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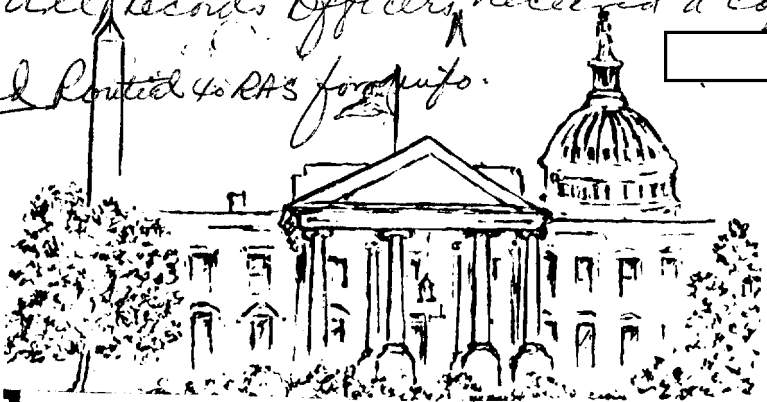
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REDUCING PAPERWORK COSTS

(Symposium of November 16-17, 1965)

"Keep Bailing" by LAWSON B. KNOTT, JR.
Administrator, General Services Administration

"The Endless Horizon" by WILLIAM D. CAREY
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SPECIAL RELEASE BY
INTERAGENCY RECORDS ADMINISTRATION CONFERENCE

REMARKS BY LAWSON B. KNOTT, JR.
ADMINISTRATOR OF GENERAL SERVICES

PAPERWORK SYMPOSIUM
9:00 A.M. , November 16, 1965
International Conference Room, State Department

We welcome you to this latest in a series of Symposiums we have been privileged to give on the subject of making office paperwork more efficient. Interest and participation from both industry and Government have been very gratifying during the series.

Much of the interest comes, I feel sure, from the massive revolution in office practices now taking place. The increasing use of automatic data processing machines within the office world, plus the enlarged need for more information to cope with our increasingly urbanized society, have started what amounts to a paperwork explosion. Change is apparent everywhere. Unless we constantly review our office methods, we are in danger of being submerged under outmoded, or hastily conceived, paperwork.

President Johnson has clearly called our attention to this danger and to the need for continual improvement and avoiding waste. He expressed himself on this subject in this way:

"Controlling waste," said the President, "is somewhat like bailing a boat: You have to keep at it."

How we keep at it, and thereby follow the President's guidance, is the basis of these Symposiums.

Opportunities for bailing paperwork waste from the Ship of State are so numerous and varied that they can not fail to excite the imagination of the person who puts his mind to it.

At least 10 per cent of the budget of most organizations is used for the paperwork needed for information gathering, maintenance, and processing. In some organizations this figure reaches to 40 per cent or more.

Totalled for all Federal organizations and operations we are speaking of perhaps \$15 billion. What better incentive do we need than this colossal cost?

I take a strong measure of satisfaction from the fact that in the last fiscal year the efforts by GSA to assist Federal agencies in their records management activities resulted in savings to the Government of more than \$17 million. This assistance ranged from professional advice on the use of form letters to the larger concerns of additional use of electronic technology to reduce the paperwork burden.

But none of us can afford to let the level of paperwork rise. We'll have to keep bailing.

Yet, while a large portion of every budget goes into paperwork activity, it is rarely so identified. The cost is always called something else, because it's part of something else. Also, it is largely taken for granted. The part time of so many executives and program people is involved, as well as full time of administrators and clerical personnel, that cost breakdowns and specifics are hard to compute. The pervasive, beneath-the-surface character of the rising flood of paperwork tends to make the top executive assume that it is somehow immutable -- a necessity that must be endured.

We are given a lot of other reasons why executives don't wade more aggressively into paperwork costs.

One, of course, is that they're frightfully busy with substantive programs, and heaven knows that is true.

