

FOR COUNCIL USE ONLY
THE WHITE HOUSE

WASHINGTON

July 19, 1969

MEMORANDUM FOR

THE PRESIDENT

It is our judgment that the two focal points of overriding impact for this Council are the structure of the Executive Office of the President and the availability of qualified executives to manage the Federal establishment.

These conclusions were reached today at the end of a three-day Council session in which all members participated. Accordingly, we plan to make our first recommendations to you with regard to the Executive Office of the President at our meeting with you in California in late August, for which we hope you can allow us a full day. We will be prepared to discuss executive personnel at a meeting thereafter.

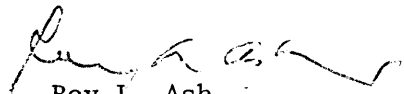
Our agenda and attention during this three-day meeting were devoted to four priority areas: the two mentioned above, plus Social Programs, and Law Enforcement as it relates to Organized Crime. Personal discussions with Messrs. Mitchell, Finch, Romney, Ehrlichman, Rumsfeld, Moynihan, Mayo, and their associates on all four priority areas enabled us to examine, in some detail, problems with many of those most directly concerned with the various programs. We concluded these meetings with the conviction that the above-mentioned four areas clearly demand the Council's first attention; the regulatory agencies, natural resources (including environmental quality), and consumer affairs will be addressed as the Council's next order of business.

Our thinking takes into account these considerations:

- (1) The concept and structure of the top policy- and decision-making activity of any organization needs to be clearly established before the operating parts can be effective. It is a question of putting the horse before the cart. The organization of the Executive Office is crucial to the effectiveness of the other changes we will propose.

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- (2) John Ehrlichman has discussed frankly with us the changes now in process in the Executive Office of the President; these are being encompassed in our thinking. It is clear to us that further substantial improvements can and must be made in the Executive Office organization.
- (3) In addition, there must be improvement in the recruitment and retention of particularly capable executives throughout the Executive Branch. Without this, organizational changes, regardless of their merit or logic, will be ineffective.



Roy L. Ash
Chairman

President's Advisory Council
on Executive Organization

EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION
WASHINGTON, D. C. 20506

January 29, 1970

MEMORANDUM

FOR: Robert Haldeman

FROM: Murray Comarow *MC*

SUBJECT: The BoB reaction to the Council's EOP Report

Yesterday morning you asked for our views on Bob Mayo's January 27 memorandum, including a detailed analysis. Our principal reactions follow; the analysis is attached. Needless to say, none of this has been cleared with the Council.

Examined by itself, the BoB paper is far from ideal. It is easy to dissect; its weaknesses are apparent.

Contrasted to the BoB position 10 days ago, however, it represents real progress, and gives one a rather different sense of the situation. A quick review of the bidding may help the White House staff decide how to proceed.

As recently as last week, the Bureau was saying that the Council's Reorganization Plan was ill-conceived and perhaps fatally defective. This was so, it seemed, because of a legal question on raising the grade levels of BoB top executives by Reorganization Plan action, an issue which had already been handled through an alternative draft. The Bureau has apparently dropped this issue.

Nor does BoB argue now, as it did then, that most of the Council's goals could be achieved by Executive Order, internal reorganization, and staff build-up. On the contrary, the Bureau had the courage to moderate its position. It sets forth well and truly the advantages of Reorganization Plan action - rightly focusing on the importance of getting control over the Executive Office into the hands of the President, where it properly belongs.

What happened, we suspect, was that Mayo and his staff were confronted by an outside proposal restructuring their own organization. They reacted with a concern that was as deep as it was predictable. But in the end, they did change considerably, and we should commend them for it.

It is true that the tactics favored by BoB (see 1 and 2 below) would probably kill the Plan, but we don't think this is deliberate - merely wrong. At this time we would emphasize the large measure of agreement even though some difficulties still persist.

