

DRAFT - Prepared for the Council Meeting - October 1-2, 1970.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Executive Office of the President - an Overview

Thirty-one years ago, the Brownlow Committee recommended the establishment of the Executive Office of the President. They said the President needed help and to that end they proposed that the President be provided with immediate staff assistance and be given direct control over "the great managerial functions of the government." From this proposal emerged the Executive Office of the President.

This year you have made a significant start in reaffirming the central importance of the President's management functions to the effectiveness of government.

But there remains unfinished business with respect to the organization of the Executive Office of the President. While major steps have been accomplished in the creation of the Domestic Council and the restructuring of the Office of Management and Budget, more needs to be done (1) to clarify the basic concept of the Executive Office and (2) to remove nonessential activities that have little to do with performing the pressing work of the President.

The modernization of the Executive Office as we have conceived it is a five-step process:

- (1) Establishment of the OMB and the DC
- (2) Amendment of the Executive Pay Act to increase the number and mix of executive level positions in the OMB
(Appendix A, Table 1)

- (3) Bring on additional staff for OMB to build up its non-budgetary management activities (Appendix A, Table 2)
- (4) Delegate low level ministerial functions of OMB to other agencies
- (5) Rationalize the Executive Office by abolishing, transferring, or modifying certain EOP units and functions.

Step 1 is now completed. Recommendations for steps 2, 3 and 4 are being developed by OMB. The fifth step, and the most difficult to bring about, is the subject of this memorandum.

THE CONCEPT OF THE EXECUTIVE OFFICE

The effectiveness of the Executive Office is as much conditioned by what it includes as by what it does not include; by the charges of its components on the President's time and attention; by the clarity with which its functions are understood by all within the Executive Branch.

The problem is that through time the original concept of the Executive Office was lost sight of. Instead of being the managerial arm of the President, it evolved into a tier of super-agencies crowding in on the attention and time of the President. The existence of the Executive Office was used as an organizational strategy for outbidding the executive departments and agencies for status and power. In 1939, when the EOP was created, it had 4 agencies and 570 employees. Today as Appendix B shows, there are 15 agencies and 4,000 employees in the Executive Office. In the past ten years alone, twelve new units have been created and none have been abolished. The EOP today is oversized, overcongested, and overpopulated.

Additions to the Executive Office seem motivated by the belief that activities associated with the President directly receive greater attention and achieve greater importance. As we have pointed out in our Memorandum of August 20, 1969:

Placing a unit in the Executive Office at a level immediately under the President may well raise its effectiveness by investing it with a claim on the President's time and attention. But that positioning must be at the expense of his attention to other activities and this may result in a net loss of overall effectiveness.

Effective performance of the various activities of the Executive Office depends upon the conscious development of the unique capabilities of the President's Office.

The Executive Office is uniquely a place from and to which communications may flow linking the President, the agencies and local officials.

So long as it is carefully husbanded, location in the Executive Office clothes any activity with prestige. This unique power can be used to signal the importance of a subject and can provide protection from bureaucratic onslaughts when new activities require nurturing. But the prestige of Executive Office placement is diluted if activities or functions which no longer require separate organizational identification in the Executive Office persist there.

Because the Executive Office is the only place where all views may be heard objectively, it has the unique capacity to deal with interagency and intergovernmental matters: exchange of information, assignment of responsibility, coordination of programs and resolution

of disagreements. This capacity can be diluted severely by including within the Executive Office units which bring that objectivity into question: units which operate programs and units whose purpose it is to advocate one group of programs or the position of one constituency..

To some degree, all the dimensions of the President's task: diplomatic, political, military and managerial, need to be reflected in the shape of the Executive Office. However, in examining the present organization of the Executive Office, we have concentrated -- as the Brownlow Committee did some thirty years ago -- on that Office as the managerial staff of the President.

This staff should not include activities which will dwarf the White House itself in size, complexity, and numbers, and impede the exercise of management over the Executive Branch. Therefore, it is important to restrict Executive Office functions and units to those which regularly require the President's attention and provide close range staff support in management and policy making. As the Brownlow Committee put it, the Executive Office should perform only those functions the responsibility for which cannot be delegated by the President.

We reiterate our belief in the concept stated in our Memorandum of August 20, 1969, that the Executive Office exists to provide management tools which help the President to (1) exercise his own authority more effectively, (2) determine what should be delegated and to whom, (3) see that delegated authority is exercised properly,

and (4) reassign or take back, from time to time, the authority delegated.

We believe that if this concept is adhered to, the work of the Presidency can be made and kept more nearly manageable.

We now propose to identify those activities which the President needs in the Executive Office, and to likewise identify those which he does not need.

In order to carry out his managerial responsibilities, the President in our view needs three types of staff units in the Executive Office, i.e., those which

- (1) advise the President on policy (DC, NSC)
- (2) advise the President on both policy and operations with perspectives not otherwise available (CEA, CEQ, OST), and
- (3) carry out key management responsibilities (resource allocation, program evaluation, legislative clearance, program coordination, management and organization improvement) now assigned to OMB.

Generally, only those activities which relate to the President's performance of his management responsibilities should be placed in the Executive Office. But the President does not perform these functions alone. In each area he retains aspects of each function which are necessary to insure the effective management of the Executive Branch. For example, with respect to the development of programs, most will not originate in the Executive Office, although the President's Office must have the capacity to originate some programs and to evaluate independently the large number of program proposals which come from the agencies.

