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THE PRESIDENT AND EXECUTIVE MANAGEMENT

SUMMARY OF A SYMPOSIUM

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The President and Executive Management

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HIGHLIGHTS

I. Introduction

- ° Executive management is a basic element in the President's responsibilities. Effective management is essential if public confidence in government is to be regained and sustained.
- ° By his demeanor and actions, the President must demonstrate to the public as well as political officials and career staff that his commitment to good management is continuous, serious, and sincere.

II. Relationships with Departments and Agencies

- ° Relationships between the President and his department and agency heads must be characterized by mutual support. He must provide leadership, but also must be responsive to the needs and problems of the departments and agencies.
- ° The President is responsible for the integration of policy and programs. He and his staff must insure that the separate actions of the departments and agencies bear some consistent relation to each other and cumulatively serve the nation's larger interests.
- ° To enhance the prospect of effective program implementation as well as mutual President-agency support and confidence, the President should select department and agency heads on the basis of competence, personal loyalty, and support for his objectives.
- ° Lack of Presidential reliance on department and agency heads can lead to an over concentration of power in the White House staff, which in turn weakens the capacity of agencies, leads to the escalation of marginal issues to the White House, and makes the President more vulnerable to pressure from special interest groups.
- ° Rationalizing and modernizing the Executive Branch organization would help improve relationships between the President and key executives of his administration.
- ° There is no one best way of structuring and maintaining relationships between the President and his department and agency heads. Flexible, alternative mechanisms should be employed and molded to fit the Presidential style.
- ° White House mechanisms for dealing with policy problems crossing agency jurisdictions should be chaired by agency heads designated by the President, not by White House staff.

III. Staff Support to the President

- ° The role of the Executive Office is to help the President make the essential judgments which he alone must make. It should avoid program administration or the performance of functions best entrusted to departments and agencies.
- ° The White House staff should be relatively small in numbers, of high competence, and facilitative in character. Excessive growth in the White House staff can lead to weakening of agencies, loss of Presidential control of his own office, and the isolation of the President.
- ° Strong institutional support must be provided in the Executive Office for those responsibilities of the President concerned with the coordination of major policy and program matters within the Executive Branch. Various approaches have been used--the Domestic Council, the National Security Council, the Cabinet, and others; each was created to meet a Presidential need, none should be taken as a "given." The President should carefully assess existing councils and accept or reshape them to fit his own needs.
- ° The Domestic Council may be sound in concept, but its past history and use have left a negative image which will require special steps to overcome. It should probably be retained, provided it is compatible with the Presidential style, but the President should ensure that it functions as designed.
- ° Creation of too many specialized offices in the Executive Office should be resisted since they tend to give the President narrow advice; such offices may even become special pleaders.
- ° Arbitrary limits should not be imposed by the Congress on the President's authority to organize his staff in a manner that he deems necessary to meet changing needs and to accommodate his managerial style.

IV. Central Management and Service Agencies

OMB

- ° The budget and legislative clearance functions of OMB remain reasonably effective. But the OMB staff's professional judgment on how best to achieve Presidential objectives has been politicized through the political overlay at the Associate Director level. This politicizing effect should be eliminated.
- ° The managerial role of OMB has deteriorated seriously. The current lack of OMB managerial leadership must be corrected.
- ° A majority of the panel believes that the budget and management functions should be retained within one institution and that these functions can be made mutually supportive rather than competitive, given proper OMB leadership. This important reshaping of OMB operations and the strengthening of this management role should be acted upon by the President as a matter of considerable urgency.

- ° OMB management personnel should no longer be fragmented organizationally. They should be permitted the same type of access to White House staff and agency leadership accorded budget personnel. They should be expected to propose an agenda of government-wide management improvements to the President.
- ° Budget examiners should be expected to reinforce OMB management personnel in pressing for strong management programs in their work with the agencies.
- ° Some panel members believe, however, that experience indicates that budget pressures generally overshadow management when both are in the same institution, that the annual budget cycle often limits or distorts management practices, and that collocation limits free and candid discussion with agencies.
- ° These members urge that the management functions of OMB be separated and combined with personnel management policy functions of CSC, and possibly some management functions of GSA, to constitute a new management office in the Executive Office of the President.
- ° Overall, the panel believes that the existing lack of an effective staff arm for stimulating management improvement and resolving common management problems in the departments and agencies is one of the most serious issues needing quick resolution by the President.

Personnel Management and the CSC

- ° No management function is more critical to the success of an administration than that of assuring the existence of a well qualified, highly motivated, and responsive federal bureaucracy.
- ° Employee motivation is essential. New political officials tend to distrust the bureaucracy, and often proceed to alienate the career service by negative efforts to control, rather than to lead it.
- ° The next administration should foster a clearer understanding of the role and capacity of the federal bureaucracy by the political leadership.
- ° Political executives should make far greater efforts to explain new policy objectives, and to make explicit what is expected of careerists in meeting those objectives.
- ° Careerists must be sensitive to the political problems of the President. But political leaders must recognize that career employees have a legal responsibility to execute laws, even when certain laws may not be consistent with administration objectives, unless and until the laws are changed.
- ° The federal civil service system, as now designed, is not working. Significant reforms are clearly indicated.
- ° It is urged that the President-elect press for an immediate and thorough study of the federal civil service system, including laws, procedures and organization, and develop a far reaching program of reform.

- ° A substantial number of the panel believes a commission, considerably more insulated from the President than the existing CSC, is well suited to protect against abuse of the merit system. But they believe that the positive personnel management policy activities, such as employee development and salary and wage functions, should be transferred to the Executive Office of the President.
- ° Some of the panel agree that the Hatch Act should be reviewed for possible change, but believe strongly that the recent bill vetoed by President Ford would have seriously undermined the non-partisan principle of the merit system.
- ° Immediate attention by the President to the broad personnel management issues of the Executive Branch is imperative.

GSA

- ° GSA has the potential for serving the President by assisting agencies in a large number of management activities. But it has lacked the leadership and White House support essential to achieving that potential.
- ° White House staff and members of Congress must stop regarding GSA as a political dumping ground. The deputy administrator and commissioners should be chosen on the basis of professional qualifications; greater stress should be placed on professionalism throughout the agency.

V. Reorganization of the Executive Branch

- ° Our national government is not organized to mount an attack on the major defects of our society.
- ° Program fragmentation among competing agencies results in lack of accountability, lack of program focus and concerted action, piecemeal solutions, unnecessary inefficiency, undue influence of special interest groups, and the forcing of too many decisions upward to the White House.
- ° The structure of the Executive Office of the President pervasively influences the effectiveness of the entire Executive Branch. The Executive Office, with rare exceptions, should not include units which serve operating or advocacy roles. Units of the Executive Office should be restricted to those which perform functions that are an integral part of the President's broad management role, or which regularly require the President's attention.
- ° The President must regain authority, similar to that previously granted under the Reorganization Act of 1949, to submit reorganization plans to Congress.
- ° Comprehensive reorganization of the Executive Branch, including the creation of major executive departments, would have to be accomplished through the normal legislative process. The President, however, must take the initiative to secure legislation for major reform.

- ° Although basic responsibility for agency management lies with the agency heads, the OMB can serve the President as the focal point for both continuous adjustments and more fundamental long range reorganization and improvement of the Executive Branch structure and processes.
- ° Executive Branch reorganization should be seen as the beginning of a larger effort to reform the American government. The President and Congress should undertake a major reexamination of the structure of government through a bipartisan study similar to the Bicentennial Commission on American Government proposed earlier by this Academy.

VI. Congressional Relations

- ° Presidential leadership for managerial reform cannot be effective without the participation and cooperation of Congress.
- ° The panel believes that the accountability of the President to the public for proper management of the federal government is being undermined by excessive and detailed Congressional intervention in agency management.
- ° The panel stresses, however, that Congressional encroachment upon the Executive Branch has resulted, in part, from Presidential abuse of power or efforts to circumvent or ignore Congressional intent in the implementation of laws.
- ° A system of shared powers cannot operate effectively without comity and cooperation among the branches of government.
- ° Meaningful advance consultation is an essential prerequisite to effective working relationships between the President and Congress.
- ° Cooperation of members of Congress is influenced heavily by their perceptions of the ability and integrity of administration spokesmen with whom they work.
- ° The President and his White House staff must be highly selective in their sustained involvement in legislative issues. The agencies, under the President's guidance, should develop and defend their portion of the President's legislative program, keeping OMB and the White House informed of their progress.

VII. Intergovernmental Relations

- ° In fiscal year 1977, approximately 60 billion dollars will be disbursed in the form of aid to state and local governments. These funds are transferred through a host of federal agencies, a maze of red tape, and with no regard to their overall impact or their relationship to broader objectives.
- ° The President, in cooperation with Congress, should chart a course for bringing order and direction to this multitude of grant programs and associated objectives.

- ° A Presidential assistant, with direct access to the President, should be assigned responsibility for assisting him in developing proposals for rationalizing intergovernmental relations.
- ° Little interest has been manifested by current OMB leadership in this area. OMB should again exercise stronger leadership within the Executive Branch in developing more effective federal-state-local relationships, in particular in reducing conflicting and stifling regulatory procedures.
- ° The President, in cooperation with the Congress, should develop a program to review:
 1. The basis on which the relative merits of grant programs are evaluated.
 2. How to resurrect the initiative to simplify grant processes.
 3. How to measure effectiveness of federal grants.
 4. How to provide better input from state and local government into federal resource allocation and policy processes.

VIII. Presidential Transition

- ° The tremendous increase in the complexity of government places increasingly greater importance on a smooth Presidential transition than formerly existed.
- ° Pre-election planning by the candidates for the transition, including development of an overall schedule for the election-to-inauguration period, staffing, identification of priority policy areas, and establishment of an advisory system to produce alternatives and recommendations, is essential.
- ° Although the task of personnel recruitment is difficult to initiate before the election, the panel suggests that an "assistant on personnel" be designated and begin his work prior to the election and continue as a permanent part of the President's staff.
- ° In the event of a change in administration, the incumbent President should take the initiative in preparing for, and assisting in, the transition.
- ° The President-elect should select his key appointees as soon as possible after the election. A headquarters for transition operations must be established.
- ° There should be mutual efforts, under the auspices of the President and the President-elect, to assure an orderly introduction and orientation of the new appointee-designates to their future responsibilities.
- ° Each department and major agency should designate an official as transition coordinator to meet incoming appointees and coordinate their introductions, briefings, and facilities requirements.