The point is not to be kind to the Bureau. The point is to get the job done. Their help will be needed, or at least their opposition neutralized. (Get Bryce Harlow to tell you about the "Committee Staff - BoB Complex," if he hasn't already).

For even if the Plan goes through, the major instruments of change will be Bob Mayo and his key people. Their commitment to the spirit of the Plan cannot be legislated but can only develop as they work along with you in implementing it.

If you would like us to do so, we would be glad to work jointly with the BoB on a message to accompany the Reorganization Plan. This might modify the past pattern of "outsiders" sending a paper to the Bureau to which they feel compelled to react.

So much for the care and feeding of the Bureau. We would now highlight, from the detailed comments which are attached, four major concerns raised by the BoB memo:

1. It is apparent that Mayo should not be the sole negotiator with Congress. Indeed, "negotiation", "maneuver", and "concession" are to be avoided, if at all possible.
2. "Careful discussions" with all the Congressmen cited in the memo could well negotiate the Plan to death. Obviously, the proper sequence and timing of Congressional briefings is crucial, but this is a different ball game. In fact, there are severe risks in waiting too long to submit the Plan: the opposition will have more time to get organized, and if leaks develop, some noses will be put out of joint.
3. The Divisional structure and general staffing patterns outlined in the Council's memo of October 17, 1969, form essential parts of its recommendations. The BoB memo only deals with these questions in terms of a caveat about selection of names and a warning about hampering the OEM Director with too many specifics.

4. There is still a basic issue about OEM's policy role. At one point Mayo says, as he has in the past, that the boundaries between OEM and DPC cannot be rigorously defined but must be worked out in practice. We agree. Yet at other points he asserts OEM responsibility for "consistency of policy objectives" and "long-range planning". The Council thought that both of these functions should be primarily DPC responsibilities, although much of the underlying analysis might well come from the OEM.

Please let me know if we can be of further assistance.

cc: Mr. Ehrlichman
Mr. Harlow
Mr. Cole
The Council

Attachment

ANALYSIS OF THE BOB JANUARY 27 MEMORANDUM*

Paragraph 1:

Raises two questions:

- a. If "affirmative action" refers to approval of the Council's recommendation on EOP reorganization, we are under the impression that this issue was settled by the President. If "affirmative action" refers to implementation tactics, our doubts are expressed in the cover memo.
- b. We can meet at any time, but it might be well to have a draft Presidential message in everyone's hands. If you agree, the meeting could be set up next Tuesday, February 3.

Paragraph 2:

What's in a name? We gather that BoB has no objection to "Office of Executive Management" but doesn't like "Domestic Policy Council".

Apparent reasons:

- a. The implication that the Domestic Policy Council will have the sole responsibility for domestic policy.
- b. Their belief that John Ehrlichman and you would prefer to omit the word "policy", calling it simply the Domestic Council. PACEO leans the other way but it is a minor point.

Paragraph 3:

The Bureau's brief statement on the DPC leaves its position unclear.

- a. Does Mayo agree with the Council's view of the DPC structure?
- b. In rough numerical terms, what does "a small staff" mean?

* We have numbered the paragraphs of the Mayo paper, and track those numbers here.

- c. What does "separated from the White House" mean? Separately funded? Separated in the sense that White House Staff may not be assigned to the DPC staff?

Paragraph 3a:

Mayo lumps under the coordination function both policy and program coordination insisting that both are OEM functions. At PACEO's meeting with John Ehrlichman in August the distinction between these two functions was made, and we agreed that domestic policy coordination should be primarily the DPC's responsibility.

Paragraph 4:

In 4b and 4c the BoB memo attempts to stake out and define parts of OEM's policy role. Two comments:

- a. In many discussions, Mayo and others have generally agreed that the DPC-OEM responsibilities and boundaries with respect to domestic policies would be worked out as the two organizations geared up.
- b. PACEO believes that long-range planning and evaluation of priorities are primarily responsibilities of the DPC.

Paragraph 5:

Good summary of advantages of the Reorganization Plan route.

