executive Management, a new Office of Special Studies, an Office of Executive Personnel, and a revised President's Advisory Committee on Government Organization.

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We believe these recommendations, taken together, will provide you with the ability to respond more rapidly to urgent problems, flexibility enabling you to adopt the governmental mechanism to your changing needs, and a means of giving clear direction to the various agencies of the Executive Branch that should respond to your leadership.

In summary we believe you need:

- Freedom from any further encroachment, through added statutory limitations and regulations, on your constitutional functions as Chief Executive
- Increased flexibility to cope with the urgent problems you will face
- The ability to select from among a range of different organizational devices that approach which will be most effective in solving each individual problem
- An increased capability for "quick reaction" responses to urgent problems.

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REPORT OF TASK FORCE ON ORGANIZATION OF
EXECUTIVE BRANCH OF THE GOVERNMENT

ORGANIZATION OF THE EXECUTIVE OFFICE

The device of delegating to the President responsibility for reorganizing the Executive Branch, subject to review and veto by Congress, originated under President Hoover with the Economy Act of 1932. Alternately strengthened and diluted by subsequent acts, this power is, under present legislation, subject to two limitations. First, a simple majority in either House suffices for a veto. Second, no plan may create or abolish any executive department. Ideally, we believe, the Reorganization Act of 1949 (now Ch. 9, title 5, U.S. Code) should be extended without the subsequently added limitations, and with Congress exercising its veto only by concurrent resolution or, at most, by a constitutional majority of either House. But we do not feet that the gain would be worth the necessary political battle. Therefore, we recommend that the President request only the present more limited reorganization authority be extended by the new Congress.

With regard to the Executive Office, however, it is our view that the potential benefits of new reorganization authority are great enough to justify an expenditure of "political capital" should this be necessary. Past reorganization plans have transferred to the heads of most executive departments substantial authority over internal

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organization. The President's control over his own Executive Office is, at least in formal terms, much weaker. Since the Office serves the President directly in the execution of his constitutional authority as Chief Executive, we believe strongly that he should seek from Congress authority to reorganize it by executive order as he sees fit—to transfer powers or to delegate powers within it at his discretion, and without the possibility of subsequent negative Congressional action.

Political Obstacles

We do not minimize the political obstacles. The Congress will inevitably be suspicious of any proposal that threatens to increase the power of the President. In an opposition-led Congress, this will be doubly the case. In addition, President Nixon will have to explain some of the purposes for which he seeks reorganization authority. In doing so, he will inevitably arouse fear that he intends to encroach on jealously guarded interests. The proposed strengthening of the Budget Bureau's capacity to exercise leadership in management improvement, for example, will be recognized by some as foreshadowing possible moves to consolidate federal activities on regional or functional bases. As a result, some Congressmen will fear subsequent moves to shift facilities or personnel from their districts or states. Others will speak up for bureaucratic groups whose autonomy might thereby be jeopardized. Similarly, our proposed Office of Executive Personnel could be seen as potentially threatening the powers of the Civil Service Commission and the independence of the elite Foreign Service. It could give some adversaries of the administration opportunity to cry alarm over the danger of the President's reviving the spoils system.

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Requirements for Funds

The President should, in his supplemental budget, request an increase in appropriations for the Executive Office. Although all of our proposed new Executive Office units would be small, we foresee immediate need for some new professional-level personnel and additional funds for consultants and contract research. Also, a part of the White House staff has, in the past, been detailed to the Executive Office and charged to budgets of other departments. In addition, we believe that the President should ask for the increase of his Emergency and Special Projects funds to $20 million, and at very least to $10 million. For the past 12 years this fund has remained in the vicinity of $2 to $2.5 million, which has been very inadequate to permit the President to meet unforeseen but urgent needs.

We do not believe that such supplemental funds for the Executive Office will prove difficult to obtain. In the past, the Appropriations Committees have not seriously questioned such requests. The principal force for restraint has been the Budget Bureau which, after stripping back budget requests of the Departments, has been loath to recommend enlarged or even adequate monies for the Executive Office. Obtaining reorganization powers will, we believe, pose more political difficulty than securing funds with which to put such powers effectively to use.

Specific Needs of the Executive Office

We recommend reorganization of the Executive Office of the President

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in several areas.

Improved Information-Gathering. At present, the White House and Executive Office stand at a relative disadvantage as compared with executive departments and agencies. Since they have few career officials, they experience much more turnover during a presidential transition. And because White House files belong to the outgoing President rather than to the on-going government, new men in the White House and Executive Office have less to turn to in the way of written records. The problem is greatest, probably, in the national security area, where the key personnel and many of the most important documents depart. It is least in regard to legislation, where the Budget Bureau's Legislative Reference unit has a career bureaucracy and maintains records covering all but the most sensitive political aspects of past legislative proposals. Nevertheless, lack of adequate information on current issues will confront all men newly entering the White House and Executive Office and will continue to concern them even after settling in.

