TASK FORCE ON GOVERNMENT ORGANIZATION: Supplementary Memorandum

1. Our comments have been invited on a proposed Council of Program Management.

As we understand it, this Council would be headed by a presidential assistant and be made up of the Budget director, the director of a planning office, and the director of an office of organization and personnel. Cabinet and agency heads would attend on an ad hoc basis. The purpose would be to coordinate management of federal programs.

Our reactions to this proposal are mixed. We believe that such a Council, if carefully set up, could be useful to the President. On the other hand, we seriously doubt the wisdom of there being a special presidential assistant to head it. We also question the advisability of setting up a unit in the Executive Office specifically devoted to planning or one comprehensive enough to deal with both organization and personnel.

2. <u>A Council on Program Management might be created to symbolize the</u> <u>President's concern and to concentrate attention on management problems</u>. To announce the formation of a Council on Program Management would indicate the importance that the President attaches to management of federal programs. To require detailed plans for administrative action on, say, a major new welfare program or development of a high-speed transportation link could cut down on cross-purpose action by federal agencies.

The planning itself will, of course, have to be done by the departments. No office at the presidential level could handle it. And some coordination of departmental planning will occur even if a new Council is not created. Such coordination is an essential part of the Budget director's job. Of approximately one thousand people working directly for the President, three-fifths are in the Budget Bureau. These are the people who can look at agency programs side by side, see how they impinge on one another, and appraise the relative effectiveness of various instruments for federal action. Using them, the budget director advises the President or, more often, the President's assistants about the best ways of accomplishing what the President wants done.

To have a formal Council of Program Management might, however, ensure that management problems received closer attention. It is possible, for example, that an NSC committee might concentrate on policy issues in a foreign aid program and give short shrift to questions of feasibility. If part of its meeting were technically a session of the Council on Program Management and involved some Budget Bureau personnel and perhaps some operating officials, questions of how, when, and with what effect might receive more sustained analysis.

If the President decides to establish such a Council, we would recommend the following:

a. The President should announce that he intends to create a Council of Program Management with a view to improving the effectiveness

As of 1968, the Budget Bureau had an average of 575 employees. The White House Office had 255; the Council of Economic Advisers, 51; the National Security Council, 45; the Office of Science and Technology, 67. Another 3,055 were technically on the Executive Office payroll, but 2,660 were under the Office of Economic Opportunity and the remaining 395 belonged to the National Aeronautics and Space Council, the Office of Emergency Planning, and the Office of the Special Representative for Trade Negotiations.

of all federal programs, foreign and domestic. He himself will be chairman. The Director of the Bureau of the Budget will act as secretary. The membership of the Council, like that of the Urban Affairs Council, will vary according to the particular program under consideration.

b. The President should instruct his principal assistants to arrange that any major program proposal be considered by the Council of Program Management.

c. Each presidential assistant, working with the Budget director, would have responsibility for determining who should be invited to a given meeting of that Council and what special staffwork should be done in preparation for it.

3. The President probably should not designate a special chairman for this council or appoint an assistant for program management. The reasons are as follows:

a. The President already has a number of assistants reporting directly to him. As we understand it, at least ten men will have more or less regular access to the President: Messrs. DuBridge, Ellsworth, Ehrlichman, Haldeman, Harlow, Kissinger, Klein, McCracken, Mayo, and Moynihan. Some of these ten have assignments which clearly involve considering for the President how federal programs are to be coordinated in particular policy areas, as, for example, science, national security, and urban affairs. Presumably, other assistants will be given regular or ad hoc responsibility for programs not clearly falling in one of these provinces. b. The functions of an assistant heading a Council of Program <u>Management would overlap and possibly conflict with those of other</u> <u>assistants</u>. It would be almost impossible to give a program management assistant responsibilities clearly distinguishable from those of other assistants. The questions he would ask and the questions they must ask are the same: what needs to be done? on what scale? how? by whom? with what performance criteria?