- ° The career service is an important resource in briefing an incoming administration. The President should enlist the support of the career service and avoid making the civil service the enemy or scapegoat.
- ° Congress has an interest in an effective transition. Consultation with Congressional leaders during the pre-inauguration period is essential. The President-elect should designate key staff to serve as liaison and support him in Congressional relations.
- ° It is critically important to set the desired tone and establish momentum at the outset of the new administration.

INTRODUCTION

Government as an institution ranks low in public esteem. Unfavorable attitudes toward the federal government are conditioned partly by special factors -- the unhappy results of the war in Vietnam and gross abuses of Presidential power in recent years. More generally, and of greater significance to the future of American democracy, the belief prevails that the federal government is wasteful, inefficient, and unresponsive to public needs. Though people may differ sharply in their views about what their government should be doing, there seems to be widespread agreement that it is not doing things well.

In this bicentennial year we will soon have a Presidential election, and the candidates for the highest office in the land are giving their prescriptions and promises for the conduct of government in the years ahead. They recognize that governmental performance is wanting in many respects, and that reforms must be made.

Given these circumstances, the National Academy of Public Administration believed it fitting to establish a panel and hold a one-day symposium on "The President and Executive Management." Twenty-five members of the Academy participated on July 15, 1976. Together they brought a rich background of experience and knowledge of public affairs to the discussion, which was free and informal. The results are synthesized in this paper. (The participants are listed in Attachment A.)

The emphasis in the discussion was on the President's role as Executive or general manager of the Executive Branch. This is a role firmly rooted in the Constitution. Less dramatic and attention-getting than issues of policy, politics, strategy, and diplomacy, executive

management nonetheless is an essential part of the President's responsibilities. Good management signifies care and competence and integrity in the use of governmental power and resources. Good management is a means of regaining and sustaining public confidence in government.

Management in its broadest sense may be defined as the means by which goals are translated into action. Considerations of management run through the whole range of governmental affairs. How policies are developed, decisions made, organizations established, personnel recruited and trained, projects executed, and audits and evaluations made are, in one aspect or another, problems of management.

The President cannot be expected to give personal attention to the infinite variety of management issues in the federal government. For the most part these are left to the heads of departments and agencies and their subordinates in established lines of authority and responsibility. But there are management issues which cut across departments and agencies, or assume such special importance, or are of so enduring a nature, as to warrant the personal attention of the Chief Executive. Ultimately he alone, as the highest and only elected officer in the Executive Branch, is held accountable for performance in that branch of the government.

Whether or not the President provides impetus and leadership toward good management in the federal government makes a great difference in how citizens view their government and how government servants perform. The President alone can provide such impetus and leadership. He must, by his demeanor and actions, convince the public and impress upon political and career servants of the federal government that his interest in good management is continuous, serious, and sincere. Then the level of public confidence in government will be raised, and the government

bureaucracy will be alert and responsive rather than sluggish and indifferent.

In his capacity as Chief Executive or general manager of the Executive Branch, the President must have staff support. Each President, of course, has his intimate circle of White House aides and advisors; and he can and does draw upon departments and agencies or outside sources for advice and assistance. In recent decades, however, an assortment of additional offices, councils, and boards, both statutory and nonstatutory, has been gathered into the Presidential orbit of policy-making and management control, centered in the Executive Office of the President. The oldest and most important of these components is the Office of Management and Budget as successor to the Bureau of the Budget, which was created more than a half century ago.

Among students and close observers of the federal government, problems associated with staff support to the President now are of special interest and concern. How should the Executive Office be organized; that is, what governmental functions are proper candidates for placement in the Executive Office under direct Presidential supervision? How can the support staff be kept to a manageable size and effectively deployed as governmental responsibilities grow and governmental programs and problems compete increasingly for Presidential attention? How can the resources of departments and agencies be mobilized for valid Presidential purposes without impairing their independence, prestige, and statutory responsibilities? In what ways should Presidential staff resources be used to maintain effective contact and communication with the Congress, state and local governments, and the public?

The panel discussed these and other questions, but did not pretend to have solutions. In this paper, no blueprint is offered for reorganization

of the federal government as a whole or for the Executive Office of the President. No unique management schemes are proposed. The worth of the panel discussion was not in surfacing new and unusual solutions, but in reviewing basic issues and identifying pitfalls which the next President will do well to avoid. The observations and suggestions in this paper are offered in a genuinely nonpartisan spirit to the Presidential candidates and to others who may be interested, recognizing that whoever is elected will be faced with these issues in one way or another.

The problems of transition obviously are different depending upon which candidate is elected. But, in either event, there will be a transition. If President Ford is elected, the panel strongly urges that he use the transition period to complete the reshaping of the executive mechanisms and to reevaluate his management processes and procedures. If Governor Carter is elected, the following matters should be stressed: (1) the transition process ought to be initiated as early as possible, especially in the area of personnel selection for senior positions; (2) liaison between key Carter staff and Ford Administration officials should be established immediately; and (3) major changes to be made in management procedures should be determined quickly.

If Governor Carter is elected, it must be recognized that, while liaison and exchange of information is vital, President Ford and his key officials are responsible for federal decision-making until January 20, 1977.

The observations are those of the panel and do not necessarily reflect the views of the National Academy of Public Administration. The panel itself was not always in full agreement, however only the major differences of opinion and judgment are indicated in the text.

RELATIONSHIPS WITH DEPARTMENTS AND AGENCIES

The President's relationships with department and agency heads are complex and often difficult, due to multiple interactions among the key actors, the complicated structure of the executive establishment, and the competitive pull of Congressional power and influence on administration. A President must be sensitive to the basic needs, agendas, and schedules of his department and agency heads. And yet he must do more than merely respond; he must establish his own goals and priorities and communicate them to agencies in a clear and actionable form. He must organize, lead, and manage an administration. He must induce the government bureaucracy to formulate programs consistent with his policies and to carry out those programs in a responsive, effective manner. In achieving this goal, the President must recognize the need for the departments to execute laws which are passed to meet the needs of their constituencies.

Nature of the Executive Branch

The structure of the Executive Branch is diffuse and pluralistic with many power centers. The Cabinet is not a unitary body. The President's relationships with Cabinet members differ substantially. Traditionally, the Secretaries of State, Defense, and Treasury, and the Attorney General, for different reasons, are persons who typically enjoy the President's greatest respect and confidence; he calls upon them frequently for counsel on a broad range of matters.

The other Cabinet members are viewed differently. They operate mainly in domestic fields with concern for special clienteles and interests. They are perceived by Presidents and White House staff members as special

pleaders who lack the "Presidential perspective". At times the relationship becomes more nearly that of adversary than of advisor, a situation easily aggravated by a White House staff insensitive to departmental problems or mainly interested in enhancing its own status.

The President's relationships with department and agency heads are further complicated by his dependence upon them, for they, not the President, have the resources and most of the legal powers. With few exceptions, funds are appropriated directly to the agencies, and the authority to execute programs is vested by law in agency heads.

Policy and Program Integration

Still the President is responsible for the integration of policy and programs. He and his staff must strive to insure that the separate actions of the many departments and agencies bear some consistent relation to each other and cumulatively serve the nation's larger interests. This requires the President to select department and agency heads on the basis of competence, personal loyalty, and support for his objectives, rather than by following the more traditional patterns of choosing them by geographic distribution or interest group representation. If department and agency heads are to function as the President's key lieutenants and to receive commensurate delegations of authority, there must be no question as to mutual support. Relationships built upon such a foundation help insure that policy formulation will be the product of interaction between the President and the department and agency heads, that program management and operations will be the responsibility of department and agency heads, and that the departments and agencies will have the requisite degree of independence from day-to-day White House intervention.

In the absence of strong reliance upon department and agency heads, undue power may be vested in, or accrue to, White House staff. This over-concentration of power in the White House orbit creates confusion and controversy and leads to the escalation of issues of marginal concern and interest to the President. In some recent administrations, there has been a practice of bypassing department heads by developing networks of people in the departments who receive policy guidance and control directly from the White House, particularly in the areas of Congressional relations, program operations, and public relations. Such practices contribute to the development of adversary relationships between Cabinet officers and White House staff. As one participant in the symposium stated: "When you have a large staff in the White House communicating directly into the departments below the level of the Secretary, you can create an entirely different set of relationships between the Cabinet and the White House."

The effectiveness of department and agency heads in administering their programs, coordinating related activities, and counseling the President also is dependent on the degree to which the departments and agencies are given logical missions and the authority to manage. Rationalizing and modernizing the Executive Branch organization would help improve the relationships between the President and key executives of his administration.

Broader use of department and agency heads can result in important benefits. The President needs improved and more responsive performance from their organizations. Utilizing them as his primary substantive advisers and thus insuring more frequent contact with him will help sensitize them to Presidential perspectives and to interests more broadly based than those of their own department or agency. A President must be

as concerned about safeguarding the powers and prestige of his operating heads as those of his own office. Downgrading the status and prestige of any department or agency reflects adversely on his administration and makes him more vulnerable to the pressures of his constituencies, Congressional committees, and the bureaucracy.

The Cabinet

Some members of the panel felt that the President should restore the prestige of the Cabinet as the one visible symbol of the Executive Branch: functioning as a collective entity, sharing common purposes, and operating as a coordinating, problem-solving mechanism. One participant remarked:

"The more the President can rely on the Cabinet, the more he has time for other matters; and his time is going to be very crucial. It is essential that he select Cabinet officers in whom he can have confidence. If a fairly good job is being done by those people, then he can let them alone for a while and deal with something else."