We see no single across-the-board solution to this problem. In part, but only in part, the problems relate to information retrieval. The Budget Bureau has recently let a contract for an information retrieval system. When it is in operation, the Bureau should be able to obtain and produce more readily program and performance data on the broad range of government activities.

We suggest also that you ask President Johnson to make arrangements by which you can from time to time make specific requests to his designated librarian for information that may prove to be unavailable in departmental files.

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In larger part, immediate and foreseeable problems in the White House and Executive Office staff arise from limitations of staff. Men are so preoccupied that they do not have time even to send for files, staff studies, or the like, bearing on problems before them. Using reorganization powers, the President could shift staff permanently or temporarily from one unit to another or assign one unit a regular function in support of another—instructing a unit of the Budget Bureau, for example, to provide continuing aid to his assistant for national security affairs.

An Office of Executive Management in the Bureau of the Budget. The Bureau of the Budget has long had responsibility for organization and management problems. In recent years, however, its capability for dealing with such problems has atrophied. An Office of Executive Management has been established during the last year within the Bureau for the purpose of restoring, broadening, and strengthening the management and program coordination role, but no head for this Office has yet been appointed. The objective thus remains only an aspiration. We believe that it should be given high priority. Accordingly, we urge the creation of a second Deputy Directorship, the appointment of this Deputy Director as head of the Office of Executive Management, and the assignment to this Office of additional money and manpower.

The Office of Executive Management should then become the President's principal internal staff for coordinating, reviewing, and improving federal organization and management. It should examine and prepare reports on the manner in which federal or federally-aided services are coordinated on the national and regional levels and delivered at the local level. In some cases, this duty should involve not only coordination of current programs but also redefinition and redesign of those in which confusion

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or inefficiency seem inherent or about which serious consumer dissatisfaction manifests itself. Ultimately, this Office probably should establish field offices to monitor decentralized programs of departments and agencies. The Office should, in addition, provide basic staff work for the reestablished Advisory Committee on Government Organization and, on its own, attack such matters as the efficiency of the General Services Administration, policies for government contracting, etc.

Creation of an Office of Special Studies. One clear lack in the present Executive Office is capacity for in-depth analysis of problems not immediately at crisis stage but foreseeably important to the President and not adequately examinable by any existing department, agency, or interdepartmental committee.

The most fundamental reason for the creation of an institutional arm for special studies within the Executive Office of the President is the need for depth studies which anticipate crises well before they happen and which propose timely, preventive, or corrective action. Unless a special, separate office is created within the Executive Office of the President, assigned the specific responsibility of conducting or organizing depth studies of major issues which the President and his key advisers identify as emerging problems which have not yet reached the crisis stage, the Administration is likely to move from crisis to crisis, unprepared to cope with them through advance analysis, preventive action, and contingency planning. To fill this lack, we recommend creation of an Office of Special Studies.

Such an Office should be headed by a man in whom the President has high confidence. He might appropriately serve both as its Director and as an assistant to the President,

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playing a dual role comparable to that of the Science Adviser (who is both a presidential assistant and head of the Office of Science and Technology).*

This Office of Special Studies should have a small permanent staff, combining strong analytic talent with a capacity to organize team projects. Much of the Office's work would be done by career people borrowed from departments or agencies and by outsiders, brought in from state or local government or the private sector. Studies would be prepared by (1) task groups directed by the permanent staff or (2) presidentially appointed committees, for which the Office would provide or arrange staffing, or (3) by contractors, with the Office developing the specifications and probably also negotiating contract terms.

This Office should at all cost avoid overloading itself. Its key function would be to achieve for the President the kind of long-range planning that is almost inevitably precluded if a number of problems have to be dealt with at the same time. Its Director should have instructions to concentrate on problems with specified characteristics. They should be problems (1) cutting laterally across departmental lines, (2) involving state or local government or private sector units as well as federal agencies, or (3) of such a character that no single department or agency could study them objectively or adequately. The Office should avoid assignments that can be dealt with adequately by a department or agency or by any other element of the White House or Executive Office. At the same time, however, the Director should clearly not concentrate so exclusively

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*If the role of this Office were primarily domestic affairs, Mr. Moynihan might serve as its director even though the potential range of studies would be broader than urban problems.

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on long-range problems as to lose contact with the day-to-day concerns of the President. It would be important that he maintain continuing contact with presidential assistants handling more short-term assignments.