Another is that they hope to remedy bad situations through the budgeting process. In other words, restrict the funds and let the lower level of supervisors maintain production by means of improvement.

Still another is the feeling that paperwork is hydra headed. Chopping off a few only to have new ones grow back, doesn't seem a highly productive exercise.

Probably most important, busy executives need a handle by which to grab a problem. Until paperwork situations are defined in a way that gives them such a handle, they feel that they lack sufficient reason to proceed.

As I look back over the last few years and see how various agencies have occasionally been able to cut paperwork costs, I find myself coming up with conclusions like these:

1. If paperwork costs are going to be reduced, a professionally trained staff, specifically dedicated to this purpose, must be in existence somewhere in the organization. This is what the Congress had in mind when it enacted the Federal Records Act of 1950.
2. Such a staff needs the right climate in which to work. Here President Johnson has repeatedly done us all a great service by making it clear he wants results. He expects heads of agencies and heads of programs to keep a good climate going to bring about cost reductions. I for one, am trying to carry out his

Last year, I am happy to say, we were able to report savings of \$7.8 million within GSA itself. We intend to continue this momentum.

3. Such a staff needs projects. It can too easily fritter away valuable time on a host of small jobs without ever taking on a major paperwork area or major paperwork problem. The small jobs are like bailing the boat with a fork. Most of the water falls back. Major cost reduction projects, I realize, require systems study, often for long periods of time. They require considerable fact-gathering and paperflow documentation. The identification of new projects and the follow-through on old ones are constant challenges.

Although I have been talking a good deal about paperwork cost reduction, I am reminded that until we know what a paperwork item, or procedure, or system costs, we don't know whether we are getting our money's worth.

If a payroll check costs 90 cents to produce, we can hardly be expected to get exercised, for that represents a fair minimum of effort. If it is costing \$1.60, it is incumbent upon us to do something, for I happen to know that there are systems which operate below the \$1 mark.

If the average letter costs \$1.15, we have reason to be pleased. Industry -- as represented by the Dartnell organization -- expects a \$2.32 figure. If it costs \$2.80, we should set wheels into motion.

We have recently learned that management information reports cost about \$300 annually per Federal employee. While this figure compares almost exactly with industry experience, I feel that it is too high. One agency is averaging \$260. Why can't we all do as well?

This kind of thing is part of what I meant a moment ago when I was talking about the executive getting a "handle" onto a paperwork problem. He needs the project defined and analyzed as to costs. Without the handle, the problem is simply lost in the, too often uncharted, seas of paperwork.

I trust you will have a productive session. You are going to hear about many kinds of projects that deal with paperwork common to all agencies.

Let us all strive to use paperwork as an efficient tool of our operations, an economic device for doing our jobs well.

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington, D. C.

Keynote Address of William D. Carey
Executive Assistant Director, Bureau of the Budget
at the
GSA Symposium on Reducing Paperwork Costs
Washington, D. C.
November 16, 1965

PAPERWORK - "THE ENDLESS HORIZON"

Everyone knows about the Texas tycoon who made his first visit to Washington, saw all the sights, and at the end rendered that immortal verdict: "Thank God we don't get all the Government we pay for."

Government does cost a lot these days. It's going to cost even more, because a growing society means that the budget must grow too. We have been successful up to now in holding the lid on the budget so that it has stayed below the critical level of \$100 billion a year, but with the developments in Vietnam and the rising costs of interest on the public debt, we are about to go above \$100 billion a year for the first time in history. And under these circumstances, the President is determined that the taxpayer is going to get what he pays for, in the sense that tax dollars are going to be spent where they will yield the highest results.

This means that future budgets will be tested on a two-fold standard: first, is this the highest and best use of the money; and second, are our standards of administration and management wasteproof?