Another commented:

"There's a psychological factor to a functioning Cabinet that just cannot be overlooked, which is to have the Secretary of a department exposed to the problems of the other departments and vice versa; it serves as a reminder that the government is a collective entity and not a series of independent units."

A majority of participants, however, expressed strong doubts about the feasibility of the Cabinet performing such a role. They recalled, that, while Presidents frequently have taken office promising to use the Cabinet fully, they have rarely done so. Their position was expressed well a few years ago by Abe Fortas: *

"With regard to the Cabinet as an institution, as differentiated from the individuals who compose it, as I have seen it operate under three Presidents, it is a joke. As a collegium, it doesn't exist. Its members, serving as a Cabinet, neither advise the President nor engage in any meaningful consideration of serious problems or issues."

* Quoted in The Living Presidency by Emmet John Hughes, Coward, McCann and Geophegan, 1972, p. 335.

These participants felt that the institutional value of the Cabinet should be recognized and promoted, but that its purposes were limited; it is very unlikely that the Cabinet can be converted into an effective decision-making, coordinating mechanism. Most of these members conceded that the Cabinet had played a useful role under President Eisenhower, but they believe that the Cabinet is too unwieldy a mechanism to meet the continued growth in number and complexity of policy issues. Furthermore, a number of important agencies are not members of the Cabinet, as generally defined. Thus, the symbolic significance of the Cabinet may be more important than what it can do.

Presidential Style

Finally, the participants agreed that there is no one best way of structuring and maintaining the relationships between the President and his department and agency heads. Presidential styles differ greatly, and the President must have, and must use, alternative means of dealing with specific issues. In one instance, the Cabinet may be the appropriate vehicle. In another, committees composed of members of the Cabinet and relevant agencies may be more effective. The National Security Council and Domestic Council will be relied on more heavily by some Presidents than by others. Short term task forces and special commissions drawing upon people from outside government can also be useful in developing policy options.

Each of these mechanisms has pluses and minuses, but they provide a President with machinery which is highly flexible and can be molded to fit his style.

The panel would, however, strongly counsel against:

- ° Permitting any of these devices involving department head membership being chaired or dominated by staff. They should be headed by either the President or by department and agency heads.

- ° Proposing additional statutory machinery because of the likely further limitations on Presidential flexibility in his coordinating and policy analysis capacities.

STAFF SUPPORT TO THE PRESIDENT

It was fully recognized during the symposium that the Presidency must be staffed to handle those matters which are genuinely Presidential, requiring the personal participation of the President or cutting across the concerns of departments and agencies so that they must be handled through coordinating mechanisms at the Executive Office level.

The problem raised by the participants is how to assure that the Executive Office of the President serves as an institution in which only valid Presidential concerns are dealt with and which is managed in the President's discretion to serve his needs.

Growth of Staff

It was noted that the Executive Office of the President and the White House staff itself have been growing in size and in power for several decades. The accretion of offices, staffs, and authorities has accelerated during the terms of the last several Presidents. Efforts occasionally have been made by Presidents to reverse the process and to reduce the size and complexity of the White House and Executive Office agencies, but these attempts have been of short duration and marked with little success.

A number of forces account for the growth of Presidential staff and the influence which that staff has acquired in the direction of government affairs. These include:

1. Government has become progressively more complex. The number of matters demanding coordination at the Presidential level has grown remarkably since the days of Calvin Coolidge

and Herbert Hoover. This has led Presidents to seek to have around them staffs and institutions capable of serving them with fidelity and responsiveness as they perform the onerous responsibilities of the modern Presidency.

2. The President's personal managerial style can affect significantly the role of Presidential staffs, their influence, and their numbers. A President who prefers working directly with the heads of departments and agencies, or who is willing to place substantial trust in his principal line officials, will clearly need a smaller staff and will hold it more closely in check than a President who prefers to have all matters overseen and coordinated by White House staff.

3. From time to time specialized groups or considerations of domestic politics have led to the establishment of Executive Office or White House units, coordinators, or advisers. Examples are Presidential offices concerned with protection of the consumer, the war on cancer, and the control of drug abuse.

4. Deficiencies in departmental and agency structure, particularly the lack of broad "major purpose" missions, have tended to force to the President's level matters of policy development, program formulation, and program coordination which could be handled at the departmental level under an up-to-date and well designed departmental structure.

Role of Staff

One participant urged that the President establish a principle that the Executive Office should not exist to advance particular interests, but rather to help the President make the essential judgments which he alone can make. This concept of Executive Office staffing would suggest that what is needed is a relatively small, but high quality, staff which carefully avoids undertaking the administration of programs or the performance of functions best entrusted to the departments and agencies.

Although there was an undercurrent of pessimism concerning the likelihood that Executive Office staffing will, in fact, be significantly curtailed, there was general agreement that the President needs to be aware of the serious risks of drawing into the Executive Office functions

not directly related to Presidential decision-making. He also needs to note that the devil finds mischief for idle hands, and that the toleration of large staffs at the Presidential level inevitably leads to White House or Executive Office meddling in the affairs of the departments and loss of Presidential control of his own office.

The time has come to rethink and restate the role of the immediate staff of the President and that of Executive Office coordinating agencies. If the President decides that the staff is to be small, facilitative, and concerned exclusively with matters of Presidential interest, it should be possible to develop mechanisms and relationships which foster a balanced and effective use of Presidential staff. The panel still regards as valid the concepts articulated when the Executive Office of the President was created under Franklin D. Roosevelt. The 1939 reorganizations, which laid the foundation for today's White House and Executive Office of the President, envisaged White House assistants whose role was to help the President work effectively with the heads of departments and agencies, not to insulate the President or to exercise personal authority. *

Models of Institutional Support

In addition to the immediate and personal staff of the President, institutional support must be provided in the Executive Office for those responsibilities of the President concerned with the coordination of major policy and program matters within the Executive Branch. Varied approaches have been used in the organization and staffing of Executive Office institutions, and future adjustments should take into account the experience gained with these different models.

* Watergate: Implications for Responsible Government, by Frederick C. Mosher and others, Basic Books, Inc., 1974, p. 29.

One is the National Security Council (NSC), which has a statutory base and is chaired by the President. Since its establishment in 1947, it has been an effective institution in bringing together the principal officials with responsibility in foreign affairs and defense. There is no executive director, but rather an executive secretary.¹ The principal virtue of the NSC has been its highly competent professional staff. Its role has been to support and facilitate the work of the members of the Council, not to dominate them.² Through the NSC staff, the President has received differing views and recommendations from those of the departments and agencies and thus has been able to weigh the judgments of the NSC members plus those of other relevant agencies.

Another model is the Domestic Council, patterned largely after the National Security Council, but with some necessary differences because the President's role in domestic affairs is different from his role in foreign affairs. The Ash Council report, which recommended the establishment of the Domestic Council, contemplated "a mechanism for the Administration's top executives to focus collectively on domestic policies and on their own relationships in developing those policies." Upon its creation by reorganization plan in 1970, the Domestic Council had as core members the heads of domestic Cabinet departments as well as the President and Vice President; additional agency heads could be designated as members by the President. An assistant to the President served as Executive Director. The professional staff, recruited by the Executive

¹ A special assistant to the President, such as Mr. Bundy or Mr. Kissinger, however, has filled a role similar to that of an executive director.

² During at least one period, the Presidential assistant was generally perceived as dominating the NSC.

Director, John Ehrlichman, served as the President's men; they acted on his behalf and did not really serve as staff to the Council. During the first years of its existence, the Domestic Council staff usurped much of the power of the departments and agencies and involved itself heavily in the political process. This process was aided by the growth of the staff to some 60 persons. As it evolved, the staff served the Executive Director, not the Council; and, since the power resided in the staff, Domestic Council members were not used effectively in developing Presidential policies and programs. In fact the Council never really functioned in the original sense of a collective group of domestic agency heads meeting under the Chairmanship of the President. Its original purpose, including accountability to Congress and the public, was subverted.

The Economic Policy Board represents a third model. It is a non-statutory body established by memorandum of the President and chaired by the Secretary of the Treasury. Its Executive Director is a special assistant to the President. Its membership is determined administratively by the President from among the heads of executive departments and agencies, who, in that role, are accountable and accessible to the Congress. In addition to its Executive Director, the Board has a very small permanent staff and receives supplementary staff support from the participating agencies.

A fourth model is the Cabinet. In the United States, the Cabinet has no constitutional or legal basis and has never played the role or exercised the degree of collective responsibility for government policy that cabinets have in the parliamentary nations of Europe. Although its use goes back to the administration of George Washington, the greatest

reliance on the Cabinet in recent times was during the Eisenhower Presidency. A Cabinet Secretariat was established; it was a small facilitative office that belonged not to the Cabinet but to the President; and it functioned as an integral part of the White House staff. The Eisenhower Cabinet system included the practice of circulating papers in advance of meetings, preparing a Record of Action after meetings specifying the President's decisions, and assigning specific follow-up responsibility to a Cabinet member and a Cabinet Assistant.

These models, while not a complete list of possible mechanisms, are described to help make a point. Each of these mechanisms was created to meet a Presidential need. Each represents a means by which the President can solve some of his management problems, and bring talent to bear on his own behalf. Presidents generally have resisted the statutory creation of specific staffs or offices in the Executive Office of the President, recognizing that such offices tend to give the President narrow advice and may even become special pleaders. They may attempt to manipulate the President on behalf of others, rather than to advise and assist him on his own behalf.

Each President, on assuming office, should ask himself what he wants and needs in his Executive Office; he should not take the existing apparatus as a "given". What exists can be changed; what does not exist, but is perceived as needed, can be created.

The Executive Office of the President, of necessity, will continue to include a number of council type bodies established for various purposes and combining principals and staff under different arrangements. There is utility to each of the models discussed above. A main advantage

comparable to the National Security Council, demonstrating the capacity to generate carefully drawn, well-executed staff papers which define problems, provide thorough analyses, and reflect views broader than those which may be presented by individual departments and agencies.