Paragraphs 6 and 7:

As to subparagraph 1, our January 20 memo to Ken Cole said in part:

"The White House is far better able than we to assess the political risks, but we point out the following for your consideration:

1. The chances are that little political capital need be expended. The risks to Congress of not approving the plan seem to outweigh the chance slightly to ruffle the President. If Congress disapproves the plan, it would provide the President an opportunity to fend off certain kinds of criticism by pointing out that Congress refused him the needed improvements.
2. By presenting the plan to Congress, the President reaffirms his strong interest in effective organization and good management.

As to subparagraph 2, we do not know what is meant by "Congressional prerogatives." The BoB must have in mind something like the Bureau's so-called watchdog function over the anti-deficiency statute, a rather meek effort compared, for example, to the Comptroller General's responsibilities in the same area.

As to subparagraph 3 - BoB is right, and these selected Executive Office activities must be individually addressed. We are doing the OEP analysis; the President wisely suggested there was no need to tinker with CEA; and the Vice President's Office of Intergovernmental Relations is small, does no harm and some good. Further, the relationships between these organizations and the OEM and the DPC, just as those between the DPC and the OEM, are sure to evolve after reorganization is accomplished.

Paragraph 9:

Repeats earlier views. Incidentally, you may want to check our expert's advice that it is traditional for the message language to be held in the Executive Office and not discussed with either Congressional staff or with Congressmen until after the Reorganization Plan has been submitted. This is not true of the Plan itself which must be checked prior to submission by the Government Operations Committee's staff for technical accuracy.

Paragraph 10:

If Congress resists, as the first five lines suggest, it will be because it fears a significant increase in the power of the President. If Congress sees the Plan as "lacking in substance", as the next three lines suggest, it might scoff, but would not spend much political capital in resisting. BoB tries to have it both ways. And note that the Bureau recognizes the need for detailed Congressional briefings on how the OEM should be organized, while elsewhere in the memo they urge the avoidance of such detail.

Paragraph 11:

Don't be too alarmed about inhibiting the President's executive action if the Reorganization Plan fails. He could still ask for more people, enhance existing functions, and the like. Mayo means, or ought to mean, that if a Reorganization Plan fails, a President must consider the political consequences of trying to achieve some of the same aims by Executive Order.

But 11 reveals a far more important attitude. It argues that "negotiations with the Congress" are necessary. These should "leave room for maneuver, for concession". If negotiations are necessary - which we doubt - who negotiates? And who interprets to the President the results of the negotiation?

Paragraph 12:

A questionable precedent. Creating an Executive Office is much more difficult than changing one, especially when an old fort like Treasury is assaulted. Moreover, ideas similar to those embodied in the Reorganization Plan have been the subject of proposals made in recent Administrations by both parties.

Paragraph 13:

Mayo is probably right in stating that Congress will expect him to lead administration forces in explaining the Plan. At the least, he will have to take on a large part of the effort. He should work in close and continual consultation with a key White House aide selected for this purpose.

Paragraph 14:

We have always believed that the OEM Director should have substantial power to organize, staff, and run his own operation without undue constraints. Yet since institutions and executives tend to resist change, clear directions are needed. The question is one of degree. We feel that the Divisional structure and general staffing patterns outlined in the Council's memo of October 17, 1969, form essential parts of its recommendations.

Paragraph 15:

The Bureau makes the point that suborganizational structure should not be prescribed. We are not certain what level is meant by "suborganizational". We believe that, below the level of the key functions, organization should not be prescribed and we have not done so.

Further, we cannot disclose our plans to Congress as Mayo rightly suggests is necessary (page 4 of his memo) without describing organizational arrangements.

Operational improvements should not be disassociated from organizational structure. Yet Mayo suggests that we emphasize "results" in dealing with Congress without explaining their relationship to the organizational structure which we believe to be an integral part of the change proposed. The Plan should, of course, be presented as a recognition of the President's right to organize his own affairs and calculated to produce the desired improvements in an executive branch management.

