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The Plot That Failed: Nixon and the Administrative Presidency

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appropriate for the national government to have principal responsibility. Although the criteria were not well defined nor systematically arrayed as in an academic treatise, for a political program (which after all is what the New Federalism was) a reasonably coherent strategy emerged for identifying those activities to be selectively decentralized and those, according to the viewpoint of the Nixon Administration, where central government action was deemed necessary and appropriate.

Functions to be decentralized, according to the Administration's position, were primarily services provided in the community, that is, where government itself manages an activity. Typically, these are services for which conditions and needs vary among communities and where local decision-making is especially important. Examples are education, social services for the poor, manpower training, hospitals, urban and rural community development, and law enforcement. The people who provide these services are organized very differently from one community to another.

On the other hand, the functions of government for which national controls were advocated by the Nixon Administration group include four main types:

1. Those in economists' terms for which *spillovers* from one area to another are especially important as in the case of the environment (air and water pollution easily cross jurisdictional lines).
2. Those for which *transfer-type* benefits to individuals should be the same throughout the country for all who qualify according to defined criteria of eligibility, for instance, Social Security benefits, cash assistance for the aged, and health insurance.
3. Those for which a *stimulus* or *demonstration effect* is needed to start action in new areas (drug abuse prevention and family planning are examples of areas where new categorical programs were advanced for federal funding in Nixon's first term).
4. Those for which every geographical area does not need to be involved on the same basis (examples here are medical and health-care research).

All of these areas were identified under Nixon as candidates for central governmental action. Mr. Nixon himself embellished and frequently restated this point about sorting or rationalizing domestic

stantive and structural aspects, which involves narrower administrative "nuts and bolts" types of concerns. One of the plans left on President Johnson's desk when Nixon took office in 1969 was a government-wide strategy to decentralize the operations of domestic programs to the regional level. It involved conforming the geographical regions for the domestic agencies and establishing high-level Regional Councils to coordinate federal programs in the field. Before really assessing these plans and in its early exuberance to decentralize, the Nixon Administration adopted this strategy on a sweeping basis and implemented it extensively. But a closer analysis of the consequences of administrative decentralization reveals that it is not necessarily consistent with *policy decentralization* as outlined under the New Federalism. For administrative decentralization tends to solidify the very group that policy decentralization would weaken — the bureaucracy. At the regional level especially, career program officials, if given the power actually to make grant awards, are in a strong position to bring the viewpoint and interests of their particular program to bear in setting state and local priorities and structuring program operations. Moreover, federal officials in the field often tend to be the most rigid and inflexible of program-oriented career officials. Their more creative and innovative colleagues tend to gravitate to Washington; the old liners are the ones typically "selected-out" for field assignments when changes are sought either within the bureaucracy or from outside. For an Administration committed to strengthening the chief elected executives of general-purpose units of state and local government, administrative decentralization often had the exact opposite effect of deepening the hold of special program interests.

Reflections on the New Federalism

The combined effect of the enactment of general revenue sharing in 1972, manpower revenue sharing in 1973, and the community-development bloc grant in 1974, along with the dramatic increases in income transfers and the relative decline in the importance of categorical grants for social services constitute an appreciable change from Lyndon Johnson's Great Society to President Nixon's New Federalism.

The New Federalism agenda, of course, involved many other legislative and budgetary proposals aside from those summarized here. This

chapter merely sketches out a framework and suggests that in many ways this program was rooted in important social values and did reflect, although in varying degrees in different periods, a concern for the individual, the community, and the needs of the poor. The Nixon first term, it should be remembered, achieved success in many areas. If for some reason Richard Nixon had not stood for reelection, it is interesting to reflect on how history would have treated his accomplishments. There is reason to think he would have been given a high ranking. His large margin in 1972 supports such a conclusion. Moreover, many of the men and women who worked hard on Nixon's domestic program would by most accounts be credited as distinguished and able — Shultz, Richardson, Moynihan, Burns, to name a few — and a larger number of talented men and women in the next line of policy positions.