The weight of opinion favored a Domestic Council with a permanent staff to serve as convenor, coordinator, and facilitator for the President, the Cabinet, and the independent agencies. Some participants thought that the Council, as a statutory body, limited the President's flexibility. Others had reservations about continuing the Council, but thought that, in order to abolish the Council, a similar institution would need to be proposed to avoid the impression that domestic issues were being given a lower priority by the President; therefore, the wiser course would be for the President to ensure that the Domestic Council function as designed.

The recurring theme was simple and basic: arbitrary limits should not be imposed by the Congress on the President's authority to organize his staff in a manner that he deems necessary to meet changing needs and to accommodate to his managerial style.

CENTRAL MANAGEMENT AND SERVICE AGENCIES

The Office of Management and Budget

Resource Allocation. No institution in the Executive Branch has the potential to upgrade the managerial effectiveness of government as the Office of Management and Budget (OMB). The leverage of the budget and legislative clearance processes, access to the President, and continuous relationships with the departments and agencies combine to position OMB to provide the President with the staff leadership required for strengthening executive management.

The OMB staff, concerned with the budget and legislative clearance processes, are competent and effective. Through the years, they have been perceived as a center of expertise and a source of trusted advice to the President. They constitute a nonpartisan, professional corps of dedicated public servants. Agencies inevitably find themselves in disagreement with their budget examiners, but generally respect them as able men and women carrying out difficult assignments.

This remains the general view, although several members of the panel expressed concern that the recent layering of political associate directors over the career leadership of the budget divisions now filters the professional OBM analyses through a partially politicized process.

The panel believes OMB must be sensitive to the political problems of the President; yet it is essential that the President have available to him the OMB's professional judgment on how to best achieve his Presidential objectives. To the extent any politicizing effects of the Nixon White House may remain, these should be eliminated promptly.

The "M" in OMB. After an encouraging beginning, the Bureau of the Budget encountered difficulty in achieving its potential in the other fields of management, largely because budget pressures so overshadowed most management efforts. The 1970 reorganization plan included changing the name from the Bureau of the Budget to OMB to underline an intent to strengthen its management role.

The panel concluded that the reverse has occurred. The deterioration of the managerial role of OMB evoked very sharp criticism during the symposium. It is weak and fragmented. One participant said:

"If I had to pick one word to describe the attitude of the leadership of OMB in the area of management, that word would be repudiation.

The whole sense of purpose in the organization is missing. There is no sense of confidence or trust left between the management side of OMB and the agencies. There is not the perception of the management role in OMB any more.

The people who are still on the management side of OMB have no direction, no charter, no sense of leadership. They have no backing in activities which they are skilled enough legitimately to perform.

The panel is deeply concerned about the current lack of OMB managerial leadership. Every member agrees that the next Presidential term provides an opportunity to remedy that defect, regardless of the election outcome. The panel is divided, however, on how to correct the leadership deficiency.

Organizational Approach. A majority of the panel believes that the basic BOB-OMB concept of combining in one organization the budget and other management functions remains sound and should be preserved. Despite a largely disappointing record, this view holds that there is no substitute for the leverage and Presidential accessibility provided by the budget process. This majority feels that the management functions would have little or no impact if located elsewhere, and that the necessary steps should be taken to ensure that OMB functions as intended. Foremost, in their opinion, is selection of an OMB Director and Deputy Director who will provide support and leadership for the "M" as well as the "B" in OMB.

In addition, budget examiners should be sufficiently aware of the management programs to reinforce -- rather than nullify -- these programs in their work with the agencies. OMB management personnel should again be allowed and encouraged to work with top agency and White House staff

as are budget personnel. Finally, the majority argue that the budget and other management processes can be made mutually supportive rather than competitive, given proper OMB leadership. The majority urge that this important reshaping of OMB operations be acted upon by the President as a matter of considerable urgency.

Some members suggest a different solution. They contend that more than 50 years of experience with BOB and OMB is enough to demonstrate that only on rare occasions can management thrive in the same institution as the budget function. They believe that the increasing complexity of economic issues and the wider range of budget issues will make these occasions even rarer in the future.

Several members of the panel also pointed to instances in which proximity to the budget process handicapped OMB management efforts because:

- (a) the annual budget cycle often limits or distorts good management practices;
- (b) budget examiners identify with individual agencies or portions of agencies and frequently tend to lack sympathy for cross cutting management efforts which seek to standardize and simplify procedures among the various agencies in the interest of avoiding red tape for state and local government, the business community, and citizens; and
- (c) many agencies will cooperate more freely and candidly with management improvement experts if they are persuaded the central management staff are not back door channels of intelligence to be used against them by budget examiners.

It also was argued that management improvement activities rarely function well in operating agencies when integrated within the budget unit; most agencies have the two functions separated.

These panel members suggest that the management role of OMB, including the Office of Federal Procurement Policy, be separated and

combined with personnel management policy responsibilities of the Civil Service Commission, and possibly some policy functions of the General Services Administration. The new office would be located in the Executive Office of the President; its establishment would require legislation.

Whatever approach is used, the panel believes the existing lack of an effective staff arm to the President for stimulating management improvement in the agencies and for developing further means of meeting management problems common to groups of agencies is one of the most serious issues needing quick resolution by the President.

Personnel Management

No management function is more critical to the success of an administration than that of assuring the existence of a well qualified, highly motivated, and responsive federal bureaucracy. Yet every recent administration has had to cope with a personnel system that it perceived as archaic and inflexible in meeting the rapidly changing needs of the federal service. Each administration has complained about a lack of responsiveness on the part of the bureaucracy it inherited. Some even have become dissatisfied with the performance of many of those appointees brought in during their own period of stewardship.

Distrust of the civil service reached a peak during the Nixon Administration, where, in contrast to the experience of prior administrations, the feeling of hostility between senior political leadership and the bureaucracy grew rather than abated as time passed. The White House response to this situation was a planned and deliberate attempt to "gain control" of the bureaucracy by a variety of devices, including circumventions of normal civil service legal and procedural requirements. With the resignation of President Nixon and key White House aides, these activities were brought to public attention. As agencies, including the

Civil Service Commission itself, have become implicated in questionable personnel activities, serious questions have been raised as to the soundness of the structure and processes of federal personnel management.

Actions of the New Administration. One urgent task faced by a new administration is to identify personnel policy and operating problems and issues which require immediate attention, and to determine actions which will lead to rapid improvement. This task is made complex by the significant interrelationships among the various facets of personnel management. These range the spectrum from legal requirements and administrative procedures to the critically needed flow of communications between top political leadership and career civil servants. This flow is difficult to establish on a broad basis and can contribute greatly to the early problems of an administration moving forward, even in the event the transition succeeds in establishing an era of good feeling, if only temporarily.

A new administration can take steps to foster a clearer understanding of the nature and characteristics of the federal bureaucracy and the personnel environment within which it functions. Such an understanding on the part of political officers and the public would encourage a greater degree of leadership and motivation. It could go a long way toward "turning on" the bureaucracy in lieu of a frustrating repetition of more typical attempts to "control" it. It could contribute to the avoidance of the adversary relationship which developed to such a great extent during the Nixon Administration.

The symposium participants discussed at some length the issue of bureaucratic responsiveness. There was a consensus that most career executives are eager to show a new administration that they are competent

and loyal, although their responses will depend heavily on their understanding of the program and policy desires of the political executives. Frequently, communication barriers and gaps have been responsible for what seemed to be foot dragging on the part of the careerists.

Equally important, it was pointed out, has been the changing nature of the job requirements placed on the career staff. In recent years, the federal government has embarked upon an increasing number of new programs; and the views of political leadership as to their desirability have been subject to radical change. As a result, the bureaucracy often has been assigned responsibility for carrying out programs that generated high political voltage, and which some politicians and non-career executives wished to curtail or eliminate. Thus the bureaucrat was responsible for following Congressionally mandated and funded activities that, to an increasing extent, were in disfavor with the administration in power. Tensions are inevitable in such situations, since the bureaucracy, which perceives itself as carrying out the intent of the law, is executing program objectives no longer favored by the administration.

Since 1953 there have been efforts to enhance bureaucratic responsiveness by removing positions from the competitive civil service. The efficacy of this approach was questioned by a number of panelists who expressed the view that the withdrawal of more jobs from the career service and placing them in political categories did not get at the real problem. Some panelists suggested that centralized White House control over political positions in the departments and agencies proved more difficult for agency heads to cope with than the procedures of the competitive civil service. This is particularly true when appointees are sponsored by powerful political figures to whom they

personnel system has increased dramatically, adding further strains to its management. The Civil Service Commission has been given responsibility, by law and by various Presidents, for a wide range of personnel programs and functions -- women, minority groups, veterans, handicapped, collective bargaining, etc. -- all of which must be achieved within the context of the merit system.

There was unanimity among the participants that the federal civil service system, as now designed, is not working, and that significant reforms are clearly indicated. However there was a divergence of views on the details of what should be done. The major issues identified are:

- ° Should certain functions be divested from the Civil Service Commission and placed in a new agency?
- ° Are certain aspects of the personnel function better managed by a single executive than a multi-headed commission?
- ° Should there be a personnel agency reporting directly to the President and located in the Executive Office of the President?
- ° What should the relationship of the personnel function be to the other central management agencies, especially the Office of Management and Budget?

A substantial number of the panelists took the position that a commission is better suited to protecting the merit system, conducting investigations of alleged violations of law or regulations, hearing appeals, and serving as ombudsman to career civil servants. They felt that such a commission should be divested of those central management functions relating to salary and wage administration, labor management relations, employee development, and the design of fringe benefit programs. The commission, in its new role of protecting the merit system, would be better insulated from direct Presidential control by such devices as longer, over-lapping terms and ineligibility for reappointment.

The so-called positive personnel management functions, under this system, would be transferred to the Executive Office of the President, where they would be carried out either in a new Office of Personnel or in a new Office of Management and Personnel, depending on how the President seeks to shape the future role of OMB with respect to the possibility of separating the budget operation and the management activities.