Advise the President on Policy

Almost all of the Executive Branch is in some way involved in the planning or formulating of policies and programs. The President and his Executive Office, however, have a vital role in carrying out this function because of their unique position. Within the Executive Branch it is only at the Presidential level that national priorities can be assessed in an atmosphere free from the inevitable bias of more narrowly defined individual agency missions.

While the Executive Office should not originate all programs, it must develop and disseminate the guidelines necessary for agency program planning - guidelines setting forth expected economic conditions, budgetary constraints, program priorities and the like. In any case, it is only at the Presidential level that the final tradeoffs between alternatives can be made to produce an integrated set of policies and programs.

To carry out these Presidential planning responsibilities two types of organizations have developed in the Executive Office: one oriented to the various functions of government such as national security; the other to certain key disciplines such as science.

Organizations such as the National Security Council and the Domestic Council work closely with the Executive agencies and in one form or another include agency representation. The major concern of these groups is to make sure that all appropriate policy alternatives have been carefully considered and then to weave the various program proposals into a consistent set of recommendations for the President. The scope of government programs and the differences among them is too vast to permit all Executive program planning to take place in one group. Yet the number of such bodies must be held to the minimum necessary to insure that some unit covers all of the program areas in which the federal government now and the foreseeable future will participate.

It is difficult to imagine a set of policy planning units which is collectively exhaustive which does not involve at the same time some ambiguity as to the line of demarcation between the units. Nevertheless we are accustomed to think of splits such as domestic and foreign policy and have incorporated that division in the formation of the two councils which deal with those areas, the National Security Council and the Domestic Council. But

as our Memorandum to you on Foreign Economic Policy (August 17, 1970) implied, this division does not exhaust the policy spectrum.

The charge of that Council (Domestic Council) and of the National Security Council taken together, however, leave a void with respect to the development of policy and programs for foreign economic affairs.

Consequently we recommended in that memo that to the NSC and DC, a third program and policy arm be added, the Council for International Economic Policy.

Planning organizations centered around certain key disciplines such as science and technology cut across almost all program areas. The role of these groups as we view it, is to apply their specialized skills to all appropriate programs. Thus these groups become advisers to the more program oriented activities, as well as directly counseling the President and on occasion applying their expertise to assist the agencies.

Two such agencies now exist in the Executive Office. They are the Council of Economic Advisers which brings the discipline of economics to bear on fiscal, budgetary, economic and often program issues and the Office of Science and Technology which applies the disciplines of the physical sciences to a wide variety of program issues.

The President and his principal advisers have a continuing need for the information possessed by the staffs of these agencies. This information must be passed on free of the bias which the difficulty in understanding the material might encourage agencies to introduce. Therefore it is not merely the importance of the issues on which these agencies advise that provides the rationale for their location in the Executive Office, but the fact that those issues would be made immeasurably more difficult to deal with but for the information and guidance of these advisory bodies.

Proposal of Legislation and Budgets

Legislation often affects a number of different programs spread throughout several agencies. To insure that all points of view are heard, most legislation ultimately must be analyzed at the Presidential level in terms of its overall impact.

Budgeting and seeking appropriations from Congress involve important decisions about program priorities in the context of the overall funds available. The budgeting activity is thus directly linked to the program planning activities of the Executive Office and location in

that Office fosters the necessary intimate working relationships.

Program Evaluation

Since the President's Office cannot effectively supervise the execution of programs, it must nonetheless take the final responsibility for evaluating the results achieved. Such evaluations must be an integral part of the planning and budgeting activities of the Executive Office. The effectiveness or lack of it of a given program and the key reasons for such results are vital in determining how the program or the administering agency should be modified or on what scale it should be funded in the future.

This does not mean the Executive Office must perform all program evaluations, but it has the responsibility to see that the necessary evaluations are being made by the appropriate agencies. As we said in our August 20, 1969 Memorandum:

An agency cannot fairly judge overall program effectiveness in multi-agency operations. Differences in perspective and interpretation between Presidential and agency levels requires a capacity in the Executive Office to evaluate program performance.

Resolution of Program Management Problems

While legislation most often places operating responsibility in the agencies, it has been placed on occasion, in the Executive Office. Such authority should be delegated to an operating agency as soon as it is feasible to do so. It is not difficult to imagine the problems which would afflict the performance of the President's management functions if his office became the location for program operations on any scale. The credibility of the President's Office is affected adversely when its objectivity is questioned. Day to day operating problems will preoccupy officials at the expense of longer range matters affecting the government as a whole. Finally, a welter of operating responsibilities will reduce to a cipher Presidential attention to generating the Executive Office's impact on the overall management of the Executive Branch.

The perception that the Federal government cannot resolve interagency problems jeopardizes the credibility of the entire government in the eyes of local officials and citizens. Therefore, in a limited number of cases, the Executive Office should have the capability to help

resolve major operating problems which develop in the field and which have not been settled by the agencies and local governments.

In addition, the Executive Office must relate increasingly to the mayors and governors. Active, two-way interaction between the agencies of the Executive Office and local officials can help to smooth much of the work of the Executive Branch as it relates to local jurisdictions. The President needs continuing exposure to the opinions and perspectives of governors and mayors if he is to succeed both in the effective decentralization of federal operations and in returning greater voice in operations which affect their areas to local elected officials.