Examples of the studies which such an office might be asked to undertake are:

a. An examination as to how to divide up the problems of the cities into manageable components for purposes of separate, dovetailing studies. The problems are so numerous, complex, and interrelated as to make extremely difficult any general study without separate sub-studies. The development of a conceptional framework, showing how such components would relate to the larger purpose, suggesting priorities, and suggesting the varying methods by which each component study might best be conducted could well be one of the first projects undertaken.

b. A review of grant mechanisms, especially proposals for block grants, revenue sharing, and related fiscal devices for strengthening state and local governments and services. This is an area in which there is bipartisan interest. Much work has been done in this field but it is not in a form which will permit the President to accept any existing packaged proposal. Much more careful staff work needs to be done from the President's perspective.

c. Tax credits to private business to assist in overcoming urban ghetto problems. The Treasury Department, the Council of Economic Advisors, and the Bureau of the Budget have traditionally been strongly opposed to tax credits in almost any form (with the sole exception of the investment tax credit). If the President is to obtain a sympathetic or unprejudiced analysis of the idea to which he gave support during the

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campaign, he is more likely to get it in this office than in the institutions which have stoutly and steadfastly opposed tax credits of any kind through both Republican and Democratic Administrations.

d. Methods of engaging the participation of the recipients of services at the local level while maintaining reasonable standards and accountability. This problem, highlighted by the school decentralization plan and the teacher's strike in New York, seems very likely to be the forerunner of many more such issues. The Federal Government cannot escape eventual involvement. The President needs to be forearmed.

e. Means of doing more of the government's business through outside organizations. In addition to straight contracting, there are many other devices, such as public corporations, that can be useful in providing public services more effectively than can be done directly by government agencies.

An Office of Executive Personnel. The achievement of maximum efficiency from competent personnel is the goal of any organization, whether public or private. Federal personnel have been studied and re-studied ad infinitum—but the goal is far from attained. Recommendations are made periodically by various groups and individuals. One of the most notable—and which is still fresh after four years—is the Committee for Economic Development (CED) report on Improving the Executive Management in the Federal Government.

We agree with the CED's focus on the key people employed by the Federal Government—some 8,600 of them: i.e., the career and political executives holding senior positions in departments, bureaus, divisions and independent agencies, on whom the

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effective management of the Federal Government depends. Our recommendations center on those who manage, for this is the group that ultimately makes or breaks an administration. Though other areas of personnel management are important, at this time priority should be given to the strengthening of the managerial and professional staffs in the Executive Branch.

Although the President is constitutionally the Chief Executive, his capacity to exert effective leadership in personnel matters has been progressively limited by legislative action, especially in the last 40 years. Yet, the President cannot evade the constitutional responsibility for performance and results in the Executive Branch. Since 1930 Congress has enacted a mass of detailed legislation, tending to freeze many administrative details of personnel administration into statute, thus depriving the President and his Cabinet of needed discretion and flexibility. Today, after some 1,500 separate statutes have passed affecting personnel, the President can exert only minimal influence over the selection, supervision, motivation, and evaluation of the key career executives on whom he must depend for effective execution of his policies.

Historically, there have been three central units of government charged in one way or another with assisting the President on executive personnel matters: the Civil Service Commission, the Special Assistant to the President for Personnel Management (discarded in 1961), and the Bureau of the Budget. We believe and recommend that such resources could be more effectively organized and that the President's efforts to strengthen the executive personnel of the government can be greatly enhanced if there is an assignment of responsibility within the Executive Office of the President for the broad development of executive personnel.

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Accordingly, we recommend that there be established in the Executive Office of the President an Office of Executive Personnel.

We are agreed that ultimately this Office should manage the recruitment, classification, transfer, and separation of all super-grade civil servants, including those in the Foreign Service and other special systems. It should be the agency through which the President sets policy governing recruitment, promotion, etc., throughout the career federal service. It should also lead in creative proposals for motivating and upgrading the civil service.

We believe that the degree to which formal responsibilities for super-grade personnel can be assumed by this Office at the outset can only be determined by a testing of the receptivity of Congress. We believe you should move as fast as you can.

A further role which such an Office could perform now would involve staff work, perhaps for a special Presidential commission, on the fundamentals of personnel systems and relationships between federal and non-federal systems. Rigidities have developed which impede the mobility of personnel between systems of the Federal government, between systems of state and local governments and the Federal government, and between private and public employment. An Office of Executive Personnel should seek remedies for these symptoms of hardening in our arteries.

