

THE WHITE HOUSE  
WASHINGTON

August 20, 1974

MEMORANDUM FOR:

SECRETARY ROGERS C. B. MORTON

FROM:

ROY L. ASH

Over the years, I have researched the thinking of the last 50 years on the operations of the President's office and added my own thoughts in light of today's scale and scope of the job.

The President has many jobs; he must do them all. The attached statement by President Truman shows one perception of the enormous task of a President.

Accomplishing these jobs requires the maximum amount of delegation, but also requires that the President not abrogate his responsibilities. To delegate effectively requires that the President:

1. Determine what be delegated and to whom.
2. Imprint his values, policies, goals and priorities on the work delegated.
3. Be provided information as to the performance under, and results of, delegated authority.
4. Have an orderly system by which matters needing Presidential decision or action come before him complete, balanced and timely.
5. Have a means for interceding selectively into those matters where he desires or should, and
6. Provide for the coordination and resolution of matters that cut across authorities delegated to two or more subordinates.

In today's government he can't do all this personally, so he needs considerable staff assistance - not to usurp the primary work delegated to others, but to assist him in effective delegation to others.

In my own view, the President needs a combination of substantive and

process assistance. That is, a limited number of personnel qualified in the main substantive areas of government, and others assuring the delegated processes operate as intended.

Personnel serving the President in this staff capacity must have only the President as their constituent, and be freed from any bureaucratic or public constituency.

Further, it is my own view that, because of the importance of every Presidential decision, the fact that most decisions at the highest level are "trade off" ones spanning many interests, and ones that often require highly subjective judgments, the structure of the President's staff should contain considerable redundancy. That is, mutually exclusive "territorial jurisdiction" deprives him of the full interaction of his staff, let alone the direct thinking he will get from his line executives.

To meet the criteria for effective delegation, to deal both with substance and process, and to assure redundancy, my own perception of a President's staff structure can best be described as a matrix:

Substantive Process	International	Economic	Social (Domestic)
Presidency			
Legislation			
Operations			

The substantive "coordinators" would be:

The NSC

The coordinator for Economic Policy

The Domestic Council

In each case, their work should concentrate on highest order policy from a Presidential perspective and should avoid duplicating or managing departmental work.



The process staff assistance would be:

1. The President's Chief of Staff, concerned with serving the President and the President's office directly - communications into and out of that office both with the public and the rest of the Executive Branch; personnel; the staff secretary; scheduling; the President's counsel; White House operations, etc.
2. The legislative liaison function
3. OMB

This is not the conventional way to show organizational arrangements, but it is my own belief that it better expresses the nature of the President's staff needs. The six people who would head these six functions would be, in effect, a cohesive President's office, with individual responsibilities of course, but working intimately together and with the President to assure complete and rounded staff assistance.

An alternative, depending on Presidential style and interest, is to forego one, two, or all three of the substantive staff groups and work with the three process activities. (The reverse is totally unworkable). In this case the President would rely on, say, the Secretary of State for international policy staff assistance, and on a combination of department heads in each of the other areas. This would, of course, bring an additional work load into the President's office directly, which he may desire in some areas, and also require the process offices to carry out greater interdepartmental coordination, but it could be workable.

Finally, two points need to be made. The specific structure and its workings are secondary to the individuals involved, and could and should be modified to reflect how those individuals can serve the President best.

Second, this is only the staff structure to serve the President in his role, not to do all the Government's work. That work must be done by the line executives to whom the President delegates authority (or who have it by statute). The President's role, to "take care . . ." needs this staff assistance so that he may do his job fully and well.

Attachment



# For the Jobs a President

By Harry S. Truman

The presidency of the United States is one of the most unusual, most important and least understood constitutional offices in the history of the world.

The first three articles of the Constitution outline the three branches of the government of this great republic. Article I sets up the legislative branch and gives that branch certain powers and duties. Article II sets up the executive branch and gives the executive certain powers and duties. Article III sets up the courts, creates a chief justice of the United States and gives certain powers and duties to the courts.

The founding fathers outlined the presidency in Article II of the Constitution, but they left a good many details vague. The office of the chief executive has grown with the progress of our republic. It has given our nation a means of meeting our greatest emergencies. And today it is one of the most important factors in determining whether we provide leadership for the free world.

NOW, IF YOU TAKE the powers of the president as enumerated in Article II of the Constitution, and the duties that have been given to the president by the growth and development of our institutions, and add them up, you will conclude that the president has the most difficult job in history.

It is also the most honorable and powerful office in the history of the world, and one of which every American should be proud—because the president is given his position by the voice of the people, and no emperor, king or dictator in history ever rose to a position of such power and influence as this chosen spokesman of a free electorate.

The president's job is really five or six jobs.

Now I want you to bear one thing in mind. As a former president of the United States, my sympathies are with the man who has to hold down these jobs. I may not agree with him politically, and I reserve the right to say whether he is doing his work well or badly, but he still has my sympathy, because I know exactly what he is up against.

ONE OF THE FIRST of these jobs—and this one is enumerated in Article II of the Constitution—is to take care that the laws are faithfully executed. This means the supervision of the work of the entire executive branch—not only to enforce criminal laws through the Department of Justice, but to carry out all legislation, whether it applies to national defense, to public lands, to postal rates, to immigration, to rural electrification, or to any other subject.

Such a job of supervision is a staggering one. No matter how much help the President may have, and no matter how well organized the executive branch may be, he has to work to keep a firm grip on the policies of all executive agencies.

For, make no mistake about it, the president has the ultimate responsibility for the conduct of the entire executive branch of the government. That is what the Constitution says, and that is what it means.

While the president can and must delegate certain of his executive functions, he cannot dodge the ultimate responsibility. In all the executive branch he is the only elected official, and he alone is responsible to the people. The members of his cabinet, his staff, and his other executive officers owe their appointments to him, and their con-

tinuance in office depends on his will, and his will alone.

Congress can't make him keep them. If they are not responsive to his wishes, he can and ought to fire them.

IT IS NOT A HAPPY experience, but I had to fire several people in my time. If you have a heart and a grain of sympathy in your make-up, it is hard to do—but it must be done.

This is very different from the so-called "cabinet" system of government, where the principal executive officers are elected officials, and the prime minister or premier is the spokesman for the group. That system is government by a group or a committee, and the chief executive is a sort of committee chairman. It is not the American system.

The American president is not a chairman of the board, because his board or cabinet owes its existence to him. He can never hide behind their skirts, or escape responsibility because they refuse to back him up or refuse to go along with him. He always has the majority vote in the cabinet. If they do not carry out his policies, they must resign or be fired.

This does not mean that a member of the president's cabinet cannot disagree with him in cabinet meetings. But when the president decides, his decision must be followed and carried out.

THE NEXT JOB of the president—and this is also enumerated in the Constitution—is to be commander in chief of the armed forces.

He appoints and commissions officers in the Army, Navy and Air Force. He has complete authority over the armed forces of the United States. He can place generals in command, and when it is necessary he can take them out. And sometimes that is necessary. This is a very great responsibility, and one that has to be considered very, very carefully.

The third job I would like to think about is the president's role in foreign affairs. He is the foreign policy maker of the nation.

The Constitution says he shall appoint ambassadors with the advice and consent of the Senate and receive ambassadors and ministers from foreign governments. Few of us fully appreciate what this means.

Our ambassadors are the personal agents of the president—his eyes and ears abroad. The ambassadors of other countries cannot operate here unless they are approved by the president.

To put it another way, the president "recognizes" foreign countries, diplomatically, and this is a great power and responsibility.

The president is our foreign policy maker, also, because he negotiates treaties. The Constitution says he shall have power to "make treaties" by and with the advice and consent of the Senate.

IN THE DAYS WHEN the Constitution was young, George Washington tried to carry out this provision by going personally to the Senate with a proposed treaty and getting their advice and consent during his negotiations. The Senate said they couldn't act on things that way—they said they would have to appoint a committee and have them report back, and they couldn't work properly with the president sitting there.

At this, George got indignant and left in a huff. So ever since, the president has negotiated the treaty first, and then submitted it to the Senate for approval. But he can make executive agreements with foreign countries and send special representatives without consulting anybody. Strong presidents have always done these things.



One of the by-products of the president's job as our foreign policy maker is that any utterance he makes on foreign affairs will be heard around the globe almost as soon as he makes it.

The president has to be exceedingly careful about what he says. Whatever he says has both foreign and domestic repercussions, even if he only cusses out an unfair music critic.

The foreign policy job of the president is enough for one man, without the other two jobs I have described, the executive job and the command of the armed forces. But there is more to come—much more.

TURNING AGAIN to the Constitution, there is the president's legislative job. The Constitution says that he shall from time to time give Congress information on the state of the union and recommend measures for their consideration. And of course he must approve the laws before they can become effective, unless Congress can muster a two-thirds vote over his veto.

The Constitution has written the president in as a vital and necessary party of the legislative process, and he is not supposed to stand back and be a "yes man" for Congress. He must fight for his legislation program. If he doesn't, he's a weak executive.

The function of recommending legislation is now broken down into several distinct tasks. In the first place there is the budget.