Assignment of Organizational Responsibilities,
Development of Executive Personnel and Information
Systems

Attention to the overall organization and management processes by which the Executive Branch functions can only be carried out in the President's Office. Along with this function, developing executive personnel and creating information systems are functions which relate to government broadly. Developing executive personnel is largely ignored if the President's Office does not attend to it. Information systems tend to serve very limited purposes,

often of little value to agency heads and the President, in the absence of the overall management view which only the President's Office can give.

With rare exception, the Executive Office should not include units which serve advocacy roles. The exceptions concern specific issues of great importance which arise from time to time calling for Presidential attention. In such cases, it may be necessary to create units in the Executive Office which the President can direct at close range. So far as possible, however, temporary units should be utilized for these purposes in the manner once served by the Office for Emergency Management which at one time existed as a contingency arm of the Executive Office.

We also note a proclivity to create Presidential Commissions and Committees which have little accountability and less staff management, and have ended up advocating policies which Presidents do not find compatible with their program or priorities. Situating such commissions in the Executive Office, where they appear to be part of the Presidential policy machinery, creates misunderstandings which can be avoided in the future by keeping them a step removed from the President himself.

THE ORGANIZATION OF THE EXECUTIVE OFFICE

Our proposals are shown in an organization chart of the Executive Office (Appendix C-1) which is premised on the concept which we have described. The chart illustrates what we believe to be the appropriate organization of the Executive Office applicable to this Administration at this time.

A number of units presently now in the Executive Office will not be found on the chart. We propose that the functions of the absent units should be merged with organizations indicated on the chart, abolished or delegated to other agencies (Appendix C-2).

- The Office of Emergency Preparedness would be abolished and its functions reassigned.
- The Office of Economic Opportunity would be abolished and its operating programs transferred to agencies or to other units in the Executive Office. This subject will be covered at length in our memorandum to you on the organization of the Social Programs.

- The Office of the Consumer Adviser, the National Aeronautics and Space Council, the Marine Council and the Youth Opportunity Council would be abolished and some of their functions moved to units within the EOP or to other agencies.
- The Office of Intergovernmental Relations would be abolished and its functions assumed by the OMB.

In Appendix D we have listed the major entities of the Executive Office and the arguments for the proposals we ^{1/} have made.

In carrying out these recommendations, the number of units within the Executive Office would be reduced from fifteen to eight and the number of people from 4,000 to 1,500 (Appendix E).

In time, organizations will be added to the Executive Office as Congress legislates their inclusion or as you or succeeding Presidents identify the need to include new units or functions in the Office. It is not unlikely that in 30 years a Council appointed by one of your

1/ The Office of Telecommunications Policy recently established in the EOP has not been covered in this study.

successors will read Brownlow or this material and conclude for the third time that the President needs help. They will recommend another reorganization, and it will be warranted. That this is the case should not deter us from steps which will make the Presidency in your time the effective office that it can be.

APPENDIX A

OFFICE OF MANAGEMENT AND BUDGET MANNING LEVELS

TABLE I: Current and Proposed Grade and Manning Levels

| LEVEL | CURRENT (Jan 70) | PROPOSED | INCREASE |
|------------------------------------|---------------------|----------|----------|
| I | 0 | 1 | +1 |
| II | 1 | 2 | +1 |
| III | 1 | 3 | +2 |
| IV | 4 | 9 | +5 |
| V | 0 | 6 | +6 * |
| Other Professional Personnel | 319 | 440 | +121 |