Study of the Civil Service System. These issues should be addressed quickly by the President-elect and the Congress. The panel urges that the President-elect support the immediate initiation of a thorough, comprehensive study of the federal civil service system. The study should extend, among other matters, to the existing laws and rules governing the merit system, many of which are outdated, and to the Civil Service Commission, the central organization for the management and protection of the career civil service.

An immediate step that could be taken by the next administration, in the event that the President does not propose to separate the current functions of the Civil Service Commission, would be to establish a capability within the Executive Office of the President to insure that an effective review of the system for personnel management is rapidly undertaken. Such a staff could be valuable in a variety of ways to the President who, in the final analysis, is responsible under civil service law for establishing overall policies and rules for managing the federal civil service. This staff should be seen as interim and should not be involved in recruiting or approving political appointments for the administration. In the long run, a major restructuring of the organization for personnel management would meet the continuing needs of the President for staff assistance in this area of management.

Political Activity of Career Employees. One final aspect of the federal personnel system was considered. There are various efforts to remove existing restrictions on political activity of federal employees. It was noted that a recent bill to repeal the major provisions of the "Hatch Act" was vetoed by President Ford. Many of the participants felt that the President's veto was justified on the grounds that the bill, as written, could seriously undermine the concept of a truly non-partisan federal merit system. At the same time, it was believed that the "Hatch Act" should be reviewed carefully to determine what modifications might be desirable to meet today's needs. These should include stricter sanctions against politicizing the public service, stronger enforcement measures, and liberalizing the ability of federal employees to participate more actively in state and local politics when such participation would not interfere with the neutrality of the employees in their federal positions.

In summary, the panel believes that immediate attention by the President to the broad personnel management issues of the Executive Branch is imperative. The recruitment, motivation, and retention of highly qualified career and political appointees are of critical importance to effective government. The panel strongly recommends close attention to the sensitive, critical function of personnel management by the President-elect as he forms his administration and establishes his management priorities.

The General Services Administration

Generally overlooked in efforts to strengthen the management and administrative processes of the federal government is the potential role of the General Services Administration (GSA). GSA frequently is

dismissed as simply a housekeeping agency concerned with routine and menial tasks. In fact, it is concerned with providing the federal government with services and technical leadership ranging from office space and computers to ensuring that governmental machinery is developed and in place for meeting national emergencies.

As in the case of OMB, GSA's performance in improving management generally has fallen far short of what might be achieved. Also, as with OMB, there have been enough successes to cause the panel to urge that attention be focused on enabling GSA to achieve its potential.

Most agencies recognize that GSA has a difficult and unpopular role, being called upon for far more services than its funds can provide. OMB has been ambivalent toward GSA, at times providing critically needed support in its relation with other agencies, but creating many obstacles in GSA's efforts to strengthen its own management. Further, in many areas, GSA does not enjoy a reputation for highly competent staff; they are often regarded as politically tainted. The agency has operated from a base of weakness, rarely having access to the President, while lacking an external constituency and devoting too little effort to cultivating effective working relationships with the agencies it serves.

Despite these handicaps, in recent years it has managed to provide national leadership in the design and construction of office buildings. GSA also has developed innovative techniques for dealing with fire safety in high rise buildings, and has carried out a very successful program for energy conservation throughout the federal

government, reducing consumption by nearly 30 percent.

There are many management systems problems either common to most agencies or so interrelated that they require extensive and inter-agency development. Serious computer problems in HEW and elsewhere illustrate the need for professional leadership in technical depth not compatible with the types of small units appropriate for the Executive Office of the President, but which should be available from GSA. Technical breakdowns jeopardize governmental services to scores of millions of American citizens.

ADP and telecommunications technology have become extremely complex, and such issues as privacy and freedom of information have impacted heavily on earlier planning, bringing several needed modernization programs to a virtual halt. Billions of dollars are invested each year in the supplies and buildings provided by GSA. The records and management work carried out by GSA through the National Archives and Records Service is respected by other agencies for its competence, but it needs to be broadened in scope in view of the growing concern about federal paperwork. These functions require a sophisticated management capacity quite different from that needed for the routine housekeeping concerns of an earlier period.

An effective GSA, providing property management, logistical support, telecommunication services, and other technical support to the agencies, is increasingly important as government operations become more complex.

In the opinion of the panel, GSA will not reach its potential unless several steps are taken. White House staff must stop regarding GSA as a political dumping ground, and the deputy administrator and commissioners should be chosen on the basis of professional qualifications. Further

support should be given by Congress to the OMB-GSA effort to utilize more extensively the working capital fund concept under which agencies receive the services for which they are willing and able to pay, and program logistical support is freed from the artificial constraints and delays of the annual budget cycle. OMB should provide more consistent support to GSA, and GSA, as a matter of routine, should involve OMB, other agencies, and affected Congressional committees at the early planning stages of major new government-wide programs.

REORGANIZATION OF THE EXECUTIVE BRANCH

Our National Government is not organized to mount an attack on the major defects of our society. Federal programs designed to remedy those defects are generally fragmented among a number of competing agencies, whose structure and biases successfully resist concerted action.

For this reason, as well as special interest pressure, countless decisions which should be made at the lowest feasible level are forced upward to the White House by agency differences. Each advocates its position; none is charged with the public interest in its broadest sense. The panel believes that the vast majority of decisions should be made by the agencies, and that a better agency structure would facilitate this.

As new social and economic needs have been identified, agency missions have changed. The Department of Agriculture, created in 1862 to serve the farmer, now has a broader constituency, including agribusiness interests and non-farm rural citizens. The Department of Labor has shifted its emphasis from the rights of labor toward manpower training and employment programs.

The present organizational structure encourages fragmentation when comprehensive responses to social and economic problems are needed. Problems are defined to fit within organizational boundaries, resulting in piecemeal "solutions".

But the worst product of the current organizational structure is the difficulty of establishing accountability for performance. The public rightly looks to the Administration for effective government, but, without clear assignments of responsibility, it is hard to hold line officials accountable. Accountability for many objectives is hopelessly dispersed among agencies.

Organizational Concepts

The special contribution that organization can make to managing large-scale enterprise is to mobilize people, ideas, and things in ways best calculated to achieve clearly articulated goals. While good people can sometimes make a poor organizational form work, the system within which people operate can make it harder or easier for them to reach their objectives. Organization, therefore, is not a neutral factor. It is one of the major determinants of the success of almost any enterprise.*

There is no perfect arrangement which will reconcile all interests. Yet there is no real substitute for logical assignments of functions and unequivocal establishment of centers of responsibility.

- ° Opposing interests should be drawn together at the right levels of government, so that the vast majority of conflicts are resolved below the level of the Executive Office.
- ° The objectives of a proposed agency must be plainly set out, and must respond to a distinct public need.

* Others are adequate resources, sound processes, and, above all, good people.

- ° The Executive Branch should be so structured that a high order of public interest is served in making policy, rather than a narrow advocacy position.

The structure of the Executive Office influences the effectiveness of the entire Executive Branch. While most of the management can and should be performed by the agencies, there are aspects which must be handled in the Executive Office. These involve processes and mechanisms through which the President can:

- (1) exercise his own authority more effectively;
- (2) determine what should be delegated and to whom;
- (3) insure that delegated authority is being exercised properly; and
- (4) permit him to reassign or take back, from time to time, the authority delegated.

The effectiveness of the Executive Office is determined as much by what is excluded as by what is included, by the demands its components make on the President's time and attention, and by the extent to which its functions are understood by all within the Executive Branch.

The unique strength of the Executive Office, however, is that it is the only place in the Executive Branch where all views may be considered from a government-wide perspective. It alone has the capacity to anticipate and deal with interagency and intergovernmental matters, assignment of responsibility, integration of policy, coordination of programs, and resolution of disagreements.

This capacity can be diluted by including permanently within the Executive Office units which operate programs or units which advocate one program over another or one constituency against another. The Executive Office, with rare exceptions, should not include units which serve operating or advocacy roles. The exceptions concern specific issues of great importance which may arise from time to time and require, for a limited period, personal Presidential attention.

Inappropriate functions are occasionally added to the Executive Office, motivated by the belief that activities associated directly with the Executive Office of the President receive greater attention and prestige and as a result achieve more than if they were placed in operational agencies. This unique positioning can signal the current importance of a subject and can provide protection for new activities which require special nurturing. But these attributes accrue only so long as the placement of functions in the Executive Office is not over-used. The prestige of Executive Office placement is diluted if inappropriate functions are placed there or if activities or functions which no longer require such organizational identification remain there.

In brief, the units of the Executive Office should be restricted to those which perform functions that are an integral part of the President's broad management role, or which regularly require the President's attention.

Mechanisms

There is much a President can do within existing authority to improve the structure and processes of departments and agencies. If a President is to have the capability to act effectively in certain areas, however, he must regain the authority to submit reorganization plans to Congress, as previously authorized under the Reorganization Act of 1949. The 1949 Act authorized the President to submit reorganization plans to the Congress; unless a plan was vetoed by either house within 60 days, it would become effective. This authority, which expired in 1973, was extremely useful, since it insured that proposals would be acted upon and not killed by committee inaction. The President-elect should place high priority on having similar authority restored.

Reorganization by Presidential plan is a valuable tool for the

President, but it has serious limitations. Previous authority forbade its use to create executive departments. Comprehensive reorganization of the Executive Branch, including the creation of major executive departments, would have to be accomplished through the normal legislative process. The plan process is needed for what can be described as "repair and renovation" of Executive Branch organization, that is, the transfer of individual offices and functions from one part of the Executive Branch to another, but not for major reform.

The Role of OMB

OMB can serve two vital Presidential needs in the arena of government management. First, it can develop and present to the President an agenda of management action to reduce, simplify, reorganize and strengthen the federal establishment; this agenda can and should include agreed upon actions to be taken by the departments and agencies under their own leadership.