Paragraphs 16-27:

This information, if relevant at all, goes to the question of whether reorganization is desirable. We assume that this issue is settled. As an example, however, of the current activities cited which, in our opinion, do not reflect the President's management requirements, the information systems described are not oriented in any discernible way to the special needs of the President.

Paragraph 28:

We agree.

Paragraphs 29-30:

No comment necessary.

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

OFFICE OF
THE DIRECTOR

January 27, 1970

MEMORANDUM FOR MESSRS. ASH, EHRLICHMAN, HALDEMAN, AND HARLOW

Subject: Implementation of the PACEO Report on Reorganization of the Executive Office of the President

1. My appointed staff and I have reviewed and discussed the PACEO Report. We present in this memorandum considerations which we believe need careful examination prior to affirmative action on PACEO's recommendations. I am ready to meet with all four of you as soon as we can get together. Either before or at that meeting, I believe it would be most useful for us to have a copy of the preliminary draft of the Presidential message to the Congress, which I understand PACEO staff is putting together, to accompany the proposed Reorganization Plan (Draft 5(b) -- copy attached).
2. At the beginning, let me indicate that this memorandum will avoid using or discussing the specific nomenclature proposed by PACEO for the organizational entities and positions recommended in its report. This reflects no criticism of any name or title used by PACEO. It reflects only the caution that names chosen too early can give the appearance of fixed positions and can create unnecessary obstacles to success of the plan.
3. As I have said before, I strongly support an improved and strengthened institutional management capability for the President, in the broadest definition of that term. My appointed staff also agrees with me that this purpose can be effectively achieved by two concurrent steps which will establish: (1) a Cabinet-level council with delegated functions in the area of domestic affairs, supported by a small, adequately funded staff within the Executive Office but separated from the White House, and (2) a successor organization to the Bureau of the Budget which works with the Cabinet-level council, and which has greatly increased capability to assist the President in:
 - a. coordination of programs in terms of both consistency of policy objectives and delivery of services;

- b. effective organization and management of executive agencies and functions;
- c. preparation and clearance of legislation;
- d. design and maintenance of management and information systems to assist in Presidential decision making;
- e. development of an integrated system of executive personnel programs in the career services.

4. This is in addition to our continued efforts to improve:

- a. budget preparation and execution;
- b. economic and fiscal analysis and long-range planning;
- c. evaluation of program results and priorities.

5. The President could, by executive action, establish the Cabinet-level council and direct stepped-up, refocused activity for the Bureau of the Budget, as enumerated above. However, such executive action would not achieve a number of ends advocated by PACEO. Chief among these are:

- 1. Statutory authorization for the Cabinet-level council and for year-to-year support of it by an appropriation separate from White House funding.
- 2. A first step toward authority for the President to organize the Executive Office as he sees fit, brought about by transfer to the President of present statutory authorities vested in the Bureau of the Budget or its Director.
- 3. Statutory identification by title of the function of executive management which, although now performed in varying degrees by the Bureau of the Budget, may incorrectly be presumed by some to be within the context of formulation and execution of the budget instead of within the broader context of development and execution of policy and program.
- 4. A first step toward provision of adequate executive-level positions within the successor organization to the Bureau of the Budget by adding a number of executive level V positions within the civil service

system (in addition to transfer of the existing six Executive Schedule positions of Director, Deputy Director, and four Assistant Directors in the Bureau of the Budget).*

6. We agree with the desirability of the foregoing ends, which it is not possible to achieve by executive action. I believe, however, that immediate attention must be given to a series of considerations that bear on method and timing of action, existing statutory problems, and sensitivity of Executive-Legislative relations. Several of these considerations did not fall within the assigned jurisdiction of PACEO and, hence, are not discussed in its report.
7. Perhaps the most urgent of these considerations relate to the methodology and suggested time frame for achieving the desired results. They are:

1. The plan must be presented to an opposition Congress, which can be expected to view it most critically and has little incentive to accept it.
2. The plan involves long-standing provisions of law and Congressional prerogatives having to do with the budget process and the appropriations process.
3. The step-up of "nondollar-oriented" functions of executive management present questions of relationship of the proposed new organizations with other parts of the Executive Office (for example, Office of Intergovernmental Relations, OEP, and CEA), and, in turn, of their relationships with the Legislative Branch.