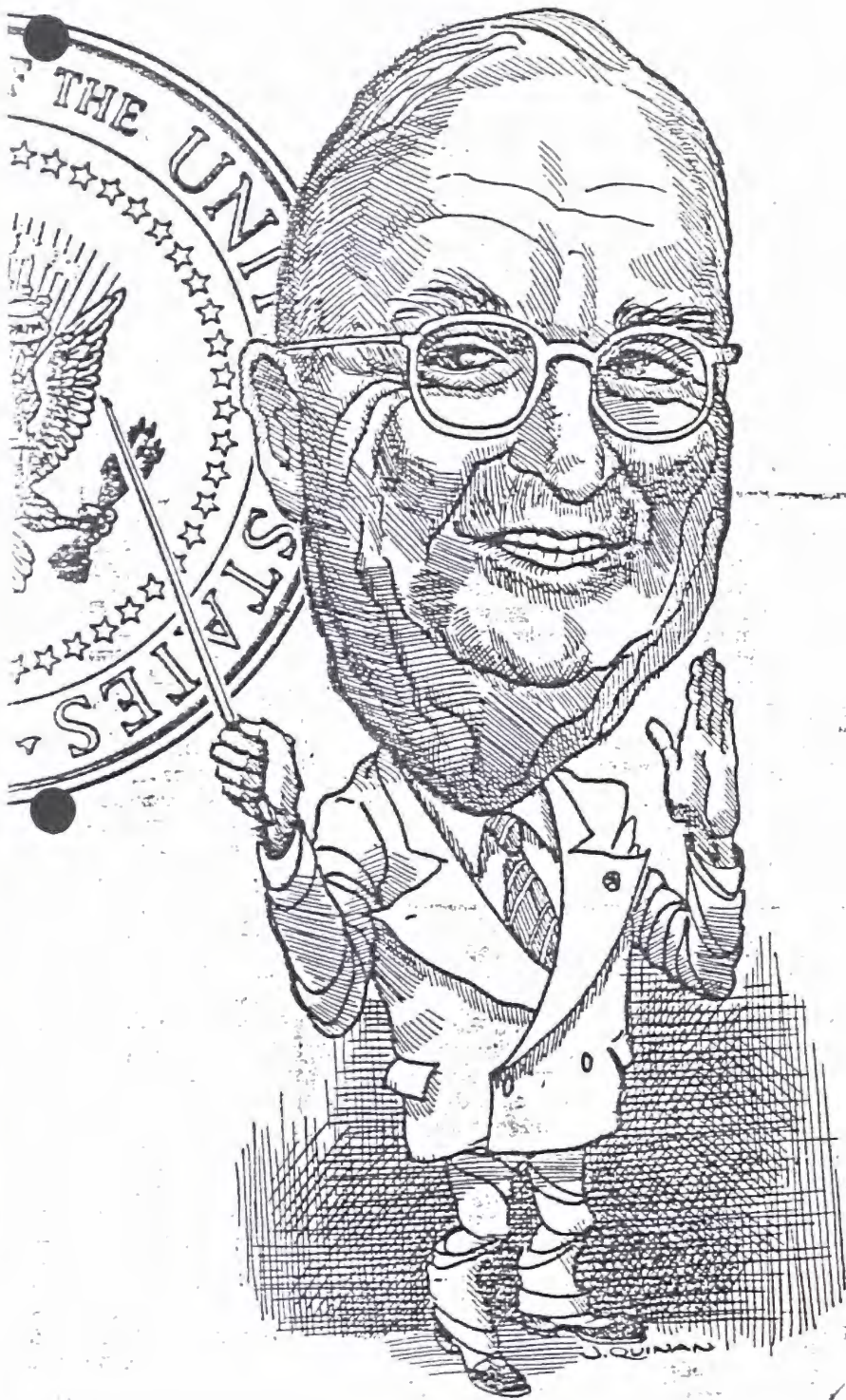
The Congress has the purse strings all right; no revenue can be collected and no money can be spent unless the Congress says so.

All tax bills have to originate in the House. All appropriation bills, by courtesy, originate in the House. They don't have to; when I was in the Senate, we claimed we had the right to originate appropriation bills, but we never exercised it.

BUT EVEN THOUGH Congress has the purse strings, the president is responsible for spending the money appropriated, and he has to tell Congress how much the executive branch needs. This is the budget—and it goes to Congress every year in January, and the prosperity and welfare of the nation depend, in



# President Must Do



great measure, on what is in it.

A president must be familiar with the income and expenses of the government of the United States, not in a vague, general way, but in detail. He has experts — the Bureau of the Budget (now the Office of Management and Budget) — who keep him informed, but it is still necessary for the president to know what the national budget provides and why. It is a difficult subject, and it requires much work and mental application.

In addition to the budget message, the president sends to Congress an annual message on the state of the union, recommending in broad terms the legislation he deems necessary to keep the country running. Then there is the president's economic report required by the Employment Act of 1946 — a very good law passed by a Democratic Congress — in which the president sets forth what the economic situation of the country is likely to be, and the policies which should be followed to create full employment and to make business prosper.

This fourth job of the president — the legislative job — does not stop with these three messages. There are special messages he sometimes sends to Congress, and then there is the whole job of getting the program through Congress.

Usually this can best be done by working with the congressional leaders, but there are times when the president has to go before the country on radio or television and tell the people what he is trying to do — and put a firecracker under

the House or Senate because that body won't act.

**THEN THERE IS** the veto power. I vetoed, I think, more bills than any president except Grover Cleveland and Franklin D. Roosevelt. You will find that a president's administration is characterized as much by his vetoes of bad legislation as it is by the legislation he recommends and approves. I take a lot of satisfaction in some of my veto messages.

**NOW COMES THE FIFTH JOB** of the president, and this is the job I got the most kick out of. The president is the head of his political party.

You won't find this job mentioned in the Constitution. Political party leadership was the last thing the Constitution contemplated. The founding fathers did not intend the election of the president to be mixed up in the hurly-burly of party politics. But our two-party system, as it developed, changed all that.

The electoral college became a formality, and the president came to be elected by the whole people. As a result, the president emerged as the man who had led his party to political victory, and who was expected to set its policies for the future.

**THROUGH HIS POLICIES** and actions, the president must try to convince the people that his party can run the national government better than the opposition. But at the same time, he must never forget that he is responsible to all the peo-

ple in the nation, regardless of party, and he must always think of the welfare of the nation as a whole.

As I have said time and time again, the president is the only lobbyist in Washington who looks after the interests of about 150 million people. The other 15 million are able to hire people to go to Washington to present their claims to Congress on any subject they choose.

That is lobbying, and it is a perfectly legitimate function, and an exercise of the right of petition. But there are 150 million people who don't have any lobbyists.

It is the business of the president to find out what is good for those 150 million people, and to act as the principal lobbyist in the nation for their welfare and benefit. When a president does that, he is a good president.

**THE PRESIDENT CANNOT** carry out his legislative job and his political leadership without a lot of opposition. The Constitution makes the executive and the legislative separate and independent branches of the government, and as a result there is a certain amount of conflict built into the Constitution.

The separation of powers was not devised to promote efficiency in government; it was devised to prevent absolutism or dictatorship. It was devised to prevent executive dictatorship and congressional dictatorship. So a certain degree of struggle between the president and the Congress is natural, and a good thing.

It is the duty of the president to see that the constitutional powers of the presidency are not infringed. Some elements in Congress are always trying to legislate him out of office, and make themselves an English legislative government, which is not what the Constitution provides at all.

Now I come to the sixth job of the president. The president is the social head of the nation.

A great many of the stuffed-shirt people like this very much. They think it is the finest thing in the world to be able to meet counts, princes, kings and queens and other dignitaries of foreign countries. Of course, when distinguished guests of that kind come to the United States, the president is their host, and he is always a courteous host, and that is a vital part of our international relationships.

The president gives five or six state dinners each year at the White House and holds several large receptions, and if you think its a lot of fun to shake hands with 2,700 people, whose names you can't even understand when they are pronounced, I wish you could try it sometime.

He holds diplomatic receptions, receptions for Congress, receptions for the Supreme Court, and various other receptions; and I want to say to you that the wife of the president has a tremendous burden.

**I HAVE ENUMERATED** for you the six full-time jobs that one man has to fulfill, and there isn't any way in the world, under the Constitution of the United States, for him to get out of any one of them.

He must do them. He must do them, or they aren't done; and when they aren't done, it is just too bad for the country.

Harry S. Truman, the 33rd president of the United States, expressed these views in an address to a forum of the Massachusetts Institute of Technology and Harvard Law School in Cambridge, Mass., in the fall of 1956. His remarks were condensed, with his permission, and published in this newspaper that winter.



THE WHITE HOUSE  
WASHINGTON

March 15, 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: ~~ROY L. ASH~~

SUBJECT: Organization of Economic Affairs

I hope to discuss this memo with you at your convenience.

BACKGROUND

1. The resignation of George Shultz allows reconsideration of the organizational structure by which you develop, sell and put into effect your economic policies and programs.
2. The structure you select should be fitted to the particular capabilities of the new appointee(s) and made clear to them at the time of appointment.

THE NEEDS

1. To continue, of course, the traditional functions of Treasury, CEA, CIEP, OMB, and FEO.
2. To strengthen the broader economic overview functions:
  - a. To develop and promulgate the Nixon doctrine and policies for the economy -- ones that politically and publicly "sell." (Personal qualifications needed: correct philosophy, ability to conceptualize, think straight and thoroughly, and exercise sound judgment.)
  - b. To "sell" those policies and confidence in them and gain maximum political, public and business support. (Qualifications: ability to inspire confidence and support of politicians, businessmen, and the public.)



c. To oversee and direct, from a Presidential perspective, administrative and legislative initiatives to carry out economic policy, working primarily with Treasury, Commerce, Labor, CEA, CIEP, OMB, FEO and other agencies on matters of an economic nature. (Qualifications: ability to manage, to direct and to integrate, including critical details.)

(It is perhaps impossible to find one man expert at all of these functions -- although, I believe George Shultz had an excellent combination of these qualities.)