All this implies a major upgrading of our decision-making in Government. Historically, Government has recognized the dim outlines of a problem and has groped clumsily toward a solution. We did the best that we could but often it was wide of the mark, or more costly than it should

have been, or our timing was off. Today we just can't afford that style of making decisions. The sheer size of the investments we must make in domestic or defense policies is so large that the risk of malfunction or mistake is not affordable when there are so many claims on limited resources. The era of the "quick and dirty" solution is fast disappearing. Today we have a passion for facts, for greater certainty, for measures of return on our dollars. Hunches and intuition will still play a part in decisions, but a diminishing part.

This dual test of future budgets has to be supported by a management system that will make it work. We are setting that management system in motion now, and in turn it has two dimensions. The first is a systems approach to planning, programming, and budgeting. The second is a parallel emphasis on cost reduction and management improvement. Both are necessary.

The President has given orders to initiate the planning-programming-budgeting system throughout the executive branch, and we are working at top speed to get it organized. This is much more than simply a different way of putting the figures together. It is a whole strategy of decision-making and performance measurement. And the key to it is information. This is why I feel that it is relevant to the business of this conference.

The planning-programming-budgeting system has three major elements-- all of which depend on getting the right information, in the right amount, for the right purposes, at the right time:

-- The first element is the existence in each agency of an analytic capability for making in-depth continuing analyses of the agency's objectives and its programs for meeting these objectives;

-- The second element is the existence of a multi-year planning and programming process which uses an information system to present data in

meaningful terms essential to the making of key decisions by top managers and the President;

-- The third element is the existence of a budgeting process which can take broad program decisions, translate them into refined decisions in a budgetary context, and feed the appropriate program and financial facts to the President.

The total system is intended to do a number of things, such as

- . make available to top managers more concrete and specific data relevant to broad decisions;
- . spell out more concretely the aims of Government programs;
- . analyze systematically possible alternatives, both as to objectives and programs;
- . evaluate and compare the benefits and costs of programs;
- . produce total instead of partial cost estimates;
- . show on a multi-year basis the expected costs and accomplishments of proposed programs; and
- . review objectives and conduct program analyses on a continuing year-round basis, instead of on a crowded schedule to meet budget deadlines.

I would say that while all these features are important, by far the most important is the quality of the analytic work that is done by the agencies. Here we will be focussing on the consideration and weighing of alternative objectives and programs, in terms of the probable payoffs to be obtained from various investments, and we will be using systems analysis and operations research. In other words, what is now being called the "new administrative technology" is being deliberately and consciously

worked into the vital decision-making process that--one way or another--must be improved in these times of relentless policy innovation and twelve-digit budgets.

The new system will probably confront us with some very uncomfortable choices. There is little doubt in my mind that it will raise very serious questions about the contemporary relevance of some Government programs that have come to be taken for granted, year after year. It will force us to think in terms of trade-offs between continuing existing programs, or organizations, or installations, or procedures, and meeting new needs which we can finance only by the process of substitution of resources. The fur will fly, and the going will be tough. But in a purposeful society which expects its Government to do first things first and get full value for the dollars it spends, this is what the future holds. And I think it will be better Government.

Now, as a corollary to all of this, the President has also made it clear that he expects every agency head to set in motion a formal cost reduction effort based on concrete targets for savings and specific plans for meeting them. This is the President's War on Waste, and he wages it every day. He has instructed us, incidentally, to show him what each agency's cost reduction plans are before we ask him to approve the agency's budget for next year. If your agency has not submitted a program that meets the President's expectations, there is likely to be a very lively telephone conversation originating from the oval office in the White House. The President doesn't want rhetoric. He wants to know exactly what each agency is doing to reorganize, to close out activities that are nice to have but are not vital, to introduce efficient information-processing

equipment, to improve the utilization of manpower, to use excess and surplus Government property, to share high-priced ADP equipment, to join other agencies in common services, to eliminate marginal reports and publications, to use sampling methods for getting necessary information. And surprisingly, cost reduction works. Over a year and a half, it produced savings of \$5 billion in Defense alone, and over \$1 billion in the nondefense agencies. I can promise you that we are going to hear more rather than less about it over the coming year.