A further responsibility should be to assess the implications of rapid growth in employee unionism, collective bargaining, and threatened or actual strikes both as a general national problem and as a specific problem in respect to unionized Federal employees. While no major strike of Federal employees has yet occurred, the handwriting is on the wall. This problem certainly deserves a good anticipatory study. The Office of Special Studies could provide the support for such a study.

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Reestablishment of a President's Advisory Committee on Government Organization. A committee of this general nature existed from the time of the first Hoover Commission until 1961. Made up of distinguished private citizens, it would view organizational problems in the executive branch without the biases inevitably to be found in agency representatives or active members of the House or Senate. It has provided successive Presidents with sensible and useful advice on such problems.

We recommend its reestablishment not only on the assumption that it will render equivalent service to the Nixon administration but also because we believe that it can be more effective than a new "Hoover Commission," such as is now advocated widely. For reasons detailed below, we regard the "Hoover Commission" concept as undesirable.

We believe that this Committee can provide both flexibility and responsiveness to your needs. It will be able to attack urgent problems quickly, without the long delays inherent in a single massive reorganization study. Some of the organizational problems it might study are:

- The possible inclusion of AID and USIA within an expanded State Department
- The organization of present independent agencies such as NASA and the AEC
- The combining, or separating, of departments and agencies concerned with human problems.

These are discussed in more detail later.

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We believe further that an Advisory Committee could serve the President as a primary means for getting quickly at such complex and urgent questions as how to improve the management of non-military foreign activities. With the Budget Bureau's strengthened Office of Executive Management supplying most of the staff work and relevant agencies the rest, the Committee could review possible organizational changes and make recommendations to the President on whatever timetable he fixed.

Other elements in the Executive Office. After obtaining reorganization powers, the President should, in addition, review existing elements in the Executive Office to determine whether changes in them are needed or desirable. He needs to consider whether he wishes to retain in the Executive Office some policy-setting mechanism for poverty programs or whether all elements of the Office of Economic Opportunity should be removed or dispersed. His position on this question must be determined early, for Congress must enact new legislation on OEO by June. After determining to what extent relations with state governments will remain under the charge of the Office of Emergency Preparedness or will become the concern of the Vice-President, he may choose to transfer some OEP functions and personnel to other units in the Executive Office or the executive branch. He may wish some change in the small Office of the Special Representative for Trade Negotiations. He probably will not want to alter the character or structure of either the Council of Economic Advisers or the Office of Science and Technology.

Fallback expedients in the event that reorganization powers prove unobtainable

Although our recommendations concerning the Executive Office can best be carried

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out if the President acquires the discretionary authority to reorganize, many could be effected, even in the absence of such authority.

a. Office of Executive Management. As noted above, the shell of such an Office exists in the Budget Bureau. The President could instruct his Budget Director to assign one Assistant Director exclusive responsibility for that Office and to provide it adequate resources. Congress would probably supply the requisite manpower and money even if it rejected the reorganization proposal.

b. The NSC. If it seems desirable to increase the NSC staff, the President could, as in the past, use Special Projects funds and/or borrow agency personnel without transferring them formally or budgetarily to the Executive Office. Similarly, he could, if he chose, give his assistant for national security affairs a second hat as Executive Secretary of the NSC and allow him to organize the staff as he chose.

c. Special Studies. Though the President could almost certainly obtain special legislation setting up an Office of Special Studies, he might encounter Congressional demand that its Director be subject to Senate confirmation. Probably, therefore, the President would be better advised simply to assign the functions of such a Director to one of his assistants and leave it to that assistant to beg or borrow the personnel and funds required to commence analytical work on urgent problems of the character described.

d. Office of Executive Personnel. Failing the ability to create such an Office the President could perpetuate the arrangement that now exists: that is, he could give a second job to the man whom he appoints as Chairman of the Civil Service Commission

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and use him in the White House as, among other things, a general adviser on personnel policy. By assigning this individual some White House or Executive Office staff, the President could probably induce a start on exchanges with state and local governments, for legislation already authorizes such exchanges. The President could direct this official to look at possible methods for integrating the various federal personnel systems and of broader issues in the personnel field.

e. Advisory Committee on Government Organization. The President does not need reorganization powers to reestablish this Committee. Nor does he need such powers to instruct the Budget Bureau to provide its staff work. On the other hand, in the absence of Executive Office reorganization, it seems likely that it would be more difficult for the President to use this Committee as a means of addressing major problems of government organization because his ability to resist Congressional pressure for a new "Hoover Commission" would be reduced.

The President could meet most of his pressing needs by one expedient or another, even though he were denied reorganization power or he judged it politically unwise to seek such power. We nevertheless recommend that he take the more difficult route of seeking reorganization authority. We do so, in the first place, from conviction that each need can be better met thereby. In the second place, we do so in recognition that we are not situated to judge all, or perhaps even most, of the new demands that the next few years will make on the President and his Office. We believe that he requires and should seek the organizational flexibility to cope with these demands, and we assume that, whatever the political costs, they will be smaller in the "honeymoon" period than at any subsequent time.