#### OPTIONS

There are four reasonable possibilities. They are described below in descending order of public visibility:

1. An Assistant to the President for Economic Affairs and a separate Secretary of Treasury. The Assistant would have a professional staff a la NSC and would chair the Troika and Quadriad (which would be renamed since they would have four and five members respectively).
2. An Assistant to the President for Economic Affairs who also was either the Secretary of Treasury, Chairman of the Council of Economic Advisors, or Director of OMB. He would also be Chairman of the Troika.
3. No assistant to the President, with one of the three men in the positions described in point 2 above chairing the Troika and Quadriad and having staff assistance to encompass a broader role, but without White House identification.
4. No Assistant to the President, a Troika Chairman, but no aggregation of economic functions under him except narrow and routine policy coordination. Each Troika member and others dealing with economic matters would carry out his own function.



In choosing among these options, it is critical for you to decide:

A. What do you perceive the need to be for developing, coordinating, and selling your economic policies?

B. How do the capabilities and styles of the people involved mesh with the organizational structure?

In particular, regardless how you choose to organize, there must be a clear signal to all concerned as to who is the key economic advisor. If you do not choose the Treasury Secretary for the broader economic responsibilities, you will be changing the perception from what it now is (but hasn't always been) that is, the Treasury Secretary will not be the big economic job, another person will.

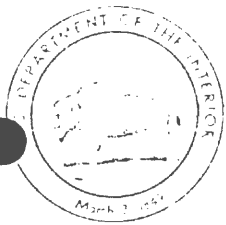
Choice of option 2 or 3 requires that the economic Assistant you choose, whether he be from Treasury, CEA, or OMB have, and substantially rely on, a very strong deputy to manage his departmental affairs -- also that the economic assistant meet the qualifications stated above even more than those needed to lead his department.

#### RECOMMENDATION

Any of the above options can work, depending on the individual(s). If personalities can be made to fit, I believe you would be served best by striving for option 1.







THE SECRETARY OF THE INTERIOR  
WASHINGTON

August 12, 1974

Dear Bill:

The White House organization - its structure - missions - systems and procedures - are under review by the Transition team. The purpose of the review is objective and totally within the scope of the President's desire for an orderly but positive change of Administration. This change should be regarded as an opportunity to draw on the experience and thoughts of Cabinet members and agency heads.

I have been asked to assemble and help analyze the recommendations, comments and suggestions from these sources.

I would appreciate it if you would respond to this effort by giving me a confidential resume of your thoughts relative to your experience, and to the relationship of your department, with the White House organization. The enclosed list of questions, while not exhaustive, may serve as a guide for your response.

Sincerely,

Rogers C. B. Morton

The Honorable  
William B. Saxbe  
The Attorney General of the  
United States  
Washington, D. C. 20530

Enclosure



How should the President receive and evaluate information relative to domestic policy?

Should the Domestic Council be restructured to provide the President with a more effective mechanism for the development of domestic policy? If so, how would you restructure it?

With respect to the development of domestic policy, what role should the Office of Management and Budget play?

COMMERCE



THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

August 14, 1974

The Honorable Rogers C. B. Morton  
Secretary of the Interior  
Executive Office Building - Room 267  
Washington, D. C.

Dear Rog:

I am pleased to outline for consideration of the President's Transition Team, the matters which I discussed with you and Bob Hitt on Monday afternoon, August 12th:

I suggest that the effectiveness of the Executive Branch can be enhanced by restructuring the activities presently undertaken by OMB. The policy development and execution could perhaps be better coordinated by a group of Presidential Counselors who would be familiar with the President's desires and would interface with specified departments, although Presidential appeal would be preserved. The Counselors would be exclusively advisors to the President -- not Department heads in addition. Such a policy structure might be:

I. Economic Counselor

Departments of Treasury, Commerce,  
Agriculture, Transportation and Labor.  
Council on International Economic Policy  
and Trade Representation. Federal Energy  
Administration. Environmental Protection  
Agency.

## II. Domestic Counselor

Departments of Interior, Justice, HEW, and HUD. Council of Domestic Policy Development (i.e., coordination of departmentally staffed task forces).

## III. National Security Counselor

Departments of State and Defense. National Security Council. CIA.

## IV. Management Counselor

Budget Office  
Personnel Selection & Recruitment  
Council of Management Policy (i.e., the Secretaries of the Departments).

Legislative initiatives that have been developed and approved by the appropriate Counselor and Secretary should then become the responsibility of the Department to negotiate through the Congress. Both the Counselor and White House Office of Congressional Affairs should be kept continuously informed of legislative progress. The Congressional Affairs Office would coordinate its counterpart functions in the departments.

The appropriate level of contacts between the Departments and the Counselors should be specified and adhered to.

The Vice President should be designated as the President's liaison with Governors, Mayors and other local jurisdictions. Previously this was an effective, popular arrangement and worked to the satisfaction of this broad constituency.

An Advisor on Science and Technology should be appointed to keep the President fully advised and to coordinate these operating elements in the departments to assure our continuing national supremacy and progress.



The President's Press Secretary should have responsibility not only for direct press contact, but also for maintaining liaison with Cabinet Departments' Public Affairs Officers, magazines, periodicals, etc. through deputies. The objective should be to open up all possible news opportunities in order to better serve the public's interest.

The Council of Economic Advisors should be asked to present a quarterly briefing to the Cabinet on the state of the economy. In preparation for this a meeting of economists from the Departments might be convened to review their various viewpoints. The schedule for these should be set a year in advance to provide for full attendance.

The transition review will provide a much needed clarification and redefinition of White House authority, delegations and responsibilities. This much appreciated step should be reciprocated on the part of each department by a review of its authorized interfacing with the White House and other departments and agencies.

If I can be of further assistance to your committee in its important task, please call upon me.

Sincerely yours,



Secretary of Commerce

EPA





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

August 13, 1974

THE ADMINISTRATOR

Dear Rog:

I have decided to set out some of my own thoughts on how to strengthen and make more effective the relationship of the President to agencies and to the Congress. I will not try to cover all aspects of the matter but simply to set out a few ideas from the perspective of my own experience over the past 25 years.

To summarize --

- (1) There should be open and direct communication on a regular basis between the President and agency heads.
- (2) There should be full, advance consultation with Congress, on as bipartisan a basis as possible, in the development of Presidential policy.
- (3) Agency heads should be given maximum freedom in decision-making consonant with overall Presidential policy. Neither OMB nor White House staff should become a barrier between the President and agency heads. In particular, OMB should avoid making policy decisions with major political implications. The key decisions must be made by the President.

These objectives cannot be assured by creating new institutions or changing old ones, although some new procedures could be helpful. Rather they must evolve as the result of the way the President in fact operates.

The need for direct communication on a reasonably regular basis between the President and agency heads is plain. It is the best and only way to assure clear policy direction from the top down within the Administration. It will help build teamwork, policy commitment at all levels, Administration credibility, and agency morale.

Discussions between the President and agency heads should have a clear policy focus. At the same time, agendas should not be too rigidly focused. The President should use his agency heads as antennae to extend his own awareness of public attitudes and issues. They should constitute an invaluable resource for him in this regard. If any do not, he should replace them.

Involving the Congress in policy development -- particularly legislative policy -- is equally important and probably more difficult. There are built-in constraints involving the separation of powers and the realities of the political system. At the same time, it is important that procedures be developed and utilized that do not constitute mere window-dressing and PR. There should be real and effective consultation prior to the formulation of an Administration position. Failure to do this has led again and again, in my own experience, to legislative ineffectualness on the part of the executive branch. For example, in the development of the water pollution legislation which ultimately became the Federal Water Pollution Control Act Amendments of 1972, the Administration's position was so narrow and rigid that it played no effective role in the legislative process, other than as sideline critic. As a result, we had no position from which to negotiate and were essentially ignored. The same situation is now developing in other areas.

I strongly recommend that the President officially and publicly direct his agency heads to meet bipartisanly with key committee leaders to get their views on key issues and to report these views back directly and personally to him. This is a process that could and should be institutionalized as a regular, on-going practice.

Major legislative and budgetary decisions should be made by the President and should, to the extent practical, involve direct communication between him and the affected agency head. I recommend that the prior practice of final appeal on budget decisions to the President by his agency heads be restored. The last such appeal process involving the President was in 1969 (to my knowledge). Recently, final appeals have not even gone to the Director of OMB but have been heard at the Deputy Director level. This practice downgrades the agency, eliminates an invaluable opportunity for the President to get a feel for the real guts of an agency's programs, and leads inevitably to the making of decisions with major political implications without the effective involvement of responsive political officials.



Obviously, while every agency head would like to elevate every decision to the President, I recognize that the President must not be overwhelmed with detail. At the same time, it is critically important that neither White House nor OMB staff become an iron barrier between the President and agency heads (or the Congress). I doubt that there is any way to guarantee this by formal procedures. The key has to be the determination and insistent effort of the President to involve himself in decision-making to the greatest extent practical. (By the way, please understand that my references to OMB are meant in the context of my own very high regard for the professionalism of OMB.)

I wish to raise one final point which inevitably has an element of self-interest. I recommend that major independent agency heads with responsibilities that cut widely across government functions attend Cabinet meetings as a matter of course. In this category, I would place EPA and FEA. In my own case, environmental concerns tend to have central relevance to energy, economic, agricultural, transportation, housing, public land, etc., issues. Yet I normally hear second or third hand of Cabinet discussion of environmental matters. By the same token, it is important that I, as head of EPA, have direct exposure to the development of economic and other policies without having to rely on the press or other indirect sources. Such a regular exposure provides an agency head with an opportunity to achieve a broader perspective in his decision-making and to strengthen his ability to articulate a well-balanced Administration position. I am confident that FEA would have a similar interest.