When we talk about reducing paperwork costs, we often are trying to put the toothpaste back into the tube. What about cost-avoidance? We cause most of our own grief. When we organize our public business badly, we not only invite duplication and overlapping and administrative friction, but we make it necessary to pile up paperwork as a desperate attempt to compensate for organizational mistakes. A few weeks ago, for instance, we found that four major departments of the Federal Government were getting into the business of making grants and loans for water and sewer systems throughout the country. This could have resulted in appalling confusion. And so we formed a task force to work out jurisdictions and cutoffs, and we provided for a system of interchanging information on the grants and loans. Now we think the program will work. But how many of these situations slip past unnoticed until the harm is done? I simply want to stress the point that cost-avoidance begins at the stages of legislative planning, budgeting, and management analysis. Paperwork is not created in a vacuum; it is a result of decisions that are made every day by people whose minds are on other things. They are the program managers, the people in the line, the coordinating bodies, the oversight committees, the investigating groups, and the research-minded. And so I say that if we are going to make

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progress in avoiding root causes of unnecessary paperwork, there will have to be a lot more educating done at the points where major decisions are made in Government--both in the executive and legislative branches.

I suppose nobody knows what the cost of paperwork in the Government is; and perhaps that's just as well. It would take a lot of paperwork to find out. But we do have some idea what it is costing to modernize that part of our information handling that is computerized. Our annual public investment in ADP runs at about \$3 billion and even this may not tell the whole story. The very existence of this new technology invites its proliferation. Now there is little doubt that the Government has saved a great deal of money, and improved its productivity, by converting conventional information-handling over to automated systems. Our Supply Systems, and our Insurance Operations are cases in point. We have accomplished a great deal to improve productivity in most of the places where we have large concentrations of clerks. In addition we are accomplishing tasks now that literally could not have been done without computers--as in space, and medical research. And there are exceedingly interesting new opportunities to extend the art in sectors of Government operations that are going to bog down in a few years unless something drastic is done--for example, the independent regulatory agencies, where backlogs are a way of life and economic decisions have profound consequences for a growing and healthy economy. But having said all this, we still have to reckon with the fact that we can make costly mistakes in taking the long leap to computers. We must do a great deal more if this \$3 billion a year is to be spent responsibly: and this will mean a stronger drive for machine compatibility, for equipment sharing, and for

language standardization. ✓ Whether we keep our information on tapes or on paper doesn't matter; it is all paperwork as I define it.

✓ There is one avenue for reducing paperwork costs that does not require expert technical knowledge of the computer. That avenue is the common sense evaluation of the reports that the computer produces.

A common complaint is that we produce too much information and not enough of the right kind. Right here in the State Department building valiant efforts are being made to help the harassed men who must read huge quantities of reports for fear of missing something crucial, but who still complain that they don't get enough of the right kind of information.

Here again we have created our own problems. We have invented all these wonderful ways to produce information, even including the direct connection of the computer to the printer's press, and those of us in a position to push the buttons succumb to the temptation to produce all the information possible rather than just what is needed. It's the human factor.

And the human factor keeps turning up wherever we touch paperwork. If I may get a little personal, I have achieved a status in my old age that entitles me to write letters back to the people who write in to the President. Each morning I can depend upon it that the big red jacket will be on my desk, full of letters that need only my signature. I usually have a choice: I can cover up the body of a letter and sign it as fast as I can write my name, or I can read what I am being asked to sign. I always contemplate that choice before I open the folder, but after I play this little game I inevitably wind up reading the prose that has been prepared for export.