* Although it is not practical to ask for any other executive level positions for either the separately funded council or the BoB successor organization as part of a reorganization plan (unless they are Civil Service), it is assumed that such request could be made as part of a Government-wide expansion of executive-level positions to be launched this spring.

8. I urge that no commitment to methodology or timing of achieving the desired results be announced or publicly endorsed prior to careful discussions with both chairmen and ranking minority members of: (1) the Appropriations Committees; (2) the Committees on Government Organization; (3) other committees involved, including the Joint Committee on Reduction of Federal Expenditures, and the Joint Economic Committee. All three sets of discussions should come only after initial contact with the legislative leaders of both Houses. (See separate discussion below concerning the Post Office and Civil Service Committees.)
9. I have little doubt that the reorganization plan approach is a more practicable approach than either an executive order or regular legislation, but the above discussions can have a substantial impact on timing and the amount and kind of supporting detail for a Reorganization Plan to be set forth in the President's message that must accompany transmittal of the Plan to the Congress.
10. A consideration related to use of a Reorganization Plan involves the possibility that a resolution of disapproval might be introduced and prevail. Any Congress (and particularly an opposition-dominated Congress), will tend to resist transfer of Budget Bureau authorities to the President, because the President is much more difficult to reach. Further, Congress may consider the plan to be lacking in substance because most of those authorizations would presumably be delegated to the Bureau's successor organization. To obviate this concern, it may become necessary for initial discussions to present detail as to how authorities will be redelegated; how the President proposes to use the Cabinet-level council; and how the Director of the successor organization to the Bureau of the Budget proposes to organize and conduct the responsibilities assigned to the new office.
11. Although I believe the plan will be approved if we all do our homework and contact work well, the effect of possible disapproval of the plan on the President's subsequent freedom to move by executive action cannot be dismissed. The President's options can be protected to some extent if negotiations with the Congress leave room for maneuver, for concession, and for building legislative history about intent. I think this consideration argues strongly for an early meeting with the President in which those of us who will be laying the groundwork in the Congress can have the benefit of a discussion with him.

12. In this connection, I have been reminded that the steps leading to creation of the Executive Office of the President in 1939 took extended efforts at education and marshalling of support, even though the President had an overwhelming majority in the Congress. We do not have that advantage, and negotiations with the Hill could take a long time.
13. The Congress will probably expect me personally to take the lead in explaining and defending the Reorganization Plan, both before and after its formal transmittal. This is still another reason why I need not only firsthand instructions from the President, but also his approval to negotiate on matters pertaining to the organization and functional distribution of authorizations to be exercised by the successor organization to the Bureau of the Budget.
14. This point is central to another consideration where I believe agreement is necessary. The Director of the Bureau's successor organization, of course with the President's approval, will need freedom to organize his effort. Too many advance specifics on such matters as internal organization, numbers, and assignment of personnel, rate of build-up for the discharge of new functions, and the most efficient fixing of operating relationships with the Cabinet-level council and its supporting staff can hamper him severely.
15. As with any reorganization plan, our hope must be to persuade the Congress to have confidence in the President and judge the plan on the basis of expected results, rather than to attempt to prescribe suborganizational structure and definition of methodology and procedure. Neither specific program economies nor operating efficiencies should be catalogued in the President's message. The emphasis should be more like that quoted by PACEO from President Eisenhower's January 1961 Budget Message.
16. Before our discussions together, I think it may be helpful for me to describe the present operating role of the Bureau of the Budget, a role that goes far beyond activities directly related to the formulation and execution of the budget. The Bureau has been involved in most of the areas of executive management stressed in the PACEO Report. I would like to touch briefly on each of the areas of primary concern.