The above are some brief thoughts which I hope you and your associates will find helpful. In addition to the members of the President's transition committee, I am passing a copy of this letter on to Bryce Harlow and John Sawhill. If I can expand on or add to these preliminary ideas, please let me know.

Sincerely,

  
Russell E. Train

Honorable Rogers C. B. Morton  
Secretary of the Interior  
Washington, D. C. 20240

cc: Honorable Donald Rumsfeld  
Honorable John O. Marsh, Jr.  
Honorable William Scranton

GSA



UNITED STATES OF AMERICA  
GENERAL SERVICES ADMINISTRATION  
WASHINGTON, D.C. 20405

DEPUTY ADMINISTRATOR

AUG 12 1974

Honorable Rogers C. B. Morton  
Secretary of the Interior  
Washington, D.C. 20240

Dear Mr. Secretary:

Related to our brief Saturday exchange at the Hoover Centennial, I am forwarding a few thoughts with respect to the machinery of Government which I believe merit the attention of your transition team and President Ford.

Many of the reforms in this area undertaken during the past five years were sound, long overdue, and are efforts in which we should take pride. Some of them should be strengthened, rather than falling to neglect in the aftermath of Watergate. The report of the National Academy of Public Administration to the Ervin Committee, for example, specifically praised:

- . Formation of standard regions with common headquarters for many domestic agencies.
- . Establishment of regional councils.
- . Decentralization.
- . General revenue sharing.
- . Grant consolidation and simplification.
- . Formation of the Domestic Council
- . Effort to consolidate activities through departmental reorganization.
- . Formation of a Federal executive service.
- . Management by objectives.



At the same time, it is clear that corrective actions should be taken quickly in other areas. It is my view, however, that these corrective actions can and should strengthen, rather than weaken, the Presidency. These comments are also based upon the premise that if in fact there is now a Congressional-Executive imbalance, the Congress should concentrate on increasing its own effectiveness, just as it is now attempting to do through budget reform, rather than Congressional action which seeks equalization by weakening the Presidency.

Modern society has dynamic characteristics, with social and economic needs which often require action to be set in motion quickly. The nuclear era clearly requires a continued capacity to act very rapidly in the international arena. The need for greater sensitivity to the necessity of adequate Congressional consultation in no way lessens the importance of a quick reaction capability. If the Chief Executive becomes too weakened by steps taken to prevent another Watergate, the consequences could be catastrophic for the nation in time of future crises.

The following corrective steps will not weaken the Presidency. Some are underway.

1. Rebuilding Departmental Capability and Accountability. The usurpation of departmental powers by the White House staff and the Executive Office of the President has been eased in recent months, but the policy of strong departmental responsibility and management should be more clearly articulated and carried forward.

- . No staff order should be issued to departments from staff of the Executive Office of the President except those given in the name of the President and based on the President's expressed wishes.
- . Departmental shortcomings should be met by requiring departmental corrective action rather than the White House or OMB staff sharing or usurping the activity.
- . Consolidation of related functions through departmental reorganization should lessen the problem of fragmented operational activities floating up to the Executive Office of the President, although it may now be very difficult to generate congressional interest for another try for reorganization, especially with Holifield no longer in the House.
- . Congress is already limiting the size of the White House staff, a condition which should be maintained by the President.

2. Domestic Council. The establishment of a Domestic Council (DC) to somewhat parallel in domestic affairs the National Security Council activities in international affairs was sound, but the Academy and others believe that the Domestic Council generally has not operated as intended. I agree.

The Council was designed to replace the haphazard and uncoordinated means by which domestic policy has been formulated in the past. Within the framework of the Presidentially approved Ash Council recommendations, I made important commitments on behalf of this Administration before a skeptical Chet Holifield which have been violated. I feel a strong personal responsibility--and I believe there is an important Administration responsibility--to make good on what we promised Congress. More specifically:

- . The broad DC leadership should come from the President, not from the White House or DC staff.
- . Within this broad Presidential policy framework, the departmental and agency heads should steer the DC work. This should be handled as originally intended through Council members whose agencies have a role in the subject matter. These DC subgroups should be chaired by the head of the agency most heavily involved. DC staff should serve as secretariat, maintain an institutional memory, arrange for operational analyses, and coordinate the work of the various DC efforts to minimize major gaps and overlaps. The OMB has an important role of providing managerial and budget analysis in the deliberations of both the DC and NSC.
- . The DC operations should avoid any reemergence of the short-lived counselor concept in which one department head was subordinated to another in a manner fundamentally different from the DC committee concept in which no department head loses his access to the President or is placed in a subordinate role.
- . Clearer accountability to the Congress and to the public is needed.

3. Campaign Activities of Staff. Clearly the White House staff became too heavily enmeshed in the operational aspects of the 1972 campaign, in contrast to their more appropriate role of advising the President with respect to national policies and issues related to the campaign. The 1972 approach resulted in triple damage:



- . Contributing to the unprecedented concentration of power in certain of the White House staff.
- . Weakening of the Republican Party.
- . The undercutting of Congressional and gubernatorial candidates.

In preparing for the elections of 1976, clear instructions should be issued to the White House staff to prevent recurrence of the three problems noted which arose during the 1972 campaign.

4. Departmental Appointments. The White House should not impose appointments on departmental heads, or hold up departmental appointments as leverage for the removal of individuals in whom the department head has full confidence. Although White House consultation and advice has a legitimate role, which is particularly obvious with respect to those who are appointed by the President, the voice of the department head is also very important since he should be held accountable for the performance of his department.

I would also suggest a wariness with respect to political appointees who are too heavily indebted to sponsors outside the Government. The loyalty of these appointees to their sponsor is too often greater than their loyalty to the department head or the President. This causes problems both in how they perform and in the ability to replace them should that become necessary.

5. Briefing of New Appointees. One of the tragedies of Watergate is the ruined careers of bright young men suddenly placed in key positions with no background in, or understanding of, Government. Those from the private sector who were brought directly into key policy positions in the Executive Office of the President or in departments must be provided with some exposure to the nature of Government and the responsibilities to citizens of this nation we assume upon entering public service.

Enclosed is a letter on the subject which I forwarded to the Academy last January concerning briefings and discussions which would stress a partnership relationship between the executive and legislative branches, the significance of public accountability, the emphasis on responsiveness to the needs of the public, and the significance of the career service. A copy of a similar letter to Bob Hampton is also enclosed.



Although the suggestion was adopted by the Academy, most members have little hope of this step taking place until after the 1976 election. It would be my hope, however, that such a course might be initiated by President Ford.

6. Regional Office Management. I would urge that the heads of regional offices be selected with professional competence and demonstrated executive leadership as the primary criteria. Clearly, they must also be in sympathy with the philosophy of both the President and the department head. But in a given state or community, nothing reflects so quickly upon a President as either the lack of performance by a field unit or the susceptibility to corrupt or questionable practices on the part of the top field offices in that area.

Good management is also good politics nine times out of ten. Conversely, poor management results eventually in a negative political impact, especially out in the field where the evidence of poor program management is particularly apparent to the voters.

I would also make the suggestion that there are far better ways in which to help political allies than by straining or breaking the integrity of the contract award process. Too often this is not well understood.

Further, the awarding or denial of grants on the basis of "friends or enemies" also degrades the public respect for Government and literally results in mass discrimination against the people of a particular state or community which lost out because of favoritism. In many instances the criteria for selection are so subjective that the fairness of a grant award is subject to honest disagreement. But there needs to be stressed the philosophy of fairness in the award process to the extent humanly possible.

Further movement toward grant simplification and consolidation will help lessen the susceptibility of grants to manipulation.

7. Congressional--Executive Cooperation. Perhaps the most obvious step needed--and one of the most urgent-- is an approach to Congress in which the Congress is regarded as an equal partner rather than an enemy or simply an unfortunate impediment to executive action. Since the President is totally committed to this change, and since he and you and others of his advisors are far more expert in this important undertaking than I, this matter will not be developed further except for two points:

- . Merely stating President Ford's policy is one of cooperation is not enough. The departments at all levels have to understand its importance, and many need to be shown how to better work with Congress. Lack of early consultation, failure to keep committees and Congressmen informed, misleading information, and personal invective, are several of the problems that have become deeply ingrained habits in some quarters.
- . We need to give more thought to the legislative intent of Congress, rather than searching for technical loopholes through which to end run laws we do not support, in virtual defiance of the constitutional process. Defiance of Congressional action invites imposition of legislative restrictions on the Executive Branch.

8. Career Service. Another important type of partnership not well understood by the White House during the past 5-1/2 years is that involving the political leadership and the career service.

Most of the career service will respond with enthusiasm to President Ford's leadership if several things occur:

- . Departmental and agency political leadership, together with Schedule C assistants, need to treat careerists with respect and to recognize the importance of maintaining the integrity of the career service.
- . The political leadership must do more to help the careerists better understand the rationale behind policy decisions and actions, and what is expected of them.
- . Careerists (and also political appointees) must be able to present their frank views concerning a proposed action, including their reservations or opposition, without their comments being interpreted as disloyalty to the President.
- . On the other hand, the career service needs to understand that, once their views have been considered and a legal course of action is determined, they have a responsibility to devote their best efforts to prompt execution.

