

THE WHITE HOUSE

WASHINGTON

March 3, 1970



MEMORANDUM FOR:

CC: ALEX BUTTERFIELD
BOB HALDEMAN
JOHN EHRLICHMAN
DWIGHT CHAPIN
~~MURRAY COMAROW~~

FROM:


KEN COLE

SUBJECT:

March 4th Cabinet/Sub-Cabinet Meeting
on Executive Reorganization

The following information is provided so that you can prepare the briefing paper for the President on this meeting.

1. Attending the meeting will be Cabinet Officers, Under Secretaries, Heads of major agencies and senior White House staff (A list is attached).
2. The schedule of events would be as follows:
 - a. The President would open the meeting with brief introductory remarks as to the importance of the reorganization and his desire for Cabinet support. The President would then introduce Roy Ash. (The President's suggested remarks are being drafted by Ray Price and will be ready to go to the President this evening after review by Bob Haldeman and John Ehrlichman) After doing so the President would leave.
 - b. Roy Ash together with Governor Conally and Walter Thayer will make the presentation.
 - c. After the presentation, the floor will be open for questions. It is my hope that Bob Haldeman will preside over this session.

I expect that the Vice President will be in attendance for the full meeting.

cc: Steve Bull

BRIEFING OUTLINE

REORGANIZATION PLAN - EXECUTIVE OFFICE OF THE PRESIDENT

Mr. Comarow: Info Cy

The President will soon send to Congress a Reorganization Plan for his Executive Office. The Plan establishes a Domestic Council to advise the President on total domestic policy and an Office of Management to carry on the work of the Bureau of the Budget with increased emphasis on securing effective results from Federal programs.

THE PRIORITY OF THE EXECUTIVE OFFICE

The President has long been concerned about the need to improve the functioning of the Executive Branch. To develop sound and innovative approaches, he appointed last April the President's Advisory Council on Executive Organization under the chairmanship of Roy Ash. Shortly thereafter, the President concluded with the Council that a most important opportunity for change was in the Office of the President itself:

1. Certain changes in the Executive Office would provide a strong impetus for improving the operations of the entire Executive Branch--a conclusion which echoes studies made by several previous administrations.
2. Such changes would reverse the trend towards operational decision-making in the White House, and permit greater reliance upon the agencies, a necessary step in meeting the greater responsibilities imposed on the Executive Branch by the increased scope and complexity of national affairs.
3. Just as these greater responsibilities have created the need for change at the agency level, so they require modification of the structure and operation of the President's Office. It has been some thirty years since any major formal change has been made in the President's Office.

THE WORK OF THE ASH COUNCIL

Under the guidance of the President, the Ash Council's study of the problems of the Executive Office lasted for some eight months. The Council and its staff brought to bear a variety of experience from the fields of law, business, management consulting, political science, and government service.

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(Revised pages 3 and 4)

Extensive interviews were conducted with many past and present officials of the President's Office and other agencies of the Executive Branch, and with distinguished authorities outside of government.

Studies over the past thirty years were analyzed along with a wide variety of other written material.

FUNDAMENTAL CONCLUSIONS OF THE COUNCIL

The Council identified a number of key processes which were fundamental for carrying out the management role of the Executive Office. In some of these, important improvements have already been made by the President since January, 1969. The Council found that in other areas, organizational inadequacies still persist:

Development of Policies and Programs. Translating national goals into specific, workable, and consistent action programs.

Assignment of Organizational Responsibilities. Making program decisions with due regard for their organizational implications. If today's programs fail to receive greater and ongoing attention to sound organization, the Executive Branch will become locked even more securely into patterns of disorganization that persist into the future.

Resolution of Program Management Problems. Easing the operating bottlenecks that result from the interactions of multiple Federal agencies among themselves and with State and local governments. Agencies should work out their own differences if they can, but sometimes the help of the President's Office is needed.

Evaluation of Programs. Assessing program achievements in terms of performance objectives and cost and pinpointing key problems.

Development of Executive Personnel Programs. Developing policies and programs to permit the mobilization of the best executive talent in the places where the needs are greatest.

Creation of an Information System. Developing the necessary systems to keep the President informed in an orderly and timely fashion about the Government's programs.

The President, in consultation with his Advisory Council, developed a Reorganization Plan to improve the vital functions mentioned above.

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ADMINISTRATIVELY CONFIDENTIALTHE DOMESTIC COUNCIL

Late last year the President created the post of Assistant to the President for Domestic Affairs and developed the "mission-oriented" approach of forming specific project groups to analyze policy options. The Reorganization Plan enhances these steps by establishing a Domestic Council which brings together under one roof many of the sources for researching long range goals, developing domestic policy, and designing specific programs with related legislation.

Structure. The Domestic Council houses interagency committees, advisory councils, task forces, and the like, that deal with both broad program areas such as environmental quality and more specialized areas such as prison reform. It deals with policy for ongoing as well as new programs. Above all the Domestic Council is flexible; its groupings change as the President deems appropriate to meet new conditions.

Staff. Key to the functioning of the Domestic Council is its Executive Director and his staff, which serves at the pleasure of the President. The staff is available for assignment to any group and moves from one group to another when desired.

Council. The Council itself is at Cabinet level chaired by the President. Membership includes the secretaries of nine Departments (all but State, Defense and Post Office). Additional executives from elsewhere in the Executive Branch may be included on the Council at the President's discretion.

Thus the Domestic Council advises the President in an integrated way on total domestic policy. It is a vital link between the agencies and the President--disseminating the President's philosophy to the agencies and communicating agency positions to the President.

THE OFFICE OF MANAGEMENT

The Reorganization Plan transfers the functions of the Bureau of the Budget to the President and establishes instead an Office of Management. The Office of Management carries on the work of the Bureau of the Budget with increased emphasis and personnel in the non-budgetary processes of program implementation. The Domestic Council and National Security Council answer the question, "What is to be done"; the Office of Management focuses on the means of doing it and evaluating the results. The Office of Management has six major units:

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Deputy Director for Budget and Evaluation. Prepares and reviews the budget much as the present BoB. Increased personnel and attention, however, is devoted to pinpointing critical problem areas, evaluating results, and relating such evaluations to budgetary decisions. The present BoB Examining Divisions are attached to this Division.

Division of Program Coordination. Helps work out interagency operating problems in the field by serving as an expeditor or catalyst. It also serves as a contact point for State and local levels of government to discuss program problems. The staff is based in Washington but is constantly active in the field.

Division of Legislative Reference. Performs the legislative reference function of the BoB, drawing together agency reactions on all legislation and helping in the development of Presidential legislation.

Division of Executive Development. Responsible for executive manpower planning. It takes the lead in developing and evaluating programs to recruit, train, motivate, deploy, and evaluate top executives so that talented executives are identified and utilized to their fullest. It deals with programs for executives, not the individual executive himself, in terms of selection, promotion, or otherwise. The Civil Service Commission and the agencies continue to execute the executive personnel programs.

Division of Organization and Management. Continually reviews the organizational structure and management processes of the Executive Branch and recommends improvements.

Division of Information Systems. Develops information systems for use by the President and the agencies. It deals primarily with matters of Presidential level concern, and programs which cut across agency lines.

NEED FOR THE NEW ORGANIZATIONS TO WORK TOGETHER CLOSELY

The Office of Management and the Domestic Council must work closely with all the groups in the Executive Office but especially with each other. Together these new organizations can greatly strengthen our ability to create the most useful programs, to gear the Executive Branch to their performance and to achieve, in actions, the results intended by Congress and the President--now and in future administration.