Legislative Clearance

17. The present Office of Legislative Reference now performs the functions projected for the legislative clearance operation described in the report, insofar as I can tell. Under the expanded charter, it would presumably intensify its present

duties in the development of legislative proposals and clearance of reports on legislation and upgrade the timeliness of its reports (except, indeed, when Congress requests long lags in response to inquiries to serve their own purposes). I assume that PACEO would agree that the present clear dividing line of responsibility (and cooperative working arrangement) between this Office and the White House legislative contact (Harlow) operation should continue.

Organization and Management

12. The assigned responsibilities of the Bureau's present Office of Executive Management include parts of PACEO's proposals respecting program coordination and organization and management systems as follows:
- a. Executive branch organization. Developing, and defending before Congress, Presidential reorganization plans, advising departments with respect to organization, and clarifying agency roles in areas not dealt with by PACEO (also pre-PACEO and post-PACEO).
 - b. Interagency coordination. Defending before Congress and directing the President's program for common regional boundaries and common location of regional offices among the social agencies, organization of regional councils for field coordination and expediting of program actions, administration and expansion of Federal Executive Boards, and pilot projects for joint funding and joint management of interagency programs.
 - c. Intergovernmental coordination. Designing and implementing systems for intergovernmental coordination, with special emphasis this year on establishing clearinghouses in 47 States, 208 metropolitan areas, and 106 nonmetropolitan areas, and the development of more coordinated patterns of sub-State planning and development district boundaries.
 - d. Management improvement. Providing leadership for development of financial and other management systems throughout the Government, with primary emphasis now on financial management.
 - e. Government-wide special projects. Directing a ten-agency attack on grant-in-aid red tape to: (1) Simplify processes, (2) speed delivery, (3) decentralize Federal operations, and (4) place

greater reliance on States and communities.

These already reflect to some extent the President's desire expressed to me over a year ago to revitalize this function within the Bureau. The present executive management function in the Bureau is staffed with 48 men (up 10 percent in the last year) and 7 more are in the process of being recruited.

17. However, the Bureau acknowledges that there are substantial challenges yet unmet in its present program, particularly with respect to the following:

- a. Insufficient attention is devoted to defense.
- b. Domestic coordination troubleshooting until recently has been limited to field operations. Since most field problems have headquarters origins, this factor has been a severe handicap, which must be overcome.
- c. The process of developing plans to compensate or correct critical inadequate management strength in most departments and agencies requires much more talent than has been available within Bureau budget restraints.
- d. Manpower losses from earlier years in management specialties has limited ability to provide requested services and positive leadership.

Program Coordination

20. Emphasis on other aspects of program coordination presented in the PACEO Report is supplied in many cases by the regular examining staff in the Bureau's program divisions. For example, there has been strong, ongoing attention to such work in the Human Resources Programs Division. Nevertheless, the identification of program coordination as a major function of executive management by the PACEO Report gives a new line of departure for increased emphasis and priority of effort even before the Bureau's successor organization is established.

Management Information

21. Similarly, the Bureau, through its Management Information Systems Staff, has been addressing the problem of designing management information systems to meet executive information and decision-making needs. That staff of 27 with a 1971 budget of \$1.6 million, is carrying out a number of activities designed to support data

handling and information requirements for the budget process, program planning and evaluation, fiscal and economic policy analysis, management systems improvements, intergovernmental coordination, and a variety of executive decision-making processes. The work of this staff involves, among other things:

- a. Support of the budget process by improving the budget preparation system, developing a system for continually updating budgetary information, and further mechanization of the special analyses volume of the budget.
- b. Development of a Government-wide integrated data structure and information system which will serve the various needs of agency program managers and administrators and of the Executive Office of the President in planning and evaluating, decision-making, and program execution and control.
- c. Development of a Joint Bureau of the Budget-Council of Economic Advisers Data System to serve the needs of both agencies for social and economic data.
- d. Development of Government-wide Information Systems, including supervision of the preparation of the Catalog of Federal Domestic Assistance, the geographical outlays reporting system, development of a grant data bank, development of policies on management of information systems in the Federal Government, development of an Intergovernmental Information Systems Clearinghouse, development of a long-range systems integration plan for Federal, State, and local information system.
- e. Providing technical assistance to Bureau staff on their information and data processing needs.