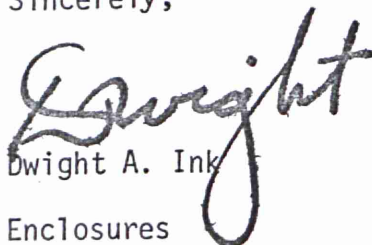
9. Interagency Mechanisms. Most interagency mechanisms, except some highly technical interagency committees, do not work well. Yet so many of our Governmental activities interrelate that some interagency machinery is necessary:



- . The Domestic Council and National Security Council have already been mentioned.
- . In first proposing the Under Secretary's Group, I had in mind their focusing on how best to implement those Presidential and Congressional programs which involve a number of departments and agencies. Regional council oversight was intended as simply a first phase. Unfortunately, until very recently, the Under Secretary's Group has not gone much beyond this very limited scope. The recent Camp David session was very good, but seems to having limited followup. This mechanism needs to have far broader sights. As the Domestic Council has the potential for providing important coordination in policy development, the Under Secretary's Group should play an important role in coordinating program execution.
- . Noncabinet agency heads tend to occupy a no man's land, not fitting into either the Under Secretary's Group or the Cabinet. Perhaps a properly constituted Domestic Council will assist in their having more direct exposure to Presidential perspectives and policies, although additional steps probably need to be considered.
- . We have retrogressed in utilization of the assistant secretaries for administration as a means of relaying Presidential attitudes to over two million Federal employees, a formidable task. Since the assistant secretaries for administration in their daily work come into far greater contact with large numbers of career employees than do others in the front office of a department, they have the capacity to play a special role in conveying Presidential thinking to the many thousands of lower level men and women upon whom any administration must depend to carry out its goals and objectives. This role needs to be rediscovered, and the rate of turnover reduced.

The above items represent candidates for consideration in improving the machinery of Government in several key areas. Clearly, the list could be expanded considerably.

Sincerely,

  
Dwight A. Ink

Enclosures







THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

August 12, 1974

MEMORANDUM FOR THE PRESIDENT

In response to your request for various suggestions concerning the relationship of the Cabinet Departments and the White House, which you thoughtfully proposed at your first Cabinet meeting, I will undoubtedly have several more fundamental suggestions in the future, but initially it occurs to me that it would be very well received indeed by the Cabinet if a regular Cabinet meeting day could be established so that we would all be able to plan our schedules so that we would not be out of town on speaking engagements when a Cabinet meeting is called.

In the past I heard a number of complaints, some of them justified I think, because of the very short notice of Cabinet meetings, and we never have had a regular Cabinet meeting day.

Of course, if you had other things come up there would be no problem about postponing the Cabinet meeting, and I think everyone would be fully understanding. The problem has been that we have frequently had Cabinet meetings called on about one day's notice and for several weeks, of course, we would go without any Cabinet meetings at all. I know all of the Secretaries make every effort to be present at every Cabinet meeting, but sometimes in the absence of having a regularly scheduled Cabinet meeting day, speaking engagements for out of town are made that are very difficult to cancel.

2. The other recommendation I would make at this time is that we have some procedure by which we can know when memorandums we send to the President actually are delivered to the President in the form in which they are sent, or that we see a copy of whatever paraphrased memorandum is sent in to the President.

It is very difficult indeed to know what the President has decided or what action he has taken on recommendations if we do not know whether our memorandums ever went to the President, or if so in what form paraphrased or otherwise it might have gone to him.

I think all of the Cabinet members would greatly appreciate either being advised that their memorandums were delivered directly to the President as sent in, or that they were paraphrased or added to longer memorandums, copies of which would then be sent directly to the Cabinet officers so they could know what it is the President is actually considering.

I realize that neither of these specifically relate to "the organization of the White House," but they do relate I think to the other part of your request which is as I understood it was the "suggestions concerning the relationship of the Cabinet Secretaries to the White House."

3. I certainly welcome, as I am sure do all of my colleagues the suggestion that you prefer short or face-to-face meetings rather than memorandums. I would infinitely prefer that type of communication and, to make sure your files and records were complete, would be delighted to summarize my understanding of such a meeting in a memorandum and send it to you right afterwards, unless, of course, you preferred to have one of your own staff make such a memorandum.

I believe this suggestion that you made at the Cabinet meeting would be perhaps the most welcome that any of the Cabinet members have heard for a long time.

None of the above suggestions should be taken as any reflection whatever on White House staff members.

My understanding is they were simply carrying out the requests and their understanding of the desires of President Nixon. However, I do believe that the suggestions you made at the Cabinet meeting and those contained in this memorandum would be very favorably received by each member of the Cabinet and generally would produce a better continuing relationship and understanding of all of the problems.

  
Caspar W. Weinberger





THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

Honorable Rogers C. B. Morton  
Secretary of the Interior  
Washington, D. C. 20240

Dear Rog:

I appreciated the opportunity to chat with you at lunch on Monday. My thoughts on the first question posed in the attachment to your August 12 letter are contained in the memorandum I gave you at that time. I would like to underscore the importance of direct contact with Cabinet members, a point that President Ford has made very effectively since assuming office.

With regard to the possibility of restructuring the Domestic Council, it is clear that the President will need a staff mechanism to help him sift, coordinate and develop domestic policy. The term "Domestic Council," however, is a misnomer because the Council itself has met only sporadically. For psychological reasons, I believe it desirable to drop the term "Domestic Council" and make the White House staff structure directly responsible to the President and used by the President as a communications link to the Cabinet.

Exactly how this should be done will depend on the President's personal style. Any way the staff mechanism is structured it will be necessary to have a staff specialist dealing with each of the major domestic areas. I would caution, however, against a large White House staff. It is important that this staff view itself as a conduit for the flow of information up and down, and not as an independent decision maker.

The principal role of the Office of Management and Budget should be to recommend budget policy to the President, develop the budget, implement the budget, coordinate legislation and help the President resolve inter-agency differences. OMB should not function as a line staff for individual members of the President's staff, nor should it involve itself in political judgments. But it should serve collectively as a significant staff resource for the President. OMB policy contacts with the agencies should be confined to the Secretary and those he designates. These contacts should be made by senior OMB officials.

OMB cannot and should not become the Government's "manager." It can and should coordinate management issues, foster sound management in matters of inter-agency scope and provide guidance and technical assistance in such areas as regional councils, executive development, organization, and management information systems. It should also have a small staff which can assist the President when crises arise (e.g., sky-jacking policy, extraordinary disasters). But the President should look to his Cabinet, not to OMB, for the line management of his Departments.

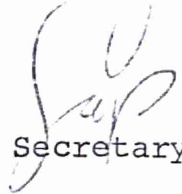
In general, OMB should keep a low profile. It should not take the lead in contacts with Governors, the Congress and the public. The more visibility OMB attains, the more difficult it will be for it to function as a staff arm of the President; visibility automatically means that OMB assumes an identity independent of the President, develops a position of its own and gets inevitably drawn into line decisions.

Page 3

One final point. The White House-OMB-Department relationship must be viewed in the broader context of the fragmented organizational structure of the Executive Branch which leads to cumbersome coordination mechanisms. To attack the basic problem, I recommend that President Ford endorse the mission oriented reorganization plans developed two years ago. I hope he would assume active leadership in seeking Congressional action.

I hope these brief thoughts are useful. Please let me know if I can help in any other way.

Sincerely,

A handwritten signature in dark ink, appearing to be "J. Edgar Hoover", written in a cursive style.

Secretary







~~CONFIDENTIAL~~

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

August 15, 1974

MEMORANDUM FOR: Secretary Rogers C. B. Morton

From: James T. Lynn

Subject: White House Organization Etc.

This is in response to your letter of August 12 on the White House organization, the Domestic Council and the role of OMB, and will simply record in very brief form what I said in our meeting on Monday. I apologize that this memo is not "tighter", better organized and more concise, but the demands of S. 3066 and my appropriations bill got in the way.

A. Some General Principles and Comment

1. The White House must be kept advised on important initiatives developed by the departments and agencies and, where the initiative is important enough to be of Presidential interest, there must be time in the mechanism for Presidential consideration.
2. The Cabinet as a body is a poor group for considering most issues, because most issues rarely are of interest to all Cabinet members. On the other hand, there is rarely an important initiative of any one Cabinet department or important agency that does not have material impact on certain other departments and agencies. In other words, inter-departmental and agency coordination is a "must".
3. In the past, too many departmental or agency initiatives requiring Presidential review have been less than satisfactory in (a) how well the facts and alternatives have been developed, (b) the form of presentation for Presidential decision-making and (c) proper coordination with other interested departments and agencies. The cure up to now has been usually sought by "working

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
NOT NATIONAL SECURITY INFORMATION

around" the initiating department or agency by "redoing" the job through White House and OMB staff assembled for that purpose. This is an unsatisfactory approach for a number of reasons, but particularly because (a) no amount of White House staff can substitute for the knowledge and expertise that should, and in many cases does, exist within the departments and agencies, (b) such "redoing" is inevitably last minute on a crisis basis, without adequate review by the impacted departments and agencies, and (c) it undermines the authority and responsibility of the department and agency heads. Having said this, however, it also seems clear that inter-departmental and agency coordination on important initiatives and the preparation of materials for Presidential consideration involves enough time and the development of special skills that the staff work should be handled by staff personnel particularly chosen for that activity. But the bias of their work should be to draw out the best results from the departments and agencies involved and not a bias of "we're smarter than you" and "we'll just do it ourselves".

4. If consistently bad work emanates from a department or agency the solution does not lie in "working around" that organization but in improving or changing its management.
5. Although, as indicated above, a vital objective must be to make the departments and agencies do the work, the President must have a small staff of his own, directed by someone who answers directly to him, with responsibilities covering all areas of domestic policy with exceptions clearly delineated (such as defined economic and energy areas). The duties of this White House staff would be essentially twofold. First, a responsibility to look at the forest rather than the trees, e.g., are there areas of domestic policy that are not receiving adequate attention, are there problems or opportunities for action down the road which are not being adequately addressed. A second responsibility would be to serve as the President's liaison in seeing that the mechanisms established for development of policy and programs at the departmental and agency level work effectively and to assure that the presentations of the issues



to the President for decision are as good as possible. Although the function is vital, the thrust of such staff effort should be to make the departments and agencies do the job right and resist the "do it yourself", "I know better" possibilities to which such a staff can be highly susceptible.