From the point of view of the federal bureaucracy, however, the essential implications of the New Federalism are clear. The idea was to weaken the federal bureaucracy. This, in fact, is likely to be the outcome of any strategy involving significant governmental decentralization and an income strategy. Just as in physics, when political power is given to one group (in this case state and local governments and individuals), it must be taken away from someone else. In seeking to enhance the role of states and localities and to give greater opportunity to the poor to make their own decisions, Nixon's New Federalism policies involved taking power away from specialized bureaucracies of the federal government. This strategy at the outset was not generally perceived in Washington in these terms. However, tensions between the White House and the bureaucracy grew rapidly as Nixon's domestic policies were spelled out. Increasingly, and as was a logical outgrowth of the New Federalism, the Nixon presidency was marked by animosity on both sides between the White House and the domestic bureaucracy.

Notes

¹ Radio Address, September 19, 1968.

² Ibid.

³ Hearings before the Subcommittee on Intergovernmental Rela-

to the Treasury with Shultz as Assistant Secretary for Legislation. Gifford had served in this role for Shultz both at OMB and earlier at the Department of Labor. Two other White House aides who also moved to key domestic posts with line responsibility were Ronald H. Walker, named amid controversy as director of the National Park Service, and Frank C. Herringer, as head of the Urban Mass Transportation Administration.

Among the men elevated in this period, James T. Lynn, Under Secretary of Commerce, a little known but highly respected Nixon stalwart, received the top designation. Lynn was named Secretary of HUD, where Romney's departure plans had previously been announced. On the other hand, Lynn's boss at the time, Peter G. Peterson, Secretary of Commerce, an increasingly prominent figure in this usually lesser post, was removed. This was undoubtedly a reflection of Peterson's tendency toward strong argument within the inner councils of the Administration and of high visibility outside. Peterson was quoted bitterly as saying he had failed his physical for reappointment; "his calves were too thick and he could not click his heels."¹⁷

The Super Secretaries

Nixon's strategy for his second term, when fully spelled out, went beyond these shifts in the persons named to top posts. As part of the new plan, the President put into effect another key element of his March 1971 reorganization proposals, the regrouping of domestic governmental responsibilities among Cabinet agency heads.

This second phase of the Administrative Presidency was unveiled two weeks before the Inauguration. On January 5, 1973 Nixon announced that certain Cabinet officers would be given special roles as "Counsellors to the President" in addition to heading up their own agencies. The new designations closely followed the Ash Council recommendations. The three super secretaries, who were also appointed to chair Domestic Council committees for their respective areas, were Butz, Secretary of Agriculture, for *Natural Resources*, Weinberger of HEW for *Human Resources*, and Lynn of HUD for *Community Development*. This was in addition to the designation already made of Shultz as an Assistant to the President responsible for a similar function in the area of economic affairs.

Within the White House and paralleling these changes, four men

were selected by the President as his principal White House assistants "to integrate and unify policies and operations throughout the executive branch . . . and to oversee the activities for which the President is responsible." They were Haldeman, Ehrlichman, Roy Ash, the new director of OMB, and Kissinger.¹⁸ It was in conjunction with these White House changes that the President pledged that the total personnel compliment of the Executive Office would be cut in half. The lesson of Robert Wood's "curious inversion" had been learned, albeit the hard way. The new super secretaries would have plenty of room to operate in their assigned spheres of activity. They would also have opportunity on a regular basis for direct contact with the President.

An examination of the roles assigned the super secretaries shows that the most interesting facet of this new arrangement was the changes in relationship it portended among Cabinet members. Some were to be more equal than others. The three super secretaries were assigned responsibilities in a way that presumably put them in a position to pass on program actions in areas that were formally the responsibility of other Cabinet officers.¹⁹ For example, manpower programs (in the Labor Department) were assigned to Weinberger. Public transportation (including programs of the Department of Transportation) was assigned to Lynn. Many natural resource activities (in Interior) were to be put under Butz.²⁰ Taken together, Nixon's approach for running the government in his second term, based on experience in the first term, was now decisively changed.

In retrospect, the Watergate transcripts show the President's increasing and strong concern about controlling the bureaucracy in his second term. At an April 19 meeting with Ehrlichman, he complained bitterly, "We have no discipline in this bureaucracy." He added, "We never fire anybody. We never reprimand anybody. We never demote anybody. We always promote the sons-of-bitches that kick us in the ass."²¹ The President in this instance demanded that a particular career official be fired, the director of the Office of the Small Business Administration in San Francisco. Nixon said he should be disciplined publicly, "as a warning to a few other people around in this government, that we are going to quit being a bunch of God damn soft-headed managers."²²

with rare exceptions, are held by little-known Nixon loyalists who can be dismissed or transferred at will without creating a ripple in public."²⁶ Aimed at the functional subgovernments, particularly the bureaucracy, these personnel shifts involved not only Cabinet officials but hundreds of sub-Cabinet and other top policy posts.