Second, OMB can be the means by which widespread management change is implemented. This is a long, difficult, often tiresome responsibility, but OMB is the only institution in the federal government capable of playing that role.

OMB is of especial value to the President in that it alone among Executive Office staffs touches all facets of the federal government, and attempts to understand how the machinery of government works or fails to work. OMB should be built up as a reservoir of professional competence of the highest order on the problems of government institutions and how they can be changed for the better, so that any President can tap this resource to carry out the initiatives of his Administration.

The Root Cause

The federal government is too big, too costly, too ineffective. It is an incomprehensible tangle of overlap, confusion, gaps, obsolescence and other major flaws of structure and accountability. It got that way because each year for decades, the political system has wanted new programs and projects, expanded existing programs, raised funding units, and otherwise added activities for the federal government to administer. Each year, after new accretions are enacted, everybody expresses utter astonishment that the government has gotten larger. Among those who decry the expansion of government are the same groups who press for creation of their favorite programs.

The cause of growing government is plain; the cure for the problem is obscure, because the American political process is geared toward acts of creation. In FY 1975, the Congress (frequently urged on by the President, the Executive Branch, and client groups of every political persuasion) created 67 new organizational entities -- agencies, bureaus, boards, and commissions. It abolished one -- the Atomic Energy Commission -- and created three new energy organizations instead. At the same time, agency heads, acting under their own authority, were creating many new divisions, branches, and other organizations of their own.

There is almost zero motivation throughout our political system to cut back on government structure. There is little effort even to reform the structure we have -- to eliminate duplication of responsibilities, reduce the federal role, rationalize programs, attack excess staffing, or phase out unnecessary programs. The same alliances which got the legislation passed in the first place fight to keep the programs intact.

Government reorganization must be addressed in two ways. First

and foremost, major changes in government structure, costs, and processes must stem from a willingness to go back and reexamine the legislation which created the program. The new President must insist on this reexamination, and must actively relate to the Congressional process. He can make the Congressional burden easier by advancing proposals from the Executive Branch and by a strong attitude of cooperation and negotiation with the Congress across the whole range of committee jurisdictions.

In addition, however, both the Congress and the President must recognize that the apparatus of government has gotten out of repair much faster than our political ability to fix it. We have built up a backlog of smaller problems which can be attended to if the will exists to do so. Repair work should proceed while redesign is studied.

The Larger Effort

Executive Branch reorganization should be seen as the beginning of a larger effort to reform the American government. In August, 1975, the Academy formed a 20 member ad hoc Citizens' Committee for the Study of the U.S. Government. This distinguished group recommended, after extensive study, the formation of a Bicentennial Commission on American Government to "examine current governmental strengths, problems, and deficiencies." The commission would look at the Legislative, Judicial and Executive Branches plus their interactions with state and local government. It would be a non-partisan group appointed by the President, the leadership of both Houses of Congress, and the Chief Justice of the United States. As we enter the third century, the need for reexamination of our basic institutions is imperative. Draft legislation is available for serious consideration.

CONGRESSIONAL RELATIONS

Presidential leadership for managerial reform cannot be effective without the cooperation of Congress. If extensive management improvements or major reorganizations are to be made, they will require authorization and funding through formal legislative enactments; and an assortment of committees in both the House and Senate, as well as Joint Committees, will be influencing or monitoring Presidential courses of action. Even in the pursuit of such prosaic management tasks as modernizing accounting and data processing systems, improving audits, and administering the merit system, the resources which government managers have to work with are determined in the first instance by decisions in House and Senate Appropriations subcommittees.

Equally important, the appropriation bill rider is an effective, although questionable, means of influencing or even vetoing Executive Branch management initiatives. An increasing number of "coming into agreement" arrangements not only raise serious separation of power issues, they permit some Congressional committees to control details of project execution. In many formal and informal ways, a variety of subcommittees and individual members of Congress discourage or block Executive Branch managerial initiatives.

The Academy panel believes that the accountability of the President to the voters for proper management of the federal government is being undermined by excessive and detailed Congressional intervention in agency management. The panel also would stress, however, that many of these encroachments upon the Executive Branch have resulted from Presidential abuse of power or Executive Branch efforts to circumvent or ignore Congressional intent in the implementation of laws.

A system of shared powers cannot operate effectively without comity and cooperation among the branches of government. It is a fallacy to assume that you can strengthen the President by weakening or encroaching upon the constitutional powers of the Congress, or that you can strengthen the Congress by undermining the President's ability to perform his executive functions. The branches of government are interdependent, not independent. Each branch of government must have the authority and capability to perform its unique role effectively, if the system is to operate successfully.

Consultation

Consultation is an obvious prerequisite to harmonious and effective working relationships between the President and the Congress. Consultation will not always guarantee success for the President's program or proposal. But it will go a long way in gaining acceptance or in achieving workable compromise of differences.

The art of consultation grows more difficult to practice successfully as power in the Congress gets more diffused through proliferating subcommittees. And Presidents differ, of course, in their inclination and ability to communicate successfully with the Congress and to put their programs and proposals across.

If the President and a majority of the Congress have the same political party affiliation, the supposition is that the two branches will work in closer harmony, and Presidential programs will enjoy greater success. Historical experience offers no sustained assurance of this result. The diversity of interests represented in the Congress, the diffusion of power and influence, and the shifting party coalitions, generate untold possibilities for conflict and sources of opposition to

Presidential proposals. If committee jurisdictions are threatened by major reorganizations, for example, the committees can become formidable barriers to progress.

Primary, though not exclusive, jurisdiction concerning government reorganization resides in the House and Senate Committees on Government Operations. The receptivity of these committees to Presidential proposals for reorganization and related management reforms is critical. If they are receptive, success is not guaranteed, but they provide a beachhead and a base of operations for combating hostile committees and doing missionary work to gain wider acceptance of the proposed reforms.

The President's need to have advocates in Congress underscores the importance of full and timely consultation in advance. Prior consultation on proposed organizational and management reforms must be directed both to the Congressional leadership and to the interested committees involved. The benefits sought by such advance consultation cannot be gained by last-minute briefings on decisions about to be announced. This tendency, too often displayed in Executive Branch behavior, creates resentment or even hostility which may be fatal to a Presidential proposal.

Consultation is not a one way street -- a flat statement by the President's minions that "this is it". If made sufficiently in advance, consultation affords opportunity to committee staff experts and politically sensitive chairmen to point out technical or policy deficiencies or other objectionable features in proposed legislation or reorganization plans. Adjustments to improve or perfect measures by joint agreement save much grief and controversy at a later date. It is important that,

when chairmen are consulted, ranking members of the minority party also should be consulted. To a large extent, management and reorganization proposals are politically neutral or at least depend on bipartisan support.

Cooperation of members of Congress is influenced heavily by their perceptions of the ability and integrity of Presidential appointees with whom they work. It is damaging to send to the Hill poorly informed or inexperienced spokesmen from the Executive Branch, often the result of rapid turnover of Presidential appointees. Committee chairmen with long tenure in office and intimate knowledge of department or agency operations frequently are irritated by the recurring presence of new faces, of persons who lack expertise and experience in their assigned governmental area and who may feel no particular obligation to carry out commitments of their predecessors.

Presidents usually designate one or more members of the White House staff to perform in a liaison role with the Congress. For the liaison staff to work effectively with Congress, they should not be undercut or upstaged by other White House staff, and they should operate in concert and cooperation with department and agency staffs assigned to work with committees on the pending program or proposal.

Although it is essential that the President meet or communicate frequently with legislative leaders, he must be highly selective in deciding which programs or issues should get his personal attention or that of the White House staff. It is wrong, indeed impossible, for the President and the White House staff to try to promote the entire legislative program. The agencies, under the President's guidance, should develop and defend their respective portions of what is called the President's legislative program, leaving to Presidential direction those issues of special importance and political sensitivity.

The need for committee contact will vary, depending on the issues and circumstances. In the case of cross-cutting committees, such as the Committees on Appropriations and the Committees on Government Operations, which have extensive relationships with the White House and the OMB as well as the departments and agencies, more frequent contacts are necessary.

The panel was mindful of, and saw benefits in, the reassertion of certain types of Congressional authority in recent years. Internal disciplines for budget and impoundment control, more frequent and varied oversight, and stronger legislative initiatives in program development and evaluation, are evidence that the Congress is determined to achieve a better constitutional balance, improve governmental performance, and prevent abuses of Presidential power. On the other hand, the panel recognized that the pendulum can swing too far. Frequent insistence on Congressional veto provisions and committee intervention in the details of program administration can serve to discourage or block management initiatives in the Executive Branch. Intervention, if excessive and detailed, will undermine the accountability of the President to the voters -- and he alone has a national constituency -- for proper management of the federal government.

INTERGOVERNMENTAL RELATIONS

In fiscal year 1977, approximately 60 billion dollars of the federal budget will be disbursed in the form of aid to state and local governments. Of this amount, about 10 percent will be in general revenue sharing, 10 percent in the five major block grants, and 80 percent in

categorical grants for specified purposes deemed worthy of national support. Behind this enormous output of federal funds is a host of agencies, each with its own regulations, application procedures, and review processes. Adding to the complexity of federal grant administration are the effect of federal tax policy and administration on state and local governments, and difficult questions of national growth policy, land use, and environmental pollution, as well as such social objectives as equal employment opportunities, and standards of work.

Difficult as the task may be, only the President is in a position to chart a course for bringing order and direction to this multitude of grant programs and associated objectives. Starting with the administration of Franklin Roosevelt, a series of steps was taken to enable the President to deal with these and other management problems. Though attention was focused at first on budgetary and related management problems, studies of the First Hoover Commission influenced President Eisenhower to begin serious consideration of the President's role in the specific area of intergovernmental relations. A special Commission (the Kestnbaum Commission) studied the complex relations between levels of government, and made numerous recommendations, among them being the proposal that there should be on the President's staff, with direct access to him, a principal member having primary responsibility to assist the President in the rationalization of this maze of intergovernmental programs. President Eisenhower created such a position, and backstopped it with staff from the Bureau of the Budget, which ably assisted the Presidency in dealing with this growing area of federal concern.