6. I do not see the need for a separate economic coordinator outside the Troika and Quadriad. These latter groups must have direct access to the President. Of course, their efforts must be coordinated, but this should be done through appointment of a chairman. The chairman must be someone in whom the President has the greatest confidence, and if he can't find that kind of person among the incumbents, he should put someone within the Troika that enjoys that kind of confidence and appoint him chairman.
7. Presidential decision-making is best served by having both written presentations and discussion on the issue. One without the other won't do it. Whether or not the President reads them in full, written presentations are not only the way to get people to think through the problem, the options and recommendations, but also make the discussion shorter and to the point. On the other hand, notwithstanding fine staff work in preparation of the written materials, Presidential discussion with the involved parties will always give the President a "better feel" of the situation, provide a very useful way for him to size up the abilities of his top officials and enlist their support for calls that they might not entirely agree with, and will sometimes ferret out options that some way or another were overlooked (particularly taking into account the political environment).
8. White House press secretary affairs and communications and White House liaison on communications with the departments and agencies should be all under one head.
9. There are too many special councils and the like in the White House. I suspect some could be made committees within the Domestic Council (or its successor organization).

### B. The Domestic Council

The concept is excellent -- group cabinet members, in committees and task forces, by domestic areas or issues in which the particular members have or should have an interest.

In practice, the Council has been utilized very little. I suggest the following:

1. The President should make it clear that Domestic Council action, principally through its committees and task forces, is to be the principal vehicle for the development and consideration of domestic issues (with defined exceptions) which require inter-departmental and agency consideration and the principal vehicle for presenting to the President domestic issues requiring his consideration.
2. A new, hard look should be given to the existing committees and subcommittees to see whether they fit today's needs. I opt for fewer subcommittees and more task forces that can be put together to fit the particular issue and dissolved when the work on that issue is completed. As part of this look, consideration should be given to changing some of the free-standing White House councils and committees into committees within the Council, or at least to require reporting through the Council.
3. The committees and task forces of the Domestic Council won't work unless the President makes it clear that the individual departments must work through that process and makes it clear that the cabinet officers are to give a top priority to making it work.
4. Each cabinet officer who is chairman of a committee, subcommittee or task force should be made aware that while he serves in that role he is responsible for the work of that group and is expected to spend a substantial amount of time on that activity.

5. The chairman of a committee or task force should be chosen from among the members of the group on a rotational basis. Three reasons: first, to avoid the "Super Secretary" image; second, to limit the period of time any cabinet member has such additional duties beyond purely departmental duties; and third, so that every domestic cabinet member gets the experience (which I predict will make each chairman a much better Secretary of his own Department -- more knowledgeable of what goes on outside his own shop and more sensitive to the need to coordinate).
6. There must be a separate staff for each standing committee. If the committees are really going to be used, the volume of work will require a staff. Since the idea is departments working together, the departments represented on the particular standing committee should furnish the slots. The staff quality must be first rate, and staff should have no responsibility other than Domestic Council work. If just can't be done by assignment by the cabinet members to others on their own staffs who have other responsibility. To give continuity, the rotation of the chairman should not automatically mean change in the staff.
7. The standing committees must have a separate physical presence, and I suggest a small set of offices for each committee at the EOB. The reasons are: first, such presence indicates the importance attached to the function; second, separate facilities emphasizes the fact that this operation is separate from regular departmental work and requires separate effort from such work (which will be particularly helpful in getting the chairman to allocate time to such effort); third, it will be very useful for the committee staffs to have a close relationship with their counterparts at OMB and with the President's small domestic affairs staff.
8. The small domestic affairs staff of the President, on White House payroll, would have generally the functions mentioned for it earlier in this memo. For example, if the work on the issue by the Domestic Council committee were not up to snuff, such staff would see that the work is redone right -- but by the committee, not "do-it-yourself".



I think it important that this staff, particularly its head, be oriented at least as much "outward" as "inward" -- in other words, communicate fully with Hill, media and the interest groups.

9. When the committee work on the issue is completed and the paper has gone to the President -- and perhaps occasionally even earlier -- the President would meet with the members of the committee to discuss the options and recommendations. This would give the cabinet officer access to the President on a fairly frequent basis but save his time inasmuch as there would be less need for "one-on-one", and these discussions would not be "chit-chat" but, rather, action oriented.
10. Some consideration should be given to giving such Domestic Council committees or their staffs a role in the coordination of testimony and review of budgets. At the least, such committees should be useful where there is a hang-up on testimony between a Department and OMB.

If we can really make the Domestic Council work, perhaps -- but only perhaps -- Congress might do something similar as to domestic issues that cut across their committee structures. Also, perhaps there should be a new name for the Council to show that it is a new effort, but at first blush I opt against it.

### C. OMB

I think OMB probably has, "man-for-man", the most talented, professional group in the Executive Branch. On the "Budget" side, it also has one of the roughest jobs.

It is vital that OMB be "pure" -- professionals that ferret out "what is right" as a matter of substance, both on program content and level. All the rest of us just can't be, no matter how we try -- if for no other reasons than that we are so sensitive to the political realities, that we "care" for our particular constituencies and that we are dependent on staffs that, understandably so, may not see the "larger picture".

However, the other side of the coin is that OMB should not, and should not try to, make the political calls. To be sure, OMB, at its upper reaches, should do its best to have good Hill and interest group relations, but no matter how hard it tried, OMB can never be as "up-to-date" with a particular Hill committee or particular group as the cabinet officer who deals with those particular ones day-in-and-day-out if he is doing his job right.

Therefore, if there is a clash between OMB and the department or agency, there must be a right of appeal. It would be hoped, however, that both parties would do their best to keep such appeals to a minimum.

On the management side, I think OMB can be of great assistance to the departments and agencies. For example, we at HUD need all the help we can get on sound management practices (including installation of a good management information system.) Also, I think OMB could help greatly in the design of methods to do a good job of program evaluation -- is the program really helping the people it should, at what cost?

Other areas for improvement that come to mind, apart from the matters discussed above, would include the following: (a) at the lower levels, to be less "heavy-handed" in style of dealing with departments and agencies, (b) to give the lower levels more leeway to make relatively minor compromises that make sense (because I detect fear on the part of some at such levels that if they give up anything they will be criticized for it, and this wastes time of higher officials at the department and at OMB), (c) to beef up substantially the capacity to give "management consultant" kinds of help and (d) to be willing to get into the development of a departmental initiative or evaluation early in the process so that when the time for final OMB sign-off comes, the departmental choice won't be drastic compromise or delay, as is too often the case today.

INTERIOR





# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

August 16, 1974

## MEMORANDUM TO THE PRESIDENT

Following are Interior's responses to questions concerning White House reorganization:

How should the President receive and evaluate information relative to domestic policy?

We know some models to avoid in receiving and evaluating information for the President:

- Cabinet meetings, unprepared by good staff work, have never proved to be an effective means of communication for the President.
- Filtering of information up through a hierarchial staff with a single Presidential adviser at the top has frequently prevented the President from receiving views which should have been important to him.
- Holding the door to the Oval Office open wide to all comers is totally impractical.
- The President cannot safely rely on the advice of single individuals or of isolated parts of the Executive Branch bureaucracy.

The requirements of an effective process of communication between the President and his domestic agencies are:

- Careful identification of major policy issues and important questions of fact by competent analytical staff under the control of the President's immediate advisers.
- Heavy input into the analysis of these issues in the answering of the questions by Cabinet officers, their staffs, and those in positions of program responsibility in operating bureaus

- Honest presentation to the President of alternative views which the contending parties agree are fairly stated.
- Personal dedication by the President of the maintenance of due process in arriving at his major domestic policy decisions.

We, therefore, need institutions in the Executive Office of the President to identify issues, get Cabinet Department input, perform necessary analysis, and write fair and agreed upon documents for a Presidential decision. The Office of Management and Budget and a reconstituted Domestic Council staff could perform these functions, if there were clear Presidential support for such a system:

- OMB is already successful in this function, but it is somewhat narrow since it is tied closely to budget, to criticism of on-going programs, and to enforcement of existing policy. It needs certain changes which I will detail below.
- The Domestic Council has lacked either the staff or the charge of enforcing due process. It should be reconstituted and renamed to emphasize its new role, which I will also outline below.

No set of organizational structures in the Executive Office of the President is "President proof", but if the President wants due process in the Executive Branch decision-making, he must take conscious steps to install a staff structure that will permit it. Due process is hard work, and open decision-making is hard work, but with Presidential backing they are possible.

With respect to the development of domestic policy, what role should the Office of Management and Budget play?

I believe that OMB is, on the whole, one of the most effective institutions in the Executive Office of the President, and that it should be continued basically as now constituted. However, it is limited in some ways:

- Because it focuses narrowly on the Presidential view of national issues, OMB tends not to be sensitive to the validity of Congressional viewpoints.
- OMB is naturally more critical of existing programs than innovation in new programs.
- Because of its central focus on budget, OMB tends to be more concerned with efficiency than with responsiveness.