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Why no new "Hoover Commission"?

The first Hoover Commission achieved great success for two reasons. First, it used for leadership a former President who, mellowed by a long period in private life, stood almost above party. Second, the subject matter was clearly defined and within the traditional limits of studies of public management and government organization. Even the second Hoover Commission lacked the second of these advantages, for it undertook to report on policy issues as well as management. As a result, it enjoyed much less success. The Eisenhower administration found many of its recommendations distasteful, and Meyer Kestnbaum spent a large part of his time as a presidential assistant either disavowing or refusing to act on the second Commission's reports.

We doubt the advisability of a commission imitating the first Hoover Commission. It seems to us unwise either to have the study headed by the obviously eligible ex-President or to have it address traditional problems of organization or management. The needs of the executive branch are too urgent and too disparate to await deliberate and comprehensive examination. The great problems calling for such examination—the federal system and executive-legislative relations—do not lend themselves to appraisal by a large body consisting of ex-officio members. We suggest in more detail in later paragraphs how these problems might be approached.

It is our fear that a new "Hoover Commission," created by bills such as the Pearson or Ribicoff bills (S.47 and S.2116) introduced in the last Congress, would handicap the President in dealing with what we have already described as the major challenge facing him. On the one hand, its existence would encourage postponement of less-than-comprehensive organizational changes, by means of which he may inch toward more

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effective accomplishment of governmental purposes. On the other hand, its eventual comprehensive report could add up to criticism of him for not having reached objectives which he might have attained. This latter result would be all the more likely if the Commission, following the original model, was equally divided in party membership but with actual control in the opposition party.

We believe the administration and the country will benefit if the President energetically advocates a targeted rather than a scattergun approach—the handling of urgent administrative problems by an on-going Advisory Committee and study of problems of unusual complexity by commissions specially selected for the purpose.

THE MANAGEMENT OF THE EXECUTIVE BRANCH

Our Task Force has not attempted to examine in detail any organizational problems other than those of the Executive Office. While the paragraphs that follow present some basic recommendations, they consist mostly of points that might well become early agenda items for a reconstituted Advisory Committee on Government Organization.

The Cabinet

We are in agreement that the Cabinet as such can seldom be used for decision-making. Department heads have very little in common. The interests of the Secretary of Defense and the Postmaster General, for example, seldom overlap. An attempt by the President to promote Cabinet debate on serious issues is likely to encounter resistance from department heads fearful lest ill-informed or peripherally interested colleagues speak against them. This has happened in the past. Nor would the President

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be served, for he could well find Secretaries bringing forward proposals of which he disapproved, merely to demonstrate that a majority would support them.

Regular meetings of the Cabinet can nevertheless serve a very useful purpose. They help department heads maintain a sense of identification with the administration. If organized essentially as briefing sessions, they can educate members and make them, in their individual capacities and in their public statements, more sensitive to the broad demands pressing on the President. In addition, there will be subjects important to all Cabinet members, such as federal employee labor-management relations, which can be discussed usefully by all.

Departmental reorganization

A strong case can be made out for reorganizing the Executive Branch to consolidate departments of overlapping jurisdiction. HEW, HUD, and elements in transportation and Labor all deal with aspects of the urban-welfare complex. Interior and Agriculture both concern themselves with natural resources. State, related agencies such as ACDA, AID, and USIA, the CIA, and segments of Defense all have to do with foreign affairs. If some functional groupings were achieved, the President's span of control would not extend over so many disparate department heads. Super-Secretaries presiding over such groupings might be able to bring about cooperation such as a Secretary of Defense has proved able to realize from the once-separate departments now under his charge.

Most of us are not persuaded, however, that the case for merging departments has yet been proved. The units making up HEW have not been brought into cooperative relationships, and some of our members believe that merger of HEW with other depart-

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ments would make less sense than would removal of Education and elevation of it to departmental status in its own right. Though many concur that Interior and Agriculture should ideally be united in a single Department of Natural Resources, none believes that a proposal to such an effect would make headway against the vested interests that have consistently opposed such a merger in the past. As for a Department of Foreign Affairs, the group feels that there is strong logic for grouping at least some of the present foreign affair agencies, although in the judgment of several, there would be strong resistance from within the agencies.