*Already provided by Reorganization Plan #2 of 1970

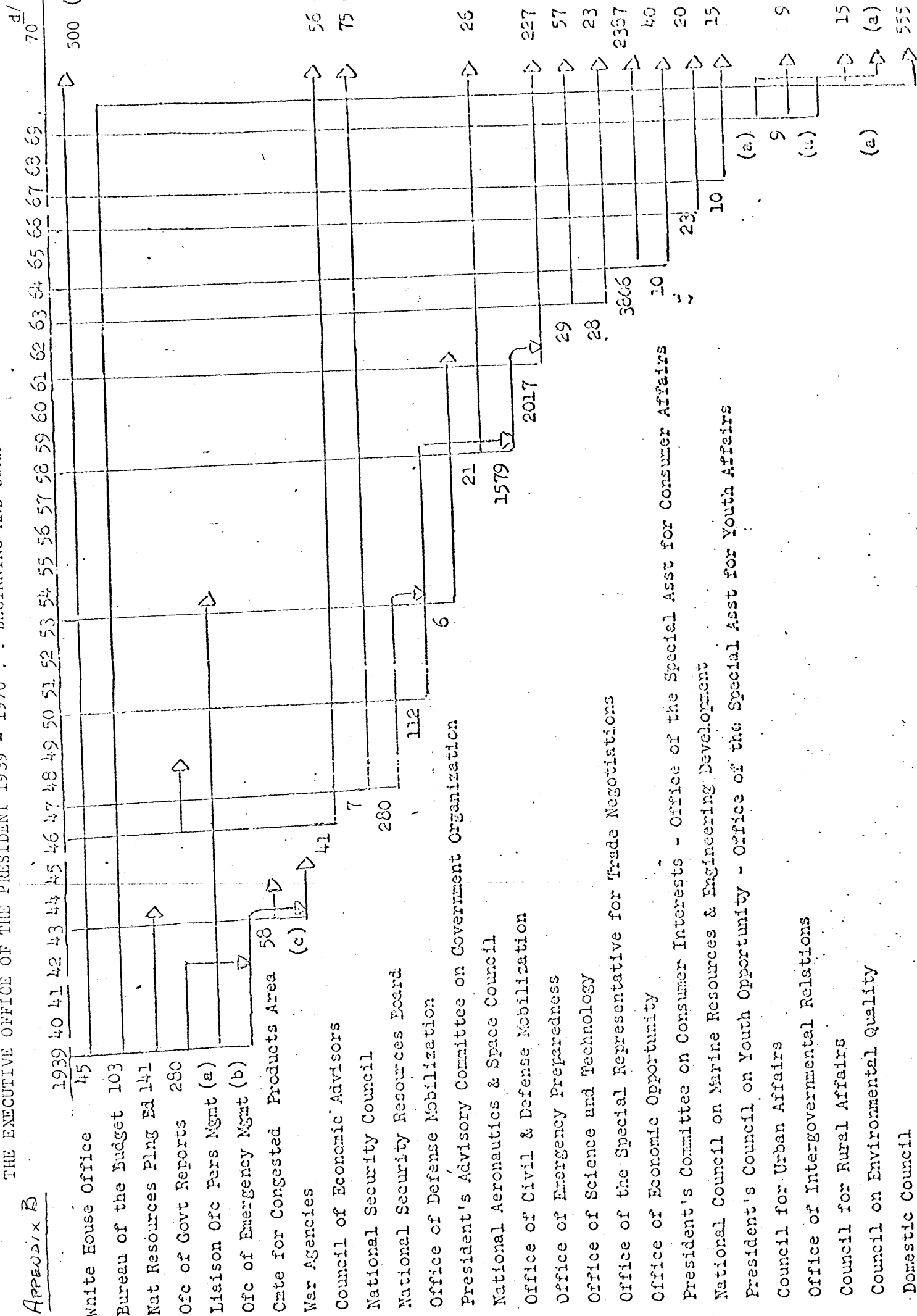
TABLE 2: Allocation of Professional Personnel within OMB
(Excluding Directors Office)

| FUNCTIONS | Allocation of Personnel | |
|------------------------|-------------------------|-------------|
| | Current (Jan 70) | Proposed * |
| Budget & Evaluation | 220 (75.7%) | 266 (62.1%) |
| Management | 76 (24.3%) | 162 (37.9%) |

NOTE TO THE COUNCIL

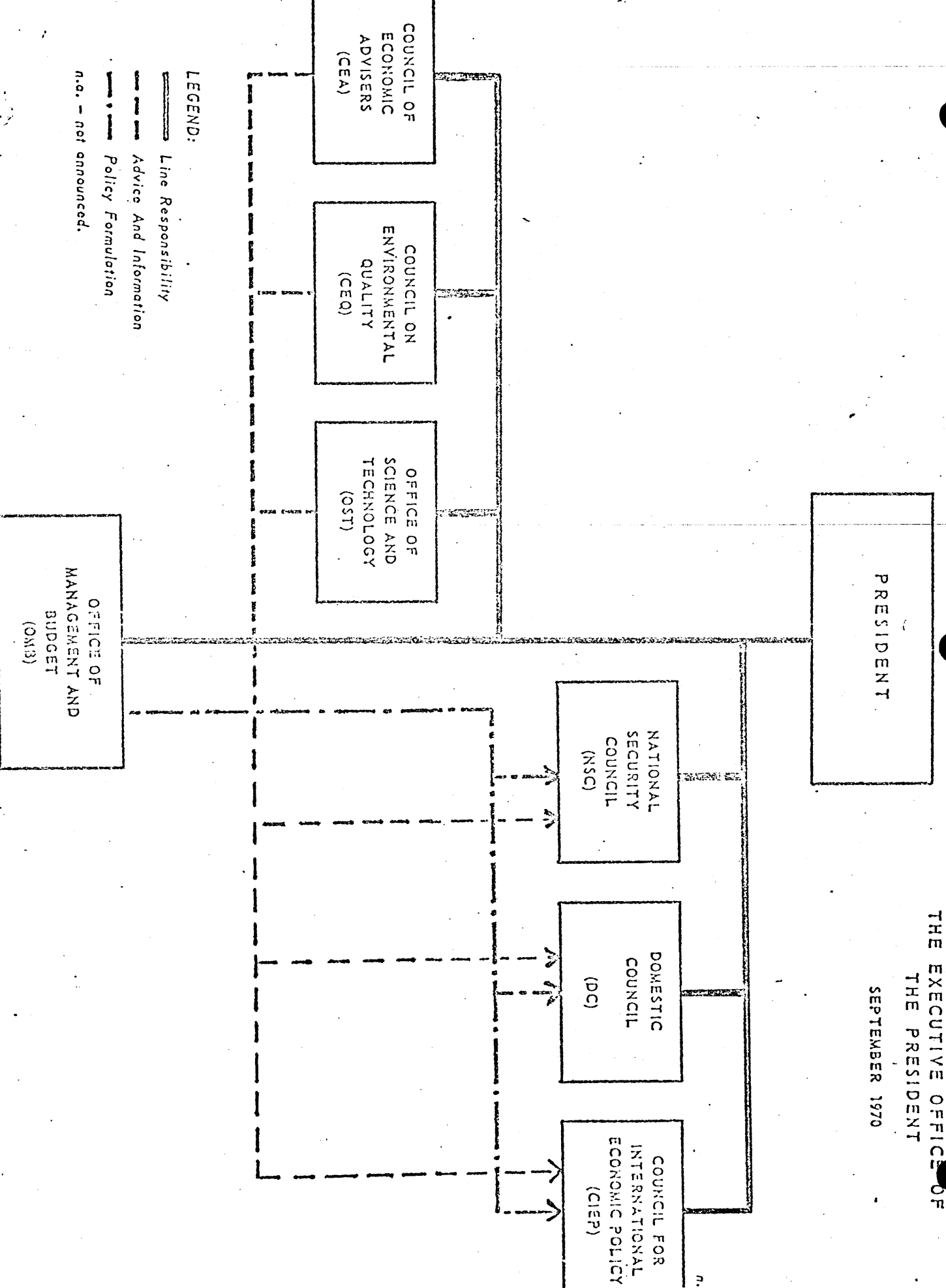
*Numbers based on discussion between Council Staff
(Rouse) and OMB (Weber)