Because of OMB's strengths but also because of these weaknesses, I have only two recommendations concerning OMB:

- There is a constant danger which the Director should be cautioned to avoid of becoming too concerned with being a policy implementation policeman, and not enough concerned with being a transmitter upward to the President of Departmental views.
- Because of OMB's inherent narrowness of focus on the budget function, there must be other effective channels through which the Cabinet Departments can communicate with the President. I believe that the best additional channel would be a reconstituted Domestic Council.

Should the Domestic Council be restructured to provide the President with a more effective mechanism for the development of domestic policy? If so, how would you structure it?

I would restructure the Domestic Council, and emphasize the change by renaming it the National Policy Council. The change of name would be a reflection of a basic change in function.

The National Policy Council would work as a counterpart to OMB, to do what OMB cannot:

- Identify major policy issues which lie outside the present program structure.
- Supervise the process of analysis of these issues and research into underlying questions of fact.
- Fairly present Departmental views to the President for resolution.

Not every domestic policy decision can be or should be a matter for the National Policy Council, only major questions involving broad change, multi-departmental policies, and sharp alterations of direction. The National Policy Council should be a mechanism for communication between the Cabinet and the President on the "big ones," not on routine matters.

The National Policy Council staff need not be large, and in fact need be no larger than the present Domestic Council staff, but it should be managed by a senior White House adviser who:

- Has close access to the President



-- Understands the difference between good and bad staff work

-- Is devoted to due process

This suggestion for reconstituting the Domestic Council is based on the central idea that effective communication between the Cabinet and the President should be organized around sharply defined issues of Presidential concern on which opposing views are clearly and openly considered.

Secretary of the Interior



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
WASHINGTON

August 13, 1974

Memorandum

To: Secretary Morton

From: John C. Whitaker

You asked for my comments on White House structure and institutions.

1. The Director of OMB over the past few years has become politicized. Instead of being what they should be, advocates for lower budgets and for questioning the benefits of a program, they have tended to put their finger up in the wind, find out how it is blowing, and vote that way. That tends to cheat the President of a puristic view which he is entitled to. Recognize that if OMB goes back to that original role, which I think they should do, then there will tend to be more decisions that have to be brokered by some institution because the Cabinet officers and the Director of OMB will have more conflicts.
2. OMB is probably not large enough. I have found over the years that clearing legislation on a timely basis is simply that there are not enough bodies in OMB to get recommendations up the ladder to the Assistant Directors' level. For all the power and responsibility that OMB has, I think they should have more people to do the job.
3. The Domestic Council--It should continue although the President might want to change the name. Its chief function should be to assist the Cabinet officers, the Director of OMB, and other bodies like the Council of Economic Advisers, the Council on Environmental Quality, etc., etc., to lay before the President policy options stripped of their bureaucratic minutia and politicized in the best sense of the word meaning that they reflect the realities of what is and what is not obtainable in terms of a bottom line in protecting the President from veto overrides. Most important, the

Director of the Domestic Council must submerge his own private position and meticulously strive to make sure the President receives all the facts. Like a Director of OMB, his effective tenure is at best two or three years. Too few people win and too many lose every time the President makes a decision, and no matter how honest a broker and referee the Director of the Domestic Council may be, he may inevitably be perceived by those department heads who lose out as a person who has blocked getting their particular view across to the President. This problem can be relieved to some extent and this can be the difference between President Nixon and President Ford if President Ford will take more time for a face to face meeting to tell a particular Cabinet officer that they have lost on a decision. There is a danger here, however, that decisions tend to degenerate into decision meetings with Cabinet officers advocating directly in front of the President without having done their homework and, therefore, the President makes a decision based on poor information. For that reason, I think it very important that the option paper procedure be continued so that all the facts are down on a piece of paper and read by the President before he goes into an advocacy meeting with Cabinet officers.

4. Economic Adviser to the President--I think the Rush role has turned into one where Ken thinks of himself as the prime economic adviser to the President where he should think of himself instead as the coordinator of economic advice. It seems to me that the economy is important enough that the President should face to face listen to the diverging advice of the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, the Director of OMB, and the head of the Federal Reserve System. As an added protection, if he wants some coordination, then that staff man should be the Chairman of the Council of Economic Advisers.
5. Middle to long-term planning--One area where the Domestic Council failed was to either alone or with the help of OMB develop some long-term strategies. I don't mean by this

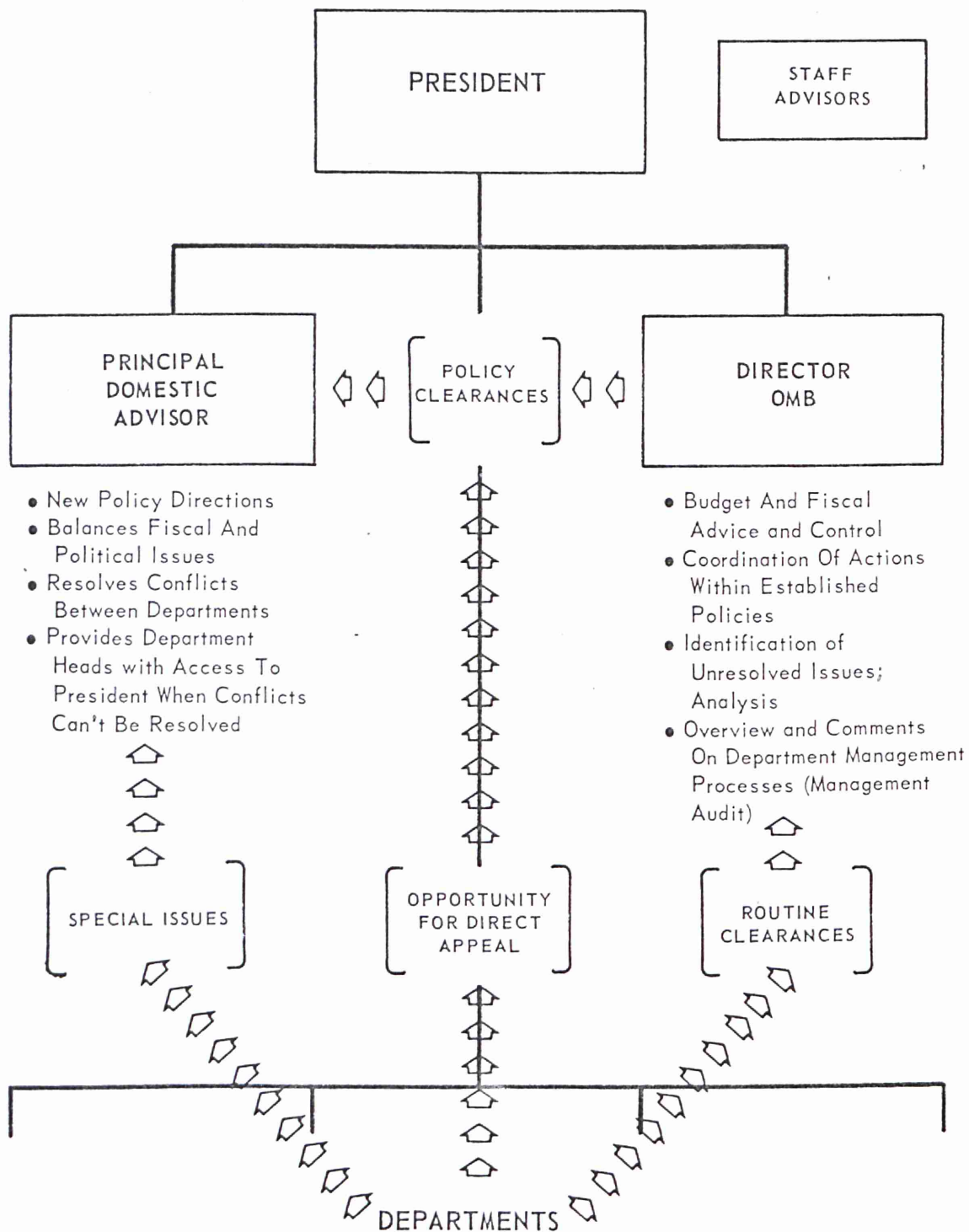


a national goals policy which turns out to be a fuzzy articulation of where the country may be in 10 or 20 years. What I do think should happen is that there should be a staff and a separate director working to answer the question, what should the State of the Union say two years from now? I deliberately specify two years as a way of not being so far out that your planning is unattached to political realities and not being so close that you get sucked into putting out the day-to-day fires in working on the immediate Presidential programs.

6. Finally, I think the President should come up with a very small list of things he wants to happen legislatively. It has to be small enough that he can personally involve himself. This President more than any in recent times is equipped to do this because of his close relationship with Congress. To assist him, he may wish to designate a small group of influential people in and out of government to help him lobby these programs through.

TRANSPORTATION

# DOMESTIC DECISION MAKING



See Secretary Brinegar's comments in Section on "Interview Comments".



INTERVIEW COMMENTS

INTERVIEW NOTES

SECRETARY BUTZ, Department of Agriculture

1. All Cabinets are faced with the OMB problem. There are too many entities over there involved in policy, P/R, legislation and that is wrong.
2. Same holds for the council of economic advisors. They should be kept out of operations. They should analyze and not get into policy. Stein spoke policy.
3. The Domestic Council has been second guessing OMB. The Domestic Council should be used as a policy vehicle and a strong secretariat for the Cabinet should be established. The Secretary of the Cabinet should be put along side the Chief of Staff. (Job should amalgamate with the Chairman of the Domestic Council one and the same). This is needed as a focal point.
4. National Security Council should be the number one attention of the President.
5. Need more Cabinet meetings. Establish a regular time.
6. Meeting should be defined and there should be just one management agency. OMB gets into too much minutia of management.