Our own recommendation is that the reestablished Advisory Committee on Government Organization reexamine proposals for super-departments. Past studies exist in plenty. Relatively little staff work should be required to bring them up to date. The Committee could promptly lay before the President various alternatives and the pros and cons for each. Applying his own knowledge and his own sense of the desirable and the possible, he can then judge whether he wishes to present any major reorganization proposal to Congress.

Cabinet committees

In the meantime, problems that do not fall clearly within the jurisdiction of any one agency might be entrusted to small Cabinet committees. We visualize ad hoc, not standing, committees, and we would recommend that each be kept as small as possible. (One member of the Task Force contends that any committee of more than three will have difficulty reaching decisions.) Possible subjects for such committees might include manpower programs, the relationship between transportation development and urban development, control of public disorders, and the future of Selective Service.

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In each committee, one Cabinet member or his designee could serve as chairman, present recommendations to the President, and then bear responsibility for arranging the coordinated execution of the President's decisions. A presidential assistant would presumably be associated with each such committee. His duties could include provision of any necessary staff work and follow-up on execution. Through design of such committees and through appointments to them, the President could give one Cabinet member or one presidential assistant a leading role in several functional areas. However, in order for this arrangement to work well, the President must make it quite clear that the "lead" cabinet member has his full support.

We admit to some uncertainty as to how successful the Cabinet committee device might prove. Standing Cabinet committees, such as those on price stability, have clearly lacked effectiveness. Ad hoc Cabinet committees could turn out to be unnecessary bureaucratic layers, intervening between the President and his assistants on the one hand and operating officials on the other. Certainly, if Cabinet officers designate alternates to sit for them on such committees but fail to give their alternates full powers, the device could make for delay or confusion or both. And it may be that a Cabinet committee system would require a small central staff comparable to that serving the NSC. The proposed Office of Special Studies can provide the analysis necessary for coordination of major programs. We nevertheless put forward the suggestion that the President use the device of Cabinet committees for a few broad problem areas such as urban activities.

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The National Security Council

The NSC is, in effect, a Cabinet committee. Its statutory members are the President and Vice-President, the Secretaries of State and Defense, and the Director of the Office of Emergency Preparedness. In practice, President Eisenhower included as regular participants the Secretary and Under Secretary of the Treasury, the Under Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs, The Director of the CIA, and often the service secretaries, the individual service chiefs, the UN Ambassador, and a number of others. As a result, the NSC tended to lose much of its usefulness for action purposes. Meanwhile, a large staff had gathered to serve it. A Planning Board prepared papers for it, and an Operations Coordinating Board undertook to follow up action on NSC recommendations approved by the President. In 1961, President Kennedy practically did away with the NSC and its staff organizations. Seldom summoning formal NSC meetings, he dealt directly with individual departmental officials through his White House national security staff.

President-elect Nixon has already announced his intention to revitalize the NSC. We would recommend that, in doing so, he take care to prevent its becoming once again cumbersome and routinized. To that end, we would urge that he use full meetings of the statutory members, advisers, and deputies much as he uses Cabinet meetings: that is, for mutual education rather than for decision-making. Most of the time, he would find it preferable, we believe, to convene committees of the NSC, made up exclusively of himself, his national security assistant, one staff man to take action notes, and the Cabinet officers or agency heads principally concerned with the issue in hand. Thus, for example, an NSC committee considering a clandestine operation might include, in

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addition to the President and his aides, only the Secretary of State and the CIA Director. One on the food-for-peace program might be limited to the Secretaries of State, the Treasury, and Agriculture.

We would also recommend strongly against the reestablishment of large special staffs like those of the Planning Board and the OCB. Planning, participation in decision-making, and follow-up are not readily separable. There must be continuous communication—not just the passing of paper—between those thinking ahead, those making decisions, and those carrying out the decisions.

It is our view that the key to successful revitalization of the NSC lies less within the White House and the Executive Office than within the departments and agencies concerned with national security. To be sure, the President and his national security assistant need stronger staff resources. The twelve to fifteen professionals now working on the NSC staff are adequate for monitoring Situation Room traffic, making sure that all agencies get their views to the White House, and following up on immediate actions. At a minimum, this staff should have four to six additional members, charged not with watching cable flow but with reflection on longer-term issues. Also, it might be useful to the President's assistant and his staff to possess a small research and analysis unit, not necessarily housed in the Executive Office, searching out background information, past departmental staff studies, and the like.

Chiefly, however, planning and analysis should take place within the agencies. We would urge that special attention be given to strengthening such capabilities in the State Department. If that Department possessed a planning staff as strong and as intimately

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associated with the Secretary as the Defense Department's Office of International Security Affairs, the President's assistant and his planners would need much less staff work of their own. Their numbers could remain small, and they could concentrate their efforts more effectively.