Unfortunately, the momentum of the early effort was not maintained. The field of intergovernmental relations has tended to be low on the Presidential priority list because of the multitude of both foreign and domestic policy questions confronting subsequent Presidents. Nonetheless, the situation has reached a point where, lacking such Presidential attention, it will become impossible to sort out the conflicting regulations and objectives of the hundreds of categorical grant programs now being administered by the federal agencies through a delivery system involving dozens of different regional organizations and personnel.

If any lesson has been learned in recent years, it is that intergovernmental problems are not separable from general problems of federal organization and administration. Organizational separation within OMB has meant that intergovernmental problems are approached case-by-case without any overall management strategy or sense of direction.

Presidential interest in intergovernmental relations tended to lag during the 1960's. There was a brief upsurge of interest in the assignment of these functions to the Office of the Vice President in the first years of the Nixon Administration, together with strong professional support from OMB during that period.¹ That interest, too, began to lag even before the problems of Watergate closed in on President Nixon.

It was the majority opinion of the panel that the need for a strong Presidential assistant, with direct access to the President and with a general policy mandate from him, should once again be recognized and such a position established, though not in the Office of the Vice President. It was the further unanimous view of the panel that OMB,

¹ Under President Johnson, the Vice-President was given an assignment to work closely with the mayors.

if it retains general management functions, should practice what its name implies, namely, management leadership within the bureaucracy in the interest of developing stronger, more effective federal-state-local relations. Of particular concern to the panel was the lack of interest of present OMB leadership in this area. As a consequence, the few worthy efforts within OMB to rationalize the federal delivery system were dissipated or damaged after transfer of these activities from OMB to GSA and then back to OMB.

Among the questions which must be addressed by both the President and the Congress are the following:

1. On what basis are the relative merits of one grant program to another evaluated?
2. What attempts are being made to unify the application, reporting, and review procedures for the hundreds of programs now classified as Categorical Grants?
3. Who has the responsibility to simplify and streamline the volumes of regulations which are written to implement Congressional enactments?
4. How is the effectiveness of these federal grants measured?
5. To whom do state and local officials turn for recourse when they believe their authorities and responsibilities are clearly being ignored?
6. What formal mechanism can be established to provide input by state and local officials into the federal budget and management process, including the writing of regulations?
7. How do we develop a national fiscal policy which takes into account the effect of federal tax decisions on state and local governments?
8. What is a national growth policy, how does it relate to the question of national planning, and how does it impact on the machinery of government?

PRESIDENTIAL TRANSITION

Whatever the result of the 1976 Presidential election, we are entering an inevitable period of transition from one Presidential term to another. There will be, in any event, a considerable turnover of top government personnel, policy assessment and reassessment, restatement of priorities, and new courses of action.

The changes and the transition difficulties will be greater, of course, if there is a new President. But the same truths apply to either a new or a returned President: The first few months of the new term provide rare opportunities, when Congress, the press, and the public are unusually disposed to follow the President's lead. If these opportunities are to be seized, the groundwork must be laid before inauguration day, particularly in the crucial two months between election and inauguration which afford time for analysis, planning, and re-staffing.

If the people choose a new President, a full-scale transition ensues. In such an event, the incoming and the outgoing President share an interest, and a responsibility, for achieving a transition characterized by essential continuity and orderly change. Their joint responsibility is inherent in the Presidential office and further specified by law. The Transition Act of 1963 declares in its preamble:

"The national interest requires that such transitions in the office of the President be accomplished so as to assure continuity in the faithful execution of the laws and in the conduct of the affairs of the Federal Government, both domestic and foreign."

The law further states:

"...it is the intent of the Congress that all officers of the Government so conduct the affairs of the Government as (1) to be mindful of problems occasioned by transitions in the office of President, (2) to take appropriate lawful steps to avoid or minimize disruptions that might be occasioned by the transfer of the executive power, and (3) otherwise to promote orderly transitions in the office of President." (underscoring supplied)

Being an incoming or outgoing President is something no individual does more than once, and the law is clearer about the objectives than about the details of what must occur. Fortunately, previous transitions have been studied enough to yield some useful guidance.

History reveals that transition experience has been cumulative. Each succeeding transition in this century has been smoother and more efficient than those that went before. An article published in 1969 sums up the record:

"In 1952 dim memories of the unhappy aspects of the Hoover-Roosevelt turnover, and realization of how complex the government had become in the past 20 years, led to some groping attempts by both the outgoing Truman and the incoming Eisenhower Administrations to plan for and ease the transition. These efforts were helpful but not enough to prevent partisan bitterness and disruption in some parts of the government. All participants learned from the experience, and the performance was much better in 1960-61 when President Eisenhower gave way to John F. Kennedy. The most recent transition from Lyndon B. Johnson to Richard M. Nixon was even smoother in many respects...and contributed to further institutionalization of a change process that is rapidly becoming built into our national government system." (underscoring supplied)

What are the elements of this change process that is becoming institutionalized? Who takes the initiative, and at what point in time? How may the next transition be a further improvement on the past? The Academy panel summarizes the experience, and its suggestions, under seven broad headings:

1. Pre-election planning by the candidates is essential.

Writing in 1960, after a review of transitions from Wilson to Eisenhower, Laurin Henry concluded:

"It would be a considerable step forward if future candidates and political managers could stop thinking of campaigning and organizing and administration as completely separate jobs, with a sharp break at election day."

The point was underscored by David Stanley, who studied the Eisenhower-Kennedy transition in six major agencies:

"The President-elect, long before he knows he is President-elect, should begin planning for the programs and personnel of his administration." (underscoring supplied)

The basic fact is that time is preciously short in the interval between election and inauguration day. The President-elect and his key staff members are likely to be badly in need of rest, but the clock ticks away. To avoid being caught off balance by events, and in order to take firm command on inauguration day, planning must begin well before the election for the tasks immediately to follow.

What can be planned before election? First, an overall schedule and scenario for the election-to-inauguration period, including staff and facilities requirements, the meetings the President-elect must have, the decisions he must make (and when), and the events that may arise to force some policy decision or commitment before he even takes office. Second, a plan for staffing the new administration, including identification of the key positions and their respective priorities, assembly of a team of recruiters, and identification and preliminary checking on prospective appointees at the highest level. Third, identification of those policy areas in which the incoming President, either by necessity or choice, will wish to move promptly, and

establishment of an advisory system which will produce well researched alternatives and recommendations in a timely fashion.

The experiences of Kennedy and Nixon are instructive on these points. In the summer of 1960, Kennedy appointed Clark Clifford as his principal transition adviser and set in motion some activities that later produced a relatively brisk and effective takeover. Both Kennedy and Nixon perceived the importance of early policy initiatives and set up pre-election task forces. Kennedy announced the formation of a number of study groups on August 30, and some 29 were at work by inauguration day. In September 1968, Nixon announced that 30 task forces were being established.

Despite these advance efforts in the past two major transitions, it appears in hindsight that the task of personnel recruitment is one of the most difficult to initiate on a sound basis before election. Kennedy did not assemble a recruiting team until his election. In October 1968, there were reports that Nixon aides were interviewing knowledgeable people in the search for ideas about appointees, but this proved to be a false start. After election, Nixon concentrated on the cabinet appointees, whom he named quite promptly, but recruiting then bogged down and his administration was not staffed until well after inauguration.

In a report of March 1974, this Academy proposed:

"That the major party organizations develop and maintain lists of the best qualified persons in their parties for possible political appointment."

"That the President maintain an assistant on personnel, with adequate staff, who would, among other duties, develop and maintain a continuing roster of the best qualified possible appointees."

This panel suggests that the work of the proposed "assistant on personnel" should begin well before the election and continue as a permanent part of the President's staff.

2. In the event of a change in administration, the incumbent President takes the initiative in preparing for and assisting in the transition.

One author commented in 1960:

"The occupant of the White House cannot alone ensure a smooth transition to his successor. But in any given instance, his conduct is crucial in getting the process started, reaching the right understandings with the other parties, and establishing a tone that will enhance the probability of the enterprise being carried out with dignity and statesmanship."
(underscoring supplied)

Presidents Truman, Eisenhower, and Johnson, each in his turn, recognized an obligation and took the initiative in preparing the way for his successor. Both Truman and Eisenhower quietly gave sanction well before election to projects beginning in the Bureau of the Budget and elsewhere in the government to prepare staff papers on the process of transition and the issues about which the next administration should be informed. Career staffs were alerted to begin thinking about steps to ease the transfer, including preparation of appropriate briefing materials for new political appointees. Immediately after election, Truman and Eisenhower made public statements about their desire for an orderly transition, invited the President-elect to meet with them, and offered all appropriate assistance.

President Johnson moved earlier and bolder than any previous President to stimulate planning for transition. In May, he offered State Department, Pentagon, and CIA briefings to all principal candidates for the Presidential nomination. In July, he met personally at

the White House with Nixon and Wallace -- and of course Humphrey who was already a member of his administration. In September, he designated a White House transition planner, Charles S. Murphy, an experienced official from the Truman years who was brought in for that purpose, and invited Humphrey, Nixon, and Wallace each to designate a representative to consult with Murphy. After the election, he invited Nixon to the White House, and he and Nixon broke new ground with an arrangement for consultation on any high level decisions that might be necessary, particularly in the realm of national security policy, before the formal turnover of office.

The pre-election initiatives of Truman, Eisenhower, and Johnson were easier because in 1952, 1960, and 1968 they were not candidates for reelection. No one expects a President running for reelection to engage in public discussion of a possible transition. Three things, however, can be done by a President in such a situation. First, following well-worn precedents, he can offer foreign and national security policy briefings to the opposition candidate as a gesture of patriotism and national unity. Second, he can take a realistic attitude and at least tolerate, if not actually encourage, discreet preparations by senior career staffs in the Executive Office and major agencies to be prepared for any eventuality. Third, he can prepare himself to move promptly, if he should lose, to offer cooperation with the winner and otherwise fulfill his responsibilities under the Transition Act -- and to history.