Appendix B



THE EXECUTIVE OFFICE OF THE PRESIDENT

SEPTEMBER 1970



THE EXECUTIVE OFFICE OF THE PRESIDENT
PROPOSED CHANGES

| <u>Organization</u> | <u>Recommendation</u> | <u>Major Role</u> |
|---|---|---|
| OFFICE OF MANAGEMENT & BUDGET | | |
| Budgeting | No Change | Proposal of budgets |
| Evaluation | Addition of OEO's evaluation capability | Program evaluation |
| Organization & Management Systems | No Change | Assignment of organizational responsibilities and development of management processes |
| Program Coordination | Addition of OEP's disaster relief function and functions of the OIR | Resolution of program management problems and intergovernmental liaison and communication |
| Executive Development and Labor Relations | No Change | Executive Development |
| Statistical Policy & Management Information Systems | Addition of OEO's Information (FIX) System Addition of OEP's Computer Facility | Creation of internal and external information systems |
| Legislative Reference | No Change | Coordination of views on proposed legislation |
| OFFICE OF INTERGOVERNMENTAL RELATIONS | Transfer to OMB | Intergovernmental liaison and communication |
| COUNCIL ON ENVIRONMENTAL QUALITY | Eventual dissolution | Temporary prestige and impetus in special area of planning |

| <u>Organization</u> | <u>Recommendation</u> | <u>Major Role</u> |
|---|--|--|
| OFFICE OF THE SPECIAL ASSISTANT FOR CONSUMER AFFAIRS | Do not make statutory because of eventual dissolution | Temporary prestige and impetus in special area of planning |
| PRESIDENT'S COUNCIL ON YOUTH OPPORTUNITY | Dissolution | Temporary prestige and impetus no longer needed |
| NATIONAL AERONAUTICS & SPACE | Reduce size pending amendment to Space Act necessary for eventual dissolution | Temporary prestige and impetus no longer needed |
| NATIONAL COUNCIL ON MARINE RESOURCES & ENGINEERING DEVELOPMENT | Eventual dissolution | Temporary prestige and impetus no longer needed |
| NATIONAL SECURITY COUNCIL (NSC) | Addition of OEP's stock- pile policy functions | Program oriented planning |
| DOMESTIC COUNCIL (DC) | No Change | Program oriented planning |
| COUNCIL FOR INTERNATIONAL ECONOMIC POLICY and OFFICE OF INTERNATIONAL ECONOMIC POLICY (CIEP) | To be established | Program oriented planning and trade negotiations |
| OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS | Dissolution | Activities to be incorpora- in the CIEP Office |
| COUNCIL OF ECONOMIC ADVISORS | No Change | Discipline oriented inform- tion to assist planning and operations |
| OFFICE OF SCIENCE AND TECHNOLOGY | Transfer routine duties to NSF and consequent reduction in staff | Discipline oriented inform- tion to assist planning operations |

| <u>Organization</u> | <u>Recommendation</u> | <u>Major Role</u> |
|----------------------------------|---|---|
| OFFICE OF EMERGENCY PREPAREDNESS | | |
| Preparedness Planning | Transfer to DOD | Program oriented planning |
| Stockpile Policy | Transfer to NSC | Program oriented planning |
| Disaster Relief | Transfer to OMB | Execution with emphasis on interagency coordination |
| Mathematical Computer Laboratory | Transfer to OMB | Central Resource for Executive Office |
| Underground Facility | Transfer to GSA | Operational activity unsuited to Executive Office |
| OFFICE OF ECONOMIC OPPORTUNITY | (Covered in Memorandum to the President on Social Programs) | Program Oriented Planning (demonstration research and evaluation and operational activities unsuited to the Executive Office) |

National Council on Marine Resources and Engineering Development

This Council was created by the Marine Resources and Development Act of 1966 as a temporary body. Its purpose was to conduct a study and file a report on the oceanographic activities of the United States and to make policy recommendations for more effective utilization of the sea. The Council was to expire in March 1968 but was extended until June 1971 both because of delays in completion of their report and the belief in some quarters that its policy role could not be otherwise performed.