Program Evaluation

22. Up to the present time, the evaluation of program results and priorities has largely been geared to normal budget preparation and analysis, plus attention to the Bureau's part in developing a Government-wide evaluation (the more practical successor to the old and somewhat theoretical PPBS). A significant adjustment of this effort, with new resources, and a closer tie to

a strengthened fiscal and economic analysis capability will be needed. This is consistent with the PACEO Report recommendations.

Economic and Fiscal Analysis and Planning

A special word is necessary about economic and fiscal analysis and long-range planning.

23. For a number of years, the Budget Director has found it necessary to use one of his statutory Assistant Directors as his alter ego and backstop on matters of economic and fiscal policy. I have found this essential, even though my background is already heavily oriented in this direction. This is a cross-cutting requirement which involves concern with the work of the entire Bureau, including general supervision of its Office of Statistical Policy, which coordinates Federal statistical activities, and also liaison with the Treasury, the Council of Economic Advisers, the Federal Reserve Board, and a number of departments and agencies. This responsibility will take on even greater importance as the full intent of the reorganization plan is realized and will also be tied closely into work we are doing in long-range planning for resource allocation.

24. For this reason, as you will have noticed, I gave a separate listing to these functions in the catalog at the beginning of this memorandum. Too precise assignment of the functions will create problems. They cannot be subordinated fully in any organizational unit. They must remain, in my judgment, a part of the Director's general portfolio and under the control of one of his principal appointed assistant directors.

Executive Personnel

25. The only function proposed for the successor organization to the Bureau of the Budget for which the Bureau has neither explicit nor implicit statutory authority, relates to the proposal on executive personnel. Nevertheless, its other authorities and responsibilities have required the Bureau to maintain substantial staff capability work on matters of personnel policy and personnel administration.

26. I know the PACEO staff has had conversations at the Civil Service Commission about a more effective executive manpower management system. The Commission agrees that there is urgent need for organized arrangements and greatly increased capability for managing executive manpower, and that the policies for such a system of managing executive manpower are central

Presidential concerns -- not merely parochial concerns of the Commission.

27. Any new system will require, among other things, a data base which should be built and maintained outside the Executive Office of the President. This task, and dealing with the host of constraints, restraints, and outright prohibitions set forth in personnel statutes for which the Civil Service Commission has basic and cross-cutting administrative authorities present still another consideration involving the Congress. Many provisions of law will have to be amended, and some repealed, if we are to get a rational and effective executive manpower system. The committees chiefly involved are the Post Office and the Civil Service Committees. As early as possible, the Chairman of the Civil Service Commission should be brought into the picture for consultation and advice. The Commission, partially as a result of its discussions with PACEO staff, will be ready in the near future to present to the President extensive recommendations for improvement of the existing executive manpower system.

Notifying Other Agencies

28. As the PACEO Report recommends, the President, at the appropriate time, should preside over a meeting of all of the principal policy officers affected by the reorganization. They will need an expression of his personal philosophy and his instruction on the content, form, and timing of the reorganization proposals. They should also know what he expects of the new organizations, and how he wants them to operate.
29. I shall be glad to work with all of you on preparing necessary materials for the President, or to assign Bureau personnel to this task if you so wish. Announcements to the press and the public also will require careful preparation and collaboration.
30. This is a long memorandum. But I thought each of you should have a full statement about the direction of my thinking and concerns. Attention to the considerations I recommend for discussion will enable us to respond more effectively to the President's desire for prompt action.


Robert P. Mayo