3. The President-elect forms an administration-in-waiting as soon as possible after election.

A headquarters for transition operations must be established.

Normally the campaign headquarters and its essential staff are converted to this purpose, although it should be borne in mind that the staff requirements are a little different now. Most Presidents-elect have chosen to keep the principal base of pre-inaugural operations outside Washington, D.C., on the theory that this would provide more elbow-room, less pressure, less danger of friction with the still-incumbent administration. This assumption might be reexamined under present conditions: a move to Washington might well dramatize the President-elect's "take-charge" attitude. If the headquarters is not in Washington, an advance base will be needed in the capital for some purposes.

The most obvious task of the period is to make decisions about the appointees for the topmost positions -- the key positions on the White House staff; a few top appointees in the Executive Office of the President, most notably the Director of OMB; and the heads of the cabinet departments and a few of the most important non-cabinet agencies. These top positions -- perhaps 25 to 30 in all -- require thorough staff work by the personnel recruiting team and a great deal of personal attention by the President-elect. Decisions with respect to these positions need to be made and announced by mid-December.

It is commonly said that an incoming administration needs to make 250 to 300 appointments in order to take control of the government. Having this many appointments decided on, cleared, and announced prior to inauguration may be unrealistic and even dangerous if the pressure to fill these jobs leads to ill-considered appointments. The President-elect's essential interests are probably safeguarded if he has half that many appointees definitely chosen and actively on the team by inauguration. As for the rest, it is important to have the personnel

scouting sufficiently advanced that the first cadre of appointees, with the aid of the future White House staff and an occasional key decision by the President-elect, can have the balance of the decisions -- usually sub-cabinet level -- made in the first month after inauguration.

As the future White House staff gathers around the President-elect, the department and agency heads, as they are designated, will tend to scatter to their respective spheres to inform themselves of pending developments, explore policy alternatives, and recruit their own staffs. It is important, however, for the President-elect to spend some time with his first team, individually and collectively, in order to lay a foundation of mutual purpose and trust that will withstand the subsequent centrifugal pressures of departmental interest. Now, more than ever, they are his chosen people, and both they and the public should have this fact reinforced. Task force reports, policy conferences, and "pre-cabinet" meetings provide opportunities for essential team building.

4. There will be mutual efforts, under the auspices of the President and the President-elect, to assure an orderly introduction and orientation of the new appointee-designates to their future responsibilities.

In this area, the institutionalization of the transition process is well advanced. In both 1960-61 and 1968-69, a very similar pattern emerged immediately after the election:

- ° The President designated a key representative as his coordinator for transition (Major General Persons for Eisenhower and Charles S. Murphy for Johnson).
- ° The President-elect responded by designating an individual on his staff as liaison with the outgoing administration (Clark Clifford for Kennedy and Franklin Lincoln, Jr. for Nixon).

In both cases a high tempo of activity followed these designations. New appointees, as they were announced, were introduced (through liaison staff) to their predecessors. Arrangements were made both for conferences with these predecessors and briefings about agency organization, operations, and current problems. The latter were based, in large part, on already-prepared materials. The record shows that, in 1960-61, after the initial contacts were made, the Eisenhower officials in many cases set up direct contacts between the Kennedy designees and the bureau chiefs and top career men. By mid-January, practically all future cabinet members had moved into offices in their future departments. Similar arrangements were made in 1968-69.

The panel observes that, to assure orderliness in this process, each department and major agency should designate one official as transition coordinator to meet the incoming appointees and coordinate their introductions, briefings, and facilities requirements. The President-elect probably should make early designations, based on pre-election planning, of his "advance agent" for each department. This may be the future department or agency head, or it may be a lesser ranked person who can serve as liaison and conduct a holding operation until the designated head arrives.

The responsibilities of the incoming appointees during this period involve more than introductions and formal briefings.

First of all, they must make an intensive effort to inform themselves about current and emerging developments in their respective areas of the government -- as one panelist put it, to "pick up the beat" of the government. This involves an exploration proceeding from the very important and general to the less important and specific. These

explorations need to be made both in the Executive and the Legislative Branches, and in some cases the Judiciary as well. Perhaps the best way for new appointees to approach the task is through the action processes of government -- the budget and appropriations processes, the program authorization processes of the Congress, and the administrative and regulatory processes of the executive agencies. In such a review, the central agencies of the Executive Branch -- the Executive Office of the President (including the OMB), and, to a somewhat lesser degree, the Treasury Department, the Civil Service Commission, and the General Services Administration -- are good starting points for appointee-designates.

Second, the incoming appointees must not only find out about the pending business but relate that to the policies and priorities of the President-elect, the work of policy task forces, and the discoveries of their fellow-designees. The same policy issue may look different from outside and inside perspectives. At what points in the policy process can the new administration make its critical first interventions?

Third, the new appointees need to invest some time in learning the basic processes of the government and their responsibilities in it. Their orientation should cover most carefully the key areas in which the public service differs from typical business practice. In addition to such obvious matters as the budget and personnel systems, briefings should include an understanding of the roles of the President and Congress in the legislative process, relations with state and local governments, the importance of integrity and equity in personnel and contract actions, the right of the public to be informed through the press and otherwise, and the fundamental need for accountability.

In previous transitions the OMB (and its predecessor) has offered broad-based briefings about the budget and policy development processes. Recently the Civil Service Commission has undertaken a program of briefings and conferences on the role of senior executives to new appointees. This is an area in which it is very difficult for people already inside the government, be they political appointees of the previous administration or career officials, to get the attention of and have appropriate impact on political appointees of a new administration. The President-elect and his closest associates should give support to such briefings and encourage their appointees to participate in them. Consideration might also be given to having such orientations conducted by knowledgeable persons and organizations not part of official government.

5. The career service is an important resource for an incoming administration.

A new administration of a different party naturally tends to approach the career service with some uncertainty about careerists' loyalties and responsiveness. An incoming President also may have concerns about the overall size and structure of the government and commitments to administrative reform. The panel strongly recommends that these be thought of and handled as separate issues.

Government organization is an important issue, which the panel believes should be high on the agenda of the next President. The panel also strongly believes that, in attacking this issue, the President can and should enlist the support of the career service and avoid making the civil service the enemy or scapegoat. The present size and structure of government is to only a very limited degree the product of the career

The Academy made a number of recommendations to remedy this situation for the future including a new system of administering senior positions in the civil service which would grant appropriate latitude for non-career appointments and, at the same time, afford protection to career officers who may be chosen for, or aspire to, such positions.

In addition to utilizing career officials in their traditional roles, the President might give thought to making selective use of experienced careerists in appointive positions. On the basis of his study of the 1961 transition, Stanley suggested:

"The task of preparing for a new administration can be reduced and shortened if the President-elect will fill more of his appointive jobs from inside the government... many well-qualified persons who can become assistant secretaries or agency heads are already working in the departments and agencies. They will be more sympathetic or adaptable to his policies than he realizes at the outset, and they will be invaluable in helping him get started."

6. Congress has an interest in an effective transition.

In passing the Transition Act, quoted above, the Congress gave clear evidence of its concern and intent. This has been reinforced by repeated appropriation of funds authorized by the Act for paying the preparatory expense of the President-elect.

Appropriate consultations between the incoming administration and Congress are necessary at several levels. The Congressional leadership will expect to meet with the President-elect early in the transition period for the purpose of strengthening acquaintances and learning the President's general plans. After inauguration they will expect to meet regularly to discuss the legislative agenda. Congressional leaders of the President's party generally feel obliged to present and support in the Congress any measures seriously proposed

by the President; they expect, in turn, some attention to legislative sensitivities and the imperatives of the legislative calendar.

At other levels, consultations with committee chairmen about appointments in their respective areas are expected. In each of the last several transitions, the Senate committees concerned consented to hold hearings with prospective cabinet members in early January, in anticipation of their formal nomination after inauguration. This has become another component of the institutionalized change process.

In addition to his personal consultations with the party leadership in Congress, the President-elect, early in his organization for transition, needs to designate key staff to serve as liaison and support him in Congressional relations. Care needs to be taken to select persons knowledgeable and acceptable on the Hill. Unfortunately, the spirit of cooperation at inauguration time frequently evaporates by mid-summer.

7. It is critically important to set the desired tone and establish momentum at the outset of the new administration.

The achievement of the first months, and the space of the four year term, may be significantly influenced by the actions taken and attitudes established in the days immediately following the election and the inauguration.

In commenting on the Kennedy transition following January 20, 1961, Henry reported: "Just as important as changes in the structural arrangements were the changes in tone." Concurring, Stanley concluded that Kennedy's "let's get started" attitude was a plus factor, and that "if changes are to be made they will be easier if made at the start, and the new department head should have knowledgeable staff members ready to advance rapidly on the management front."

Achieving a brisk start is in part a function of effective preparations mentioned under several headings of this section. Having a team of appointees recruited in timely fashion will permit the kinds of policy planning which will enable the administration to take early policy initiatives. Pre-inaugural planning and orientation also will put the new appointees in position to make the kinds of low-level decisions necessary to keep the wheels of government turning without in any way undercutting the new President's objectives. An indiscriminate "Stop everything while we reexamine everything" attitude on the part of new appointees sows chaos, destroys morale, and is usually not necessary to protect the President's interests.

Important above all is the incoming President's behavior and leadership. Decisiveness and enthusiasm will stem partly from inherent self-confidence and partly from adequate preparation during the transition period.

The panel believes that career employees are in an exceptionally responsive mood during the transition -- with high expectations for new initiatives and new challenges. This mood is likely to be even greater this year than in the Kennedy and Nixon transitions because of the sharp criticism to which government and its career staffs have been subjected. Hence the challenge to the next President-elect is to exploit this organizational climate in order to put his administration into high gear fast -- with the enthusiasm of a career force which looks forward to leadership, imaginative ideas, and high standards of integrity and achievement.

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