2. *Budget Impoundments and Reductions.* The budget strategy for 1973 to 1974 represented such a strong use of fiscal powers as to effectively constitute a new type of executive power. Whole programs would be stopped by impoundment. Few more direct ways could be imagined to take on the bureaucracy. Important constitutional issues were raised by these decisions. Can a president use his executive authority to curtail or to nullify programs that the Congress had previously enacted? The courts, of course, had something to say about these executive actions, but pre-Watergate in the early months of 1973 these and other aggressive uses of fiscal powers appeared to be immensely powerful.

3. *Reorganization.* The third element of the Administrative Presidency was revealed separately from the budget, namely the use of reorganization plans to give the President's trusted lieutenants authority to act. This device was used in some cases to reorganize whole activities out of existence, and in others to significantly change reporting relationships. As an example of the former, the reorganization approach was used in early 1973 to attempt to abolish completely the Office of Economic Opportunity (OEO). Established in the Executive Office of the President under Lyndon Johnson, it was not anticipated at the time that this would give a future President greater authority over OEO than he has in the case of other agencies. For, instead of using the formal Reorganizational Act procedure, whereby the Congress has 60 days to disapprove an organizational change, President Nixon's lawyers argued that since OEO was within the Executive Office, the President alone controlled its fate. Using this rationale, Nixon in 1973 assigned a young conservative, Howard Phillips, an assistant director of OEO and formerly president of the Young Americans for Freedom, as the new director. The President stipulated that when Phillips had completed his task of dismantling OEO, in part by devolving its functions to other agencies, he would be assigned some other post. Phillips' exuberance in his new task during this period appeared even to exceed White House expectations. Welcoming for himself the designation of Cato dismantling a decadent

system, Phillips in one statement was quoted as saying he would do his job so rapidly and before Congress had a chance to react that "no one would be able to put Humpty-Dumpty together again."²⁷ In a much quieter and more restrained fashion the special offices in the White House offices for Consumer Affairs and Science and Technology were devolved to new agency homes and eliminated as Executive Office units.

According to the new game plan, however, the reorganization approach was not to be limited to the Executive Office. The establishment of the super secretaries, discussed previously, constituted an important use of reorganization as a tool enabling the President's men to get a firmer hold over the machinery of domestic government. Within their respective agencies, the new secretaries for the domestic agencies were expected to take advantage of other and similar opportunities to rearrange their agencies in ways that would enable them to obtain stronger managerial control.

4. *Regulation.* The fourth component of the Administrative Presidency was regulation-writing, again an exercise of federal authority that had not been thought of in the past as a method by which a president could achieve major policy goals. Two illustrations of how this authority could be used were revealed in conjunction with the federal budget for fiscal year 1974. In the field of social services (where this tactic eventually failed because of strong Congressional opposition) new rules were issued early in 1973 that restricted the way in which funds to aid the poor through social services could be expended. The new rules, among other steps, required that these funds only be used for people with defined and specific conditions of need, and then only under a system of detailed accounting for the services provided. Here the aim was to reduce the options available to social-work professionals, long subject to Administration criticism and strongly entrenched in the welfare bureaucracy of HEW. On the other hand, in the manpower field, the regulation power was to be used *not* to introduce federal government controls, but to reduce them. The aim in that case was to decentralize, by implementing the Administration's plan for manpower special revenue sharing through administrative action in the form of changed regulations under existing statutory authority.²⁸

Although in retrospect these four elements of the Administrative Presidency fit together in a fairly neat package, it is not likely that anyone in the White House systematically identified and defined this framework in getting ready for the second term. In any event, it was all for naught. On April 30, 1973, John Ehrlichman, the driving force behind all of these preparations, was gone. Soon, too, the designations of the super secretaries were removed. As the new White House staff was assembled in the late spring and summer of 1973, it came into being in a far different setting. The mandate of 1972 was dissipated. Decisive action, including unneeded fights with program bureaucracies and congressional committees, could not be undertaken now. General Alexander Haig, Jr., as Haldeman's successor, called for "an open presidency" with activist, independent roles for Cabinet officers. The wheel had turned a full revolution.