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We can visualize a presidential assistant for program management functioning in one of three ways. First, he could do what the Budget director is supposed to do. That is, he could advise presidential assistants on management aspects of programs being presented to the President. Second, he could assume a role comparable to that performed in the Defense Department by the Assistant Secretary of Defense (Systems In that capacity, he would act as a super-assistant -- a Analysis). final adviser to the President on such basic questions as whether the achievement of a domestic goal should outweigh the danger of a balance of payments deficit or whether a marginal investment in urban renewal should take precedence over a marginal investment in increased naval power. Third, he could formally become a chief of staff or a deputy President. In the first case, his duties would overlap with those of the Budget director. In the second, they would overlap with those of all other presidential assistants and also with those of cabinet officers and agency heads. Only by designating the assistant as a chief of staff could the President avoid multiplying the number of jurisdictional leve the protony to mediate but accepts cept solutions. conflicts that he himself would have to mediate.

While the President may eventually want a chief of staff, it is probably too soon for him to choose one. At some point, the President will probably want to reduce the number of assistants reporting directly to him. He may want to give one man the duties that President Eisenhower gave to Sherman Adams. Alternatively, he may simply set one assistant over some others, as Kennedy and Johnson set Sorenson and Califano over the Budget director and the chairman of the CEA. But a man given such responsibility needs several qualifications. One is the President's absolute confidence. Another is sensitive understanding of possible congressional and public reactions not only to program decisions but also to steps that might be taken in implementing (His fingertips should tell him, for example, how far the them. President can go in grouping federal field activities without arousing protest from Congressmen concerned lest federal facilities be moved out of their districts.) Though it may be presumptuous to say so, we doubt if the President will be able to judge whether an assistant possesses these qualifications until he has seen him in action for some time.

4. We see three alternatives which the President might consider.

a. The President might establish an Office of Executive Management on a par with the Bureau of the Budget. The Office of Executive Management recently set up within the Bureau could be detached and made a central facility for analysis of the administration of federal programs. It could eventually develop field offices both within the United States and abroad. Though there would be some overlap between this Office and the Bureau of the Budget, a workable jurisdictional division could probably be negotiated.

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The disadvantages are clear. The director of the Office of Executive Management would become an eleventh man reporting directly to the President on program issues. The work of his Office would, like that of the Budget Bureau, interlace with the work of a number of other assistant. Coordination within the White House staff would become doubly difficult. We do not therefore recommend in favor of this alternative.

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b. <u>The President might establish a separate Office of Executive</u> <u>Management but place both it and the Budget Bureau under a new</u> <u>presidential assistant</u>. The advantages of this arrangement over the preceding would be that the number of men acting directly for the President would not be increased. Also, the coordination problem within the White House staff would remain essentially unchanged.

The chief drawback to this alternative is that it would cheapen the position of the Budget director. At least for a period, it would also create confusion within the executive branch, where the status and powers of the Budget director are now well understood. And it might be wasteful. As it is, individuals in the Budget Bureau can analyze financial, management, and legislative aspects of programs which they follow. A new and separate Office of Executive Management would probably require some staff duplicating that of the Bureau.

c. <u>A third possibility is to follow the recommendations sketched</u> in our original Task Force report. We urged there the upgrading of the Office of Executive Management within the Budget Bureau. A second deputy directorship would be created, with that deputy heading the Office of Executive Management. The Budget director would retain his present position in relation to the President and presidential assistants. We still regard this as the simplest and most efficient the method of achieving the desired end.

We also urged creation of two separate units within the Executive Office: an Office of Special Studies and an Office of Executive Personnel. As we visualize these, neither would make significant claims on the President's time. For the most part, they would work for or with members of his staff. The Office of Special Studies would constitute, in effect, a secretariat through which presidential assistants could arrange for analytical research work. The Office of Executive Personnel would work chiefly with the Budget Bureau and the Civil Service Commission. Its head should have occasion to see the President no more than a half-dozen times a year. It would be quite feasible, however, to place both units within the Budget Bureau or to place either or both under one presidential assistant, as the Office of. Science and Technology is under the science adviser and the staff of the Council of Economic Advisers is under the chairman.

> Franklin A. Lindsay Chairman

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