Similarly, the coordination function ought to fall primarily on the operating agencies. To the extent that the President's assistants can count on agency officials to manage activities in their jurisdiction, they can follow up presidential decisions with relative ease. A phone call from a Presidential assistant to the Deputy Secretary of Defense may be all that is necessary, for example, to check up on execution of a decision by the military establishment. If comparable management capability could be created in the State Department, perhaps extending to activities such as those of AID and USIA, the operational burdens to be borne by the NSC staff could be comparatively light.

Members of the Task Force have agreed that one of the two Under Secretaries of State should have responsibility for managing the complex decision-making process within state. A further possibility would involve assignment of primary responsibility for coordination over the whole foreign affairs community to this Under Secretary. Through the existing Senior Interdepartmental Group-Interdepartmental Regional Groups (SIG-IRG) or some substitute mechanism, he could both search out and report to the NSC issues dividing agencies and also supervise the execution of decisions. If so, he should be added as a regular participant, like the President's national security assistant, in all NSC committee meetings.

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The size of the NSC staff and the number and variety of functions to be performed by it depend altogether on the strength and structure of agencies concerned with national security policy, especially the Department of State.

Individual agencies

Though we did not address in detail the organizational problems of particular departments, we can offer one observation applicable to most if not all. It is that department heads characteristically lack adequate staff resources. In nearly all, the top level is large in terms of numbers, but most Assistant Secretaries or equivalents have line responsibilities. They are charged with administering operating bureaus or clusters of bureaus. Inevitably, they become spokesmen for the particular interests or perspectives which their bureaus represent. Most Cabinet Secretaries thus have almost no high level aides helping them consider problems from a department-wide or a presidential standpoint.

The one great exception is the Department of Defense, where all Assistant Secretaries or equivalents have functional jurisdiction (such as Systems Analysis, International Security Affairs, and Research and Engineering), cutting laterally across operating lines. These Assistant Secretaries, equipped with staff of their own, can present the Secretary with well-worked-out alternatives to proposals coming from the JCS, the services, or the field commands. To be sure, the structure and problems of the military establishment are unique, and the Defense model cannot be borrowed wholesale by other departments. Nevertheless, the principle that a department head should have high level staff not engaged in supervising line activities seems to us one of universal applicability.

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a. Planning-Programming-Budgeting (PPB). One obvious use for high level departmental staff is budgetary analysis. PPB, first applied in Defense and then introduced into civilian agencies in 1965, provides a method by which department heads may gain greater control over decisions within their bureaucracies. It involves requiring operating agencies to make explicit the long-range goals and long-range budgetary consequences of program proposals. Once goals and consequences have been stated, it can become possible for the Secretary's staff to analyze and put before him alternative proposals for pursuing the same goals, alternative definitions of goals involving different sets of budgetary consequences, and comparisons of the relative costs of potentially competing programs.

It is already quite clear that PPB provides no magic formulae for decision-making. An observable result of its application in Defense was a rise in overall demand for funds. One member of our Task Force holds that the traditional device of an arbitrary budget ceiling serves even better to force consideration of priorities. Nevertheless, the majority of us believe that PPB can serve a useful purpose in enabling a department head to perceive and make choices among alternative goals and programs.

PPB is, however, primarily an analytical tool, the utility of which depends altogether on by whom and how it is employed. Department heads cannot expect useful results unless they seek and place in staff positions first-rate analysts either from within their own agencies or from corporations, business schools, or research centers. One clear lesson from recent experience is that PPB can only be applied selectively. It has no relevance at all for some problems. The Bureau of the Budget has required agencies to analyze in depth too many programs and issues, and the

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resultant analysis has usually been of poor quality. Another clear lesson is that provision for systematic evaluation is very seldom built into on-going programs. Even projects avowedly experimental in nature have often been undertaken without any specific plan for evaluating their results.

We would recommend therefore that instructions to department heads to apply PPB be modified to call for selective use. We recommend also that the Bureau of the Budget design and issue a set of program evaluation standards, providing among other things, that no funds be furnished for "experimental" or "demonstration" projects unless the projects are explicitly designed to include evaluation.

b. Research. Another functional area suitable for high level staff concentration is research and development. In a number of departments, research is either divided up among operating bureaus or is neglected altogether. It seems to us that in nearly all cases decisions on research and development should be linked to the long-range policy planning properly in the province of the department head or the President.

Morale in the federal service

Given the challenges that face the Nixon administration, we regard it as of the utmost importance that the President and all his major appointees devote special efforts to winning enthusiastic cooperation from the career employees who, in the end, execute their decisions, represent the government in the eyes of the public, and determine the quality of government services. Some of the energy which in other circumstances might go to building constituencies for legislative proposals should, in this administration, go to winning loyalty and understanding among the government's own agents.