The Act implies that the original intent of establishing the Marine Council within the Executive Office was to lend it the prestige of that office. However, with the work of the Council completed that placement and the prestige associated with it is no longer required.

With the passage of Reorganization Plan 4 of 1970 which establishes the National Oceanographic and Atmospheric Administration within the Department of Commerce, the principal organizational recommendation of the Marine Council will have been realized. NOAA with its responsibility for integrating the nation's efforts with respect to the development of marine resources and technology should now carry on the work started by the Marine Council.

Of the functions of the Marine Council only that of advising the President on the technical aspects of marine programs as they may relate to ongoing policy and program formulation is properly

lodged in the Executive Office. This role should be assigned to the Office of Science and Technology where advice on the physical and natural sciences for the President is readily available.

We have therefore recommended that the Marine Council be abolished.

Because the Vice President heads the Marine Council he might determine the actual strategy for its eventual abolition. With the extension of the Marine Council's authority until the end of June of 1971, time is available for planning and carrying out this process.

The Marine Council is a classic example of the kind of temporary activity which should not persist as a separate entity within the Executive Office after its principal duties have been accomplished.

National Aeronautics and Space Council

This Council was established in 1958 when the nation recognized the need for increased attention to space activities. It was charged with policy planning and operational coordination of military and civilian space programs. In recent years almost all of these functions have been effectively assumed by the Office of Science and Technology, the Office of Management and Budget and the various executive agencies involved. The Department of Defense and the National Aeronautics and Space Administration have established coordinating bodies which have already taken on much of the coordinating role of the Space Council. Further, as issues arise between the civilian and military programs, these are likely to be resolved

in the context of the President's policy deliberations on the basis of the advice he receives from the Office of Science and Technology, the Domestic Council, and the National Security Council. These bodies seem to provide for each of the perspectives necessary to develop an effective space program.

As in the case of the Marine Council, the National Aeronautics and Space Council was originally placed in the Executive Office to reflect the needed prestige which the space program then needed to insure its viability and to make certain that the military and civilian aspects of the program were effectively coordinated.

With the coming to maturity of the space program, there is no longer a need to give it the special illumination which the Executive Office affords. Further, it is unnecessary considering the size of the Federal expenditures in this area to nurture that aspect of the program in any special way. Consequently, there is no further justification for the retention of the Space Council in the Executive Office of the President.

Allowed to remain as independent organizations within the Executive Office, activities such as the Space Council and the Marine Council soon take on the roles of advocates. As we have argued in our Memorandum to you, advocacy of this sort should be discouraged as an activity of the Executive Office of the President.

As in the case of the Marine Council, we believe it appropriate to leave with the Vice President responsibility for the gradual dissolution and eventual abolition of the Space Council. However, since one step in this process will involve legislation abolishing the Space Council this process should start as soon as the decision to seek the dissolution of the Council is made.

Science Advisory Activities

Science Advisory Activities is a term used to encompass four major activities: (1) the President's Advisor on Science and Technology; (2) the Office of Science and Technology (OST); (3) the President's Science Advisory Committee (PSAC); (4) the Federal Council on Science and Technology (FCST).

The President's requests for science advice, though important, are infrequent. In contrast, the White House staff and OMB often seek quick response technical analysis on specific issues, such as the Amichitca nuclear tests or the oil spills. The Science Advisor and his staff should meet both requirements. Appropriate response to the President's direct needs requires an advisor with standing in the scientific community and credibility with the public. But the infrequent demands on this role should permit the Science Advisor to devote much of his time to discerning forthcoming issues of technical content and the implications of new technologies.

The Science Advisor, his staff, and PSAC should work directly with the OMB, the Domestic Council, and the National Security Council, providing technical evaluations related to specific high level problems. The OST staff devoted to routine administrative and coordinative tasks should be reduced somewhat in size by delegating these activities to the offices of the NSF. The composition of OST staff should be adjusted to increase the number of professionals with standing in the scientific community. These individuals should be recruited from the private sector on a two year commitment. Efforts should be made to recruit professionals whose specialities

coincide with technical areas of current priority.

The Federal Council on Science and Technology should be sharply reduced. FCST meetings could be held as needs dictate. The major responsibility for information exchange should be assigned to three or four members of the OST staff who should serve as full time liaison representatives. These individuals should establish relationships with scientific project officials in the agencies. They should work between agencies to keep them apprised of related technical projects and research. These individuals can serve as a valuable information resource to the Science Advisor and the OMB. This arrangement will permit more effective and timely information exchange than is possible through formal FCST meetings.

The range of the advisory functions of OST should include both marine and space technology to take up the void left in the spectrum of technical information available in the Executive Office by the proposed abolition of both the Marine and Space Councils.

Office of the Special Assistant for Consumer Affairs

This memo has noted that placement within the Executive Office can create prestige and impetus for programs or functions so located. We have argued that these activities should be temporary. If allowed to become permanent, such groups take on the aspect of a permanent advocate within the Executive Office.

Consumer interest is a fundamental concern of almost all government activities. Thus there is no denying the importance of consumer problems and the need for attention to them in the Executive Branch. However, it is difficult if not impossible to isolate the segment of "consumerism" which should be represented by a permanent group within the Executive Office.