The White House hold over the domestic agencies in these final days of the Nixon presidency was all but nonexistent. During his short tenure as Ehrlichman's successor, Melvin R. Laird showed no sign of interest in the Administrative Presidency. When he left, Kenneth Cole, Ehrlichman's former deputy, succeeded Laird. An able and experienced man with good judgment and an equally good personality, Cole too apparently found little opportunity for management controls on the scale or basis previously planned. He made further cuts in the staff of the Domestic Council and generally kept a low profile. The Office of Management and Budget, if anything, played a stronger role in this period, with the President and his top White House aides increasingly preoccupied by Watergate and attendant problems. But the predominant pattern was one of domestic policy matters receding in importance as far as the White House was concerned, considered, if at all, almost entirely in relation to political efforts to stave off impeachment. A close aide to John Mitchell in the first term, Donald E. Santarelli, named at the start of the second term as director of the Law Enforcement Assistance Administration in the Justice Department, was one of the few brave souls in what he thought was a private moment to speak about these new conditions. He said he was his own boss now and didn't check with anyone about his decisions. "There is no White House anymore." Santarelli was forced to resign because of the wide press coverage of his remarks, but many others who saw things the same way and behaved accordingly (although without saying so) stayed on.

Notes

¹The Bureau under this plan was renamed the Office of Management and Budget. Originally, the Ash Council had urged that the new name be simply Office of Management, but old-timers in the Bureau and its director at the time, Robert Mayo, argued successfully that the word "Budget" be retained in the new title.

²It was not surprising that Nixon accepted the Ash Council plans; the group had met with him and his top White House staff at long meetings several times before completing its work on the Executive Office.

³Presidential Message on Executive Reorganization, March 25, 1971.

⁴Ibid.

⁵UPI, November 8, 1972.

⁶It is perhaps indicative of the style of Nixon's White House staff that they chose this heavy-handed tactic when other approaches appeared to be available. For example, a more discreet announcement could have been made that officials not planning to stay at least another two years in Sub-cabinet positions should so indicate. Then, in every case where a resignation was to be "accepted," a face-saving announcement could have been made by the agency or the White House that the "firee" had indicated his wishes to move back into private life before the end of 1976.

⁷Joseph Young, Young's Federal Spotlight, "Four More Years, Lament of an Ousted Aide," *Washington Star-News*, January 23, 1973.

⁸UPI, November 11, 1972.

⁹During this waiting period, one White House staffer in high favor, who did receive an important sub-cabinet post, said he felt like a virgin on her honeymoon: "I know I'm expected to do something, but I'm unsure about the details."

¹⁰Garnett D. Horner, *Washington Star-News*, November 9, 1972.

¹¹Ibid.

¹²Ibid.

¹³Horner; op. cit.

¹⁴Weinberger at OMB was noted as a man who kept his cards close to his vest. Apparently he behaved the same way at HEW. In an ar-

Shultz replaced Nixon's first Budget Director, Robert Mayo, who was regarded as too strong a defender of the bureau's professional integrity.¹

An incident which demonstrates that this hostility toward the federal bureaucracy involved the President himself occurred in December 1969. Arthur Burns, then Counsellor for Domestic Affairs, gave a speech in which he described federal programs as "half smothered in paper." According to Burns, "Employees at all levels of government are required to devote time to detailed paperwork which would be better devoted to rethinking program objectives or assessing the extent to which present objectives are being met."² The actual speech is not as interesting as what Nixon had to say about it. In this period, he followed a practice of sending out papers he was impressed with to key persons in the Administration with his comments appended. Nixon, in this instance, distributed Burns' speech and a cover memorandum to members of the Cabinet, the Council of Economic Advisors, and major Executive Office personnel. The President's memo was a strong one and went well beyond Burns' comments. Nixon said Burns' speech "demonstrates the need for massive personnel cuts in all areas of government." He added, "I particularly agree with his [Burns'] implied conclusion that one-half of the time of government officials is spent writing papers to each other."³

This hostility toward the federal bureaucracy did not diminish during the first term. White House aide Michael Balzano summed up feelings about the federal bureaucracy in June 1972 in the following terms.