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We recommend that each department and agency head be made aware of the President's desires in this regard. We further recommend that the President himself set a conspicuous example. He should, if possible, arrange for an early post-inaugural meeting with the Executive Officers Group. An association made up of top departmental administrators, this Group meets regularly and has a secretary in the Executive Office. We suggest that an appropriate agenda item for such a meeting would be the proposed Office of Executive Personnel described above.

Subsequently, the President should find occasions to visit departments in Washington and, whenever possible, facilities in the field. It should not be a burden to him sometimes to deliver statements or hold meetings in places other than the White House or sometimes to use as a forum outside of Washington a gathering of federal employees rather than one of businessmen, church representatives, or the like. The resulting stimulus to morale could be of great importance to the administration's long-run performance.

A PARTIAL CHECKLIST OF ORGANIZATIONAL PROBLEMS DESERVING EARLY CONSIDERATION

Major long-term problems

a. Federalism. As stated earlier, we regard federal-state-local relations as a subject calling for careful and sustained examination.

Over the past generation, along with the centralization of policy decisions and financial support in Washington, has come a decentralization of the actual administration

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of federal programs, both to the states and cities on the one hand, and on the other hand to private institutions such as universities and business corporations. Some of the most difficult administrative problems today are not within the federal bureaucracy, but in the network of grant-in-aid and contractual relations through which are administered, for example, the new poverty and economic opportunity programs as well as the slightly older military, space, and atomic energy programs. The problems of the ghetto and of the "military-industrial complex" cannot be brought under control by action within the Executive departments alone. No official study has been made which would bring to the Congress and the public an appreciation of the way in which the effectiveness of our policy and the economy of our administration depend on the new structure of public and private federalism.

These problems probably call for a new and critical study, administrative and managerial in focus, but inescapably political in its implications. A small committee of both eminent private citizens and able government officials would be best situated to make an objective study without the temptation to turn it against the policies of the administration.

b. Congressional-executive relations. The most difficult problems in organization and administration are now no longer merely managerial; they have their roots in Congressional politics and in the new procedures invented by Congressional committees for the control of particular parts of the executive. For example, all recent Presidents have found that the impossibility of reorganization in fields like rivers and harbors and the construction of dams is not the result of administrative, but of fundamental political

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difficulties. Problems such as these cannot be solved merely by formal reorganization or the reallocation of statutory authority. The increase in the use of such procedures as annual authorizations, and requirements that specific administrative acts be approved formally or informally by Congressional committees or subcommittees, now gives new tools for control to members and staffs of Congressional committees. Earlier organizational studies, because they were asking for Congressional action, considered it imprudent to raise issues of legislative-executive relations. Reform in this area can come only if it can be shown that the interests of the President and the Congress as a whole are not in conflict, but that they have a common interest in establishing comprehensive and responsible policy against the special interests created by alliances between Congressional subcommittees and particular federal bureaus.

This difficult subject may well call not for formal study but for a series of informal discussions between the President and leading members of the executive on the one hand, and Congressional leaders on the other. Some special studies of the problem commissioned by the Executive Office (perhaps with the collaboration of the Legislative Reference Service of the Library of Congress) could serve as the basis for the agenda of such discussion. The President and one or two Cabinet members might get together with three or four senior legislators to discuss lessons that might be drawn from a study of one particular appropriations process. Other Cabinet members and legislators might review a study of a different subject. In view of the inherent difficulties in this relationship it would perhaps be wiser not to be committed in advance to any set schedule or pattern.

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Problems for Consideration by an Advisory Committee

on Government Organization

a. The foreign affairs community. No administrative problem is more urgent than that of how to introduce greater planning and managerial capacity into the welter of agencies concerned with diplomacy, aid, propaganda, arms control, intelligence collection and evaluation, and military action. Among specific matters deserving consideration are the Foreign Service Association proposals for reorganization of the State Department; the perennial question of how much autonomy AID and USIA should enjoy; the possible desirability of transferring administration of military aid from Defense to State; the competition existing among intelligence agencies; and the question of whether the Joint Chiefs of Staff should continue to be made up of operating heads of services.

b. The urban-welfare complex. The problems here are second in urgency only to those in the foreign affairs community. Among specific issues are the future disposition of operating activities of OEO; the coordination of federal efforts in welfare and education; and the future of federal efforts to assist state and local law enforcement agencies.

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c. Problems of lesser urgency. These include possible transformation of the Post Office into a public corporation; possible consolidation of federal activities relating to communications, cultural affairs, and scientific affairs; the future administration of the space program; and possible means for improving or altering the character of regulatory agencies.

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