The Special Assistant for Consumer Affairs has provided a useful perspective for policy development. The functions of the office, however, do not contain elements which are inherent in the management responsibilities of the President, as we have defined them. The justification for the office's continued existence in the Executive Office then is the necessity of giving special prestige to this function through its organizational placement. Yet if the consumer perspective is a concern of all agencies of the government it would seem more appropriate that it be evidenced in the form of a standing committee of the Domestic Council rather than in the form of an independent advocate within the Executive Office.

There are several bills in Congress which would establish within the Executive Branch a department or an agency for consumer affairs. In addition, many of these bills propose a statutory office for consumer affairs within the Executive Office of the President. For the reasons cited above it is our opinion that the statutory office within the Executive Office should be resisted.

In our Memorandum to you of July 13, 1970, on organization of the regulatory agencies, we have recommended that part of the

functions of the current Federal Trade Commission be spun off into a Federal Trade Practices Agency. We have viewed the Federal Trade Practices Agency as a sufficient repository for new consumer legislation which may be enacted by Congress. In addition, a Federal Trade Practices Agency would provide an adequate and effective situs for concentration of consumer interest to the extent that these are not provided by other agencies of the government.

President's Council on Youth Opportunity

The Youth Council was initially assigned the broad mission of coordinating and evaluating Federal youth opportunity programs. One of its principal programs has been coordinating the summer jobs program.

There is considerable question as to the substantive value of dealing with critical social, political and economic issues along the dimension of "youth." Young people, like the middle-aged and elderly, represent a heterogeneous segment of the society, covering diverse economic and ethnic groups of differing ideological persuasions. It is therefore difficult to conceive of a youth activity which reflects in any useful way, the perspective of all the young. Like the consumer perspective, youth is a dimension common to innumerable government programs. It is hard to imagine which of the programs involving the young should be singled out for special organizational attention which does not at the same time affect a broad range of other and often conflicting interests.

The perspectives and concerns of youth may for this day and age, require special attention. The question is whether such attention can be given best in the context of an independent organization within the Executive Office or whether some special cognizance is not better provided within the framework of the mechanism already established to deal with domestic problems, the Domestic Council.

If special recognition to the perspectives of youth is desired, it might be given by establishing a small youth affairs section within the Vice President's Office. This section could audit those programs which affect the youth and provide information to the Vice President on which he may base policy recommendations. Consequently we recommend that the President's Council on Youth Opportunity be abolished and that the Council's policy level functions be absorbed by the Domestic Council working in special concert with your representative in this area, the Vice President.

The Office of Intergovernmental Relations

The functions of the Office of Intergovernmental Relations are consistent with the role of the President's Office defined in the basic memorandum. OIR's activities are especially relevant in an era when more of the Federal Government's funds will be allocated to assist state and local governments. Its mission is in harmony with the Administration's policy to decentralize more of the grant process. The interaction between Federal, State and local governments requires a coordinating mechanism. Mayors and governors frequently complain of their inability to make their views known in the Executive Office. The Office of Intergovernmental Relations can and should serve this purpose.

The Office of Intergovernmental Relations, to be effective, must be more than a conduit for the views of governors and mayors. A successful relationship with mayors and governors requires not only a listener but an organization tied to the active processes of the Executive Office. With this in mind, we propose that the functions of the Office of Intergovernmental Relations be incorporated into the framework of the Office of Management and Budget. In its program coordination function this Office already has responsibility for helping to resolve some issues that arise among the Federal agencies and between the Federal agencies and local governments. To this responsibility we believe should be added the responsibilities of the OIR.

The Office of Emergency Preparedness

OEP is an umbrella organization grouping together several different functions with no common technical or organizational rationale. We have examined each function of the OEP to determine whether its activities fit into the overall concept of the Executive Office as described in this memorandum.

The OEP carries out five functions. These are:

1. Emergency preparedness planning
2. Policy with respect to the stockpiling of strategic materials
3. Natural disaster relief
4. The operational control of emergency underground facilities
5. Operation of a mathematical computer laboratory.

Of these functions, preparedness planning and stockpile policy, involve important planning functions. While much of the planning activity related to preparedness planning and stockpile policy is delegated to other agencies, there is clearly some need for overall integration in the Executive Office. Both of these activities, however, are closely allied to the overall concerns of the National Security Council with national security affairs. There seems to be little reason for the policy component of these functions to be lodged elsewhere than in the National Security Council. We conclude that the planning activities of the OEP should remain in the Executive Office but that a separate organization for this purpose in the President's Office is unnecessary. We recommend that stockpile policy be lodged within the National Security Council. This unit should draw on the Council of Economic Advisors as necessary. We recommend that the emergency planning functions be transferred to the National Security Council, as indeed at least part of it now is.

The coordination of federal and state preparedness plans and the detailed work associated with the continual updating and publication of such plans should be delegated to the Department of Defense. In the event of a national emergency in which these plans would be effective the DOD would be the agency responsible for operations throughout the nation.

The disaster relief responsibilities of OEP are sensitive and of substantial political importance to the President. Decisions to allocate disaster funds are typically made by the White House. The major role of the Office of Emergency Preparedness is to provide leadership and central coordination particularly in the early phases of a disaster. It is necessary to bring agencies together and deliver funds and assistance to the sight of the disaster quickly.