INTERVIEW NOTES

SECRETARY DENT, Department of Commerce

1. OMB has branched out into congressional relations. This is wrong. Departments should have total responsibility for Congress.
2. Domestic Council should be used but has been submerged under the management function of OMB. Perhaps the V.P. should chair.
3. The Domestic Council should be long range but the President needs a DOMESTIC COUNSELOR for quick decision.
4. President needs several advisors with a list of areas each one is responsible. A Science Advisor is essential.
5. President should make a "Call to America" for the "Best in America" to come to Washington and lend their talent. Have a big name head this. Departments should have more say in selection of personnel.
6. Reinvigorate Governors participation.
7. Timmons office needs better coordination with the Departments and has been fouled up with OMB.
8. Press office and Office of Communications should be under one head. Public affairs people in the Departments should be included in the operation. Their contributions could be significant. Deputy Press Secretary could head. Electronic media should be used to better advantage.
9. Need people in the White House to advise the President and not be out on a road show.
10. Domestic Council subcommittees should be developing long term and use Department staffs. On short term there should be a counselor with each area represented to make short term decisions.



11. Can't have the Department responsible for legislation and have OMB involved. Legislative Clearance has been one of the big faults of the past Administration.

12. White House has been so centralized that strong outside constituency has been beating on the doors of the White House. These contacts should be shifted back to the Departments.

13. We haven't utilized the economists within the Departments.

## INTERVIEW NOTES

### SECRETARY WEINBERGER--Health, Education, and Welfare

1. A regular Cabinet meeting day should be established.
2. Establish a procedure by which memorandums sent to the President are actually delivered in the form in which they are sent and not paraphrased.
3. The Departments should work the Hill on Legislation--and not OMB. There have been occasions where a compromise has been worked out--goes to OMB to analyze--and they respond in a negative atmosphere--without being aware of the negotiations or being concerned about them. Cabinet members should negotiate legislation.
4. OMB has been expanding its role beyond fiscal policy and getting into policy formation and public relations activities.
5. OMB intervention by GS-15's has occurred with Agency Heads and their programs (NIH).
6. Department personnel should be welcomed by the White House and some facilities such as mess, tennis courts, etc., should be offered so as to create a friendly atmosphere.
7. President should visit Agencies such as NIH.

## INTERVIEW NOTES

### SECRETARY LYNN, Department of Housing and Urban Development

#### 1. SHORT TERM

- a. Changes in organization sets you back from 2 to 3 years.
- b. Don't need any substantive organizational changes.
- c. We have things on paper we haven't implemented.
- d. Domestic Council
  - (1) Makes a lot of sense.
  - (2) Chairman of a Domestic Council Committee or task force must devote substantial time and his staff work should come from the Departments--assigned permanently (4 or 5).
  - (3) Chairmanships should be rotated. This gives the President a method by which he can meet on a subject more often and with several Departments at once.
  - (4) The White House liaison man must be someone who can look way down stream and could monitor sloppy work and return if changes needed.
- e. OMB
  - (1) The one place for pure professionalism. Should not be concerned with Congress but looks for the good of all the country. It has been involved in all aspects--Management (?) politics, etc. They should be involved in systems and clear legislation.
  - (2) Departments could use management help from them. Limit their policy involvement when Department is working on it.

#### 2. LONG TERM

- a. Many things have cut across other activities such as FEA and what happens to Department of Energy and Natural Resources.



- b. Operations such as these should be folded back into the Departments.
- c. Don't need CEQ or EPA as separate entities.
- d. Immediate problem is economic coordination (RUSH). Take a hard look and go back to a single person to chair. Should be institutionalized. If you need coordination on international economic policy it should be handled by the State Department (Ingersol) or a Deputy Secretary of Treasury. Recommend elimination of Rush Office.

INTERVIEW NOTES

ATTORNEY GENERAL SAXBE, Department of Justice

1. A better loop for selection and clearance of personnel in the White House is necessary. We lose weeks and weeks of time trying to get clearances from the White House because everyone over there gets into the act and of course we have run a blood test already with Congress. ABA etc.
2. President needs a General Counsel as soon as possible (conscience of the President) should be legal ADVISOR to President.
3. OMB is a problem. They get involved in Congressional relations.
4. Domestic Council should be used for policy but should be much smaller.

INTERVIEW NOTES

SECRETARY BRENNAN, Department of Labor

1. Need something like OMB but OMB has been a problem in legislation. We understand the ~~comp~~romise necessary in working with Congress—OMB does not.
2. Programs the President has a deep interest in we should be able to jaw-bone with him.
3. There should be better communication with OMB.
4. Departments must have more flexibility in carrying out President's wishes on legislation.
5. OMB does not understand polirical realities and they go to the Hill and take a position without our input.
6. Chairman of the Domestic Council should be someone the President trusts implicitly and is savvy.
7. OMB should take care of the budget and management of the budget and not get into Congressional negotiation. They are a real problem.



## INTERVIEW NOTES

ROY ASH, Director, Office of Management and Budget

1. President should work directly with Cabinet officers whenever possible.
2. There should be a deliberate redundancy built in to the organization so there is no sole source of information.
3. The overlap should exist in the following manner in three substantive areas:
  - a. International
  - b. Economic
  - c. Social (Domestic)

Then there are three cross cuts that are processive:

- a. Servicing of the President -- i.e. PR, General Counsel, etc.
- b. Legislation -- Relationship with Congress
- c. Operations -- Machinery of Government

The above six individuals would all work together--each with his General area of responsibility and in this manner the President receives the benefit of interaction.

4. The Social (Domestic) Area should be doctrinal on a high order--conceptualized in a manner such as Rockefeller's "Critical Choices".
5. Timmons office needs strengthening and OMB's legislative response has been poor.
6. There has not been a close relationship between the White House and the Departments in legislative action.
7. It is essential to have a good PR individual serving the President.
8. The three elements should be brought together under one Head.
  - a. CLAWSON OPERATION was affirmative PR events.
  - b. ZIEGLER--Press responsiveness
  - c. BAROODY--Affirmative Action with Groups

9. ECONOMIC

COUNCIL OF ECONOMIC ADVISORS

- a. Should be sterile politically.
- b. Deal with fact figures and forecasting.
- c. Must be intergrated.
- d. Deal with issues such as coal, steel policy, but not into controls.
- e. Not operational.

COUNCIL ON INTERNATIONAL ECONOMIC POLICY --International policy serves where international and domestic economics cross.

TREASURY -- Pure economics--taxes and managing the debt.

- 10. Presidents staff secretariat is the most important function. It is the system by which he gets involved in everything. Keeps everyone closely tied.
- 11. Haig gets more into substance than Haldeman. Haldeman was more like a switchboard.
- 12. President should devote one hour per month with each Cabinet member and once every six months with key Department people on Presidential Objectives--in this manner he would be managing 2 million people.
- 13. Don't put a lot of people between the President and the Departments.
- 14. President does not have room for any new initiatives (not to spend money).

What are the options?

- a. Hold down outlays without legislation--i.e. 40 thousand layoff
- b. Controllable Programs--5 percent of Federal Budget Controllable, i.e., school lunch program etc.
- c. Cut back social security.

Legislate all by proportionate amounts. All of this would not effect inflation rate. (1/20th of 1%)

Above could be good because:

- a. Psychology
  - b. Everything saved in 1975--is a lower base for 1976, 1978, and 1980.
  - c. 1 percent change in direction, 100 miles down the road would have a significant effect.
15. Whatever changes are made--make them soon.

INTERVIEW NOTES

SECRETARY BRINEGAR, Department of Transportation

1. OMB should be the fiscal conscience of the President. Clearance and coordination NOT CONTROL.
2. Use of Domestic Council (By Chart)
3. Council of Economic Policy was a mistake.



INTERVIEW NOTES

SECRETARY SIMON, Department of Treasury

1. Poor management to have people in the White House running the Departments.
2. There should only be three things of concern and they say it all.
  - a. White House
  - b. Economy
  - c. Energy
3. You don't need a White House coordinator.
4. Roll Domestic Council into OMB.
5. Use of OMB by Nixon Administration was terrible--Shultz agreed. He couldn't believe how its use was distorted.
6. Need someone like Greenspan to head OMB or maybe Bill Siedman.
7. Think Haig is good choice. Have already discussed some of the problems with him.
8. When you put in an advisor for an activity he creates a monstrous organization, and then starts policy and control. One way to stop is to create the White House involvement (contact) at a lower level such as a Deputy. In other words--White House presence as a lower level.





# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

Dear Mr. President:

In response to your request for a review of the White House organization, its structures, missions, systems, and procedures, I have personally met with nine of your senior Cabinet officials to discuss their concerns and recommendations.

The results of these conferences have clearly defined five major areas of concern and all have developed around a central theme of the usurpation of departmental powers in various ways by the White House staff and the Executive Office of the President.

These major areas are as follows:

I Operations of the Office of Management and Budget

The OMB has become politicized over the past few years and has expanded its role beyond fiscal policy and management into legislation and policy formulation.

II Role of the Domestic Council

The Domestic Council has been submerged under the management function of OMB and has not achieved its function to streamline and coordinate the means by which domestic policy is formulated.

III The Functioning of the Economic Councils

There is considerable concern over the several groups in the White House dealing with economic policy and the lack of a central coordinator.

IV Personnel

The White House Personnel Office has taken too much of the responsibility and initiative in personnel selection away from the Departments, leading to lengthy delays in filling key staff positions.

V White House Communications

The White House Press Office and Office of Communications should be molded into one office, and departmental public affairs personnel should be included in that operation.

I would appreciate the opportunity to discuss this in greater detail with you at your convenience.

Sincerely,

Secretary of the Interior

The President  
The White House  
Washington, D. C. 20500