"President Nixon doesn't run the bureaucracy; the civil service and the unions do. It took him three years to find out what was going on in the bureaucracy. And God forbid if any President is defeated after the first term, because then the bureaucracy has another three years to play games with the next President."⁴

In an interesting way, this hostility toward the federal bureaucracy may have been good politics. It was, in fact, a prominent theme in presidential speeches in 1972 and 1973. The evidence suggests that public sentiment was in accord. A poll by the University of Michigan's Institute for Social Research published in 1974 rated 15 national institutions on a scale of zero to eight. It showed the federal government at 3.86 compared with the United States military, which ranked first with a 5.50.⁵ (Ironically, the only group lower than fed-

Watergate. In a report prepared in 1974 for the Ervin Committee of the United States Senate, the National Academy of Public Administration strongly rejected the management tactics being developed for the Nixon second term. The authors said, "the Federal executive is necessarily pluralistic."¹⁷ Although in many ways the descendants of the authors of the Brownlow and Hoover commissions, the National Academy panel saw the handwriting on the wall. Specifically referring to Nixon's plans for his second term, the academy breathed a sigh of relief that Watergate had stemmed the tide.

"The U. S. government [under Nixon] would be run like a corporation — or at least a popular view of the corporate model — with all powers concentrated at the top and exercised through appointees in the President's office and loyal followers placed in crucial positions in the various agencies of the Executive Branch. . . .

"No one can guess how close the American government would be to this closed hierarchial model had not Watergate exposures halted the advance towards it — at least temporarily."¹⁸

Although the Academy committee wavered and, in fact, shifted away from earlier views and proposals, the thrust of public-administration theory about the presidency in the past (that is, pre-Nixon) has reflected a strong consensus on the need to strengthen presidential management. There are, however, other positions.

An Alternative Theory: the Representative Bureaucracy

Contrasted to the conventional public-administration view, many political scientists outside the field of public administration have stressed that the bureaucracy is — and even *should be* — highly involved in policymaking. Professor Peter Woll in 1963, for example, portrayed the federal bureaucracy as "an independent force." He said it "cannot be dismissed as simply a part of the Executive Branch of government controlled by the President or the Cabinet."¹⁹ Woll depicted the bureaucracy as "a powerful and viable branch of government," playing a political game to advance its own interest in legislative and judicial, as well as executive matters. Although it is long, it is useful here to include a section of Woll's views on what he calls "the political nature of bureaucracy."

"The political nature of bureaucracy is initially revealed in the be-

unbalanced perspective where excesses reinforced and fed on each other. The result was catastrophic for Nixon and for the country. Would this same behavior have occurred in the area of domestic policy if the Administrative Presidency had been played out with no Watergate? Would the orientation and views of Mr. Nixon's trusted lieutenant's for domestic affairs, each tied by his reputation and record almost solely to Richard Nixon, have caused men to yield to the same temptations to put ends over means? Or, alternatively, would our traditions of public service have been sufficient in these substantive areas of policy to assure responsible conduct? The decision on these questions can only be a personal one.

This question of whether the Administrative Presidency could have succeeded in the absence of Watergate may never be answered. For Watergate has had a deep impact on political morality in the United States. Post-Watergate, with a new awareness of the need for higher ethical standards in political life, it is possible that a president with a coherent program could organize his administration to navigate a course similar to Nixon's plan for an Administrative Presidency, while also adhering to sufficiently high standards of public service and personal conduct. Yet the irony is that although Watergate in this sense may have made the Administrative Presidency possible, it is likely that its aftertaste will discourage an American president from soon again attempting this kind of domestic strategy. Such a firm grabbing of the reins with an emphasis on administrative accomplishment may now be unacceptable. Hence, if the Nixon-Ehrlichman diagnosis is correct that many domestic bureaucracies have acquired too much power, the solution in terms of presidential strategy may now be very hard to implement. Clearly, President Ford is not disposed, or at least does not thus far seem to be, in the direction of an Administrative Presidency. Whereas Nixon's plan was for an administration of managers, Ford's apparently is for an administration of politicians, concentrating on the legislative process.

It is altogether possible that in the current period the New Federalism agenda is deeply enough imbedded in legislation and practice so that President Ford, who appears to hold to a philosophy of government very similar to Nixon's, will be able to advance goals closely in line with the New Federalism. It is possible, too, that the opposite will occur, that an Administration made up mostly of legislative politicians will depart so substantially from decentralization and related