These functions are appropriate for the Executive Office. However, there seems to be little need for these functions to be vested in a separate organization.

The activities are akin to those which the program coordination function within the OMB was to carry out. In the past, the Bureau of the Budget through its Office of Executive Management has assisted OEP in carrying out this role. We recommend that the disaster relief functions and whatever staff seems appropriate be transferred to the Office of Management and Budget.

Disaster relief coordination presently involves a considerable amount of administrative paperwork now accomplished by OEP field offices. It is recommended that the processing of disaster relief applications for minor natural disasters be delegated to one of the executive agencies with already existing field operations. Since many of these applications involve loss of homes, HUD, in our view would be the most appropriate agency to carry out this aspect of the disaster relief function.

The Office of Emergency Preparedness maintains a small crew assigned to the operation of the underground facilities which are to be used in the event of an emergency. The operation of these facilities is handled essentially by the military. We propose that these facilities be delegated entirely to the military and the GSA. It is only desirable that those functions which provide for the continuity of civilian government in the event of an emergency remain in the EOP. We believe that such continuity can be adequately provided for by procedures set up by the White House Office working

with the GSA and the Department of Defense.

The Executive Office and particularly the Office of Management and Budget have a need for expanded computer facilities under their own operational control. The National Security Council, the CEA, the Domestic Council and others within the Executive Office have now and will have increasing need of the flexibility in and capacity for providing information that an effective computer facility might provide. We therefore believe that the mathematical computer laboratories of the Office of Emergency Preparedness should be transferred to the jurisdiction of the Office of Management and Budget. The maintenance of damage assessment programs now a major justification for the OEP computer facility once written and workable, should require only a small portion of existing staff and computer time.

Office of Economic Opportunity

From its inception, the concept of OEO was to be an innovator and proving ground for domestic programs affecting the poor. It was always intended that programs once conceived and developed to a viable level of maturity would be spun off to operating agencies of the Executive Branch. These spin off actions were grounded in the belief, incorporated in the legislation, that operating activities should not reside long in the Executive Office.

In our prospective Memorandum to you on Social Programs we will recommend that the operating programs of OEO be transferred to other organizations in the Executive Branch. The functions of OEO which

would remain in the Executive Office are those of government-wide demonstration research, information system development and program evaluation. As noted in this Memorandum, these functions of OEO are aspects of the managerial functions of the President and should remain in the Executive Office.

We have considered several alternatives as to how these functions should be incorporated in the Executive Office. One was the retention of the OEO shell. The surviving organization would continue to perform these Executive Office functions as a separate organization within the Executive Office. We rejected this alternative because we believe that competing organizations should not be created in the Executive Office and that each function should be assigned as unambiguously as possible to a single agency within the Executive Office. While it may require considerable help in carrying them out, the OMB has the responsibility for information systems development and program evaluation within the Executive Office.

The second alternative we considered was the transfer of the government-wide functions of OEO to the Office of Management and Budget. This alternative is the recommendation which we will describe in some detail in our Memorandum on Social Programs. In that Memorandum, we will propose that the responsibility for demonstration research on new programs also remain in the Executive Office. However in this case we believe that only those projects should be undertaken which do not clearly fall within the scope of

an existing agency's responsibilities or which involve new techniques that should be tested and which might be resisted by existing agencies.

Council on Environmental Quality

As stated in our Memorandum to you of April 29, 1970, on Environmental Protection, "to avoid duplication and to enhance the effectiveness of the environmental effort, the functions of the CEQ and the EPA should be performed by one entity -- the EPA."

We reiterate the belief that environmental as other domestic issues should normally be resolved by the Domestic Council or the OMB. While environmental protection is undoubtedly a national issue of first importance, the establishment of the EPA, makes unnecessary a redundant voice at the table. Neither is the subject matter involved so unique as to require a separate set of advisors. In our view, the OST should continue to serve in this area of the physical and natural sciences, as the responsible unit for translating the language of the scientist into the language of the federal policy-maker.

EXECUTIVE OFFICE OF THE PRESIDENT

| <u>UNIT</u> | <u>CURRENT</u> | <u>PROPOSED</u> | <u>CHANGE</u> |
|--------------------|----------------|-----------------|---------------|
| WHO (including DC) | 500* | 500* | -0- |
| CEA | 56 | 56 | -0- |
| NSC | 75 | 75 | -0- |
| NASC | 26 | -0- | -26 |
| CIEP | -0- | 38 | +38 |
| OEP | 227 | -0- | -227 |
| OST | 57 | 57 | -0- |
| STR | 23 | -0- | -23 |
| OEO | 2387 | -0- | -2387 |
| SACA | 40 | -0- | -40 |
| MC | 20 | -0- | -20 |
| YO | 15 | -0- | -15 |
| OIR | 9 | -0- | -9 |
| CEQ | 15 | 15 | -0- |
| OMB | 555 | 736 | +181 |
| | <hr/> 4005 | <hr/> 1477 | <hr/> -2528 |

*250 budgeted in 1970 (additional 250 on detail)
 500 budgeted in 1971

In the proposed EOP structure, fifteen existing units are reduced to seven and one unit is added for a total projected number of eight units.