Now, I come from a literate organization, all things considered, and yet I find that I am obliged to make repairs to a fair number of what we picturesquely call "final drafts" because they just aren't the kind of thing I wish to stake my immortality upon. (I imagine homes all over America with framed copies of letters from Mr. Carey of the Executive Office, each a fine blend of the best prose of the Charles and the Pedernales Rivers; and it is an apocalyptic vision.) So I sit at my desk repairing these letters like my grandmother used to darn socks. And I keep asking myself whatever became of the gift of clear, concise, and responsive expression. To carry this confession a step further, my own prose is generally improved upon by my Director, and I have the notion that if the President himself had the time to do it he would rewrite half of the correspondence issued by the White House.

As a matter of fact, the President once taught English as a schoolmaster, and when he came to the White House and started to read staff drafts of state documents and messages--including the Budget Message and the Economic Report--he lost no time in distributing D's and F's. We found that the President wanted economy not only in the field of costs, but in the world of words, and it was a shock. Out went the Ciceronian periods and the graceful cadences of the 19th Century, and in their place came the short sentences, tight paragraphs, indentations, key words, and underscoring that fitted the new President's style. Now and then somebody still tries to launch a balloon filled with wind past the President, but his vigilance is excellent and most of them hit the ground before achieving enough altitude to get safely past the West Wing.

I have a lot of sympathy for the decree issued by the present Budget Director to his staff before he had been on the job long enough to learn the direction of the lunch room. He issued a declaration to the effect that the next person to send him a paper using such passive voice expressions as "it is believed" and "it is therefore concluded" would be shot on sight. A small gesture, perhaps, but expressive of a deep agony of literary frustration.

After all, words are delicate agents of ideas. It was Holbrook Jackson, reflecting on the astonishing virility of the English language, who decided that its vigor resulted from its propensity to live dangerously. "It is the most adventurous of all languages," he said, "coming from anywhere and going everywhere, while paying so little homage to rules that it seems to risk destruction by indiscriminate breeding and uncontrolled immigration." And in this age of specialized management, technology, and what I call "consultantship," we are in more danger than ever of burying understanding under an avalanche of self-important jargons and dialects. But the greater sin is to be intentionally vague, pompous, or ambiguous.

There is an oft-told tale of the occasion when the Gettysburg Address was submitted for clearance to an interdepartmental committee. Every agency had a number of helpful suggestions. It is alleged that the State Department "objected to the phrase 'our forefathers brought forth upon this continent' on the grounds that while technically correct the phrase was so loosely worded as to leave the impression that we thought the entire continent belonged to us, a position in conflict with our current hemispheric policy. State therefore suggested as a substitute the phrase 'our forefathers brought forth in that area bounded on the north

by 49 degrees North Latitude, on the south by 30 degrees North Latitude, on the west by the Pacific Ocean, and on the east by the Atlantic.' Defense suggested that in place of 'we are now engaged in a great civil war' the statement say 'we have now entered on a period of civil uncertainty involving fairly full mobilization.'

In a way, I am suggesting that we will make more inroads on the paperwork problem if we worry less about how dignified we sound and concentrate more on telling people what they need to know. Malcolm Muggeridge has remarked that most of our errors are committed because of too much solemnity, rather than too much mirth. We surely cannot laugh at the cold war, or at the hot one in Vietnam, or at poverty, or at our stricken cities; indeed, we have been looking the other way for too long. But it is no answer to these gigantic challenges to react by over-administering our business, by substituting reports and statistics for decisions, by piling one layer of control and supervision over others, or by indiscriminately milking Xerox machines under the delusion that this is instant efficiency.

The operation of our Government necessarily is dependent upon a web of paperwork systems, and those systems are expensive. You have a big responsibility. A symposium such as this to help you improve the quality of paperwork and to reduce its cost is worthwhile.

Cost reduction--and cost avoidance--in paperwork management as in most other worthwhile affairs is tough, unspectacular, and generally unpopular work. Everybody **thinks** the other fellow does too much paperwork, while his own is essential. For too many of us, it is the crutch that we lean on. Take the crutch away gently, so we won't fall flat on our faces, but by all means take it.