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H O L D   F O R   R E L E A S E

Commission on Organization  
of the Executive Branch  
of the Government  
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This material, based on the first section of the Commission's report to Congress ("General Management of the Executive Branch") is given to you in confidence. PLEASE HOLD FOR RELEASE UNTIL PRESENTED TO EITHER BRANCH OF CONGRESS, probably about 12 Noon, Monday, February 7. Kindly guard against premature use or publication in the press or on the radio.

Broad consolidation and realignment of government agencies with far-reaching internal reforms were proposed today by the Commission on Organization of the Executive Branch of the Government in its first official report to Congress.

Today's report, on "General Management of the Executive Branch," is the first section in a series of 15 which will go to Congress between now and March 13. The reports culminate a vast research project begun when Congress created the 12-man, bi-partisan Commission in July, 1947. Since then research "task forces" have amassed many volumes of data which the Commission studied in preparing its reports.

Salient among the Commission's recommendations is one calling for consolidation "into about one-third" the present number of 65 departments, administrations, boards and commissions reporting directly to the President.  
(Page 36)

"It is manifestly impossible for the President to give adequate supervision to so many agencies," the report declares. "By placing related functions check-by-jowl, the overlaps can be eliminated and, of even greater importance, coordinated policies can be developed." (Page 34)

Warning that "the critical state of world affairs" requires that the government "act decisively to preserve its human and material resources," the report declares:

"If disorder in the administrative machinery makes the executive branch of the government work at cross-purposes within itself, the nation as a whole must suffer. It must suffer -- if its several programs conflict with each other and executive authority becomes confused -- from waste in the expenditure of public funds and from the lack of national unity that results from useless friction." (Page 2)

The Commission reiterates its support of the proposed Reorganization Act of 1949, reprinting in the report a letter which it addressed to Congress on January 13 urging passage of the Act. (Page VII) Both the letter and today's report were unanimously signed by the Commission.

Other principal findings of the report include:

Line of Command: "The line of command and supervision from the President down through his department heads to every employee, and the line of responsibility from each employee of the executive branch up to the President has been weakened, or actually broken, in many places and in many ways... Statutory powers often have been vested in subordinate officers in such a way as to deny authority to the President or a department head. For example, the statute governing the sale of helium to a foreign nation gave the Secretary of the Interior the authority to control such sales regardless of the opinion of the President... On some occasions the responsibility of an official to his superior is obscured by laws which require him, before acting, to clear his proposals with others. This breaks the line of responsibility and encourages indecision, lack of initiative, and irresponsibility." (Pages 3 and 4)

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Recommendation: "Establish a clear line of control from the President to these departments and agency heads and from them to their subordinates with correlative responsibility from these officials to the President, cutting through the barriers which have, in many cases, made bureaus and agencies partially independent of the President." (Pages 7 and 8)

Administrators: "The federal government has not taken aggressive steps to build a corps of administrators of the highest level of ability with an interest in the program of the government as a whole." (Page 5)

Recommendation: "Develop a much greater number of capable administrators in the public service, and prepare them for promotion to any bureau or department in the government where their services will be most effectively used." (Page 8) (This foreshadows a portion of the Commission's report on Federal Personnel Administration, to be released at a latter date.)

Staff Services: "The President and the heads of departments lack the tools to frame programs and policies and to supervise their execution. No executive, public or private, can manage a large and complex establishment without staff assistance. Staff agencies must keep the President informed on the way in which the various departmental programs are related to each other, assist in defining specific programs pursuant to the instructions of the Congress, and help him supervise the execution of these programs. Staff agencies do this by helping the President control the common requirements of all government programs -- funds spent, legislation requested, personnel required, the relation of each program to others and to the national interest." (Page 5)

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Recommendation: "Give the President and each department head strong staff services which should exist only to make executive work more effective and which the President or department head should be free to organize at his discretion." (Page 8)

The Executive Staff: In detail the report reviews the President's immediate staff (aside from the heads of departments and agencies). (Page 13)

This consists of:

- a. The White House Office.
- b. The Bureau of the Budget.
- c. The Council of Economic Advisers.
- d. The National Security Council.
- e. The National Security Resources Board.

Additions recommended: The Commission recommends the following additions to, and changes in, the Executive Office:

1. An Office of Personnel, headed by a Director of Personnel who should also be chairman of the Civil Service Commission. (Page 14-25)
2. A staff secretary in the White House Office. (Page 23)
3. Further expansion in the work of the Bureau of the Budget. (Page 25)
4. Replacement of the Council of Economic Advisers by an Office of the Economic Adviser with a single head. (Page 17)
5. Placement formally, as well as in practice, of the National Security Council and the National Security Resources Board with their respective staffs in the Executive Office of the President. (Page 21)

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6. Provision of adequate funds to enable the President to use advisory commissions and to employ consultants or personal advisers "of eminence and prestige" from time to time. (Page 22)

Director of Personnel: Among the chief duties of the Director of Personnel (also Chairman of the Civil Service Commission) will be that of "principal staff adviser to the President in connection with problems related to the career or merit civilian service of the Federal government."

"The director should advise the President on ways and means of identifying exceptional talent within the Federal Civil Service in professional, scientific, and executive positions and of making sure that this talent is being utilized in the most effective possible manner...He will be in a position to advise the President as to the steps which need to be taken to put the government where it will be looked upon as one of the most progressive employers in the nation." (Pages 23-25)

Staff Secretary: The proposed new staff secretary to the President fills a lack which the report describes as follows: "At present there is no one place in the President's Office to which the President can look for a current summary of the principal issues with which he may have to deal in the near future; nor is a current summary available on problems that have been assigned to his advisers, his staff agencies, or the heads of departments and agencies." The new secretary would not in himself be an adviser on any issue of policy and should, the Commission believes, be a career public servant. One of his principal duties will be that of keeping the President informed of the work of Cabinet committees, interdepartmental committees, and public advisory committees. (Page 22)

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Office of the Budget: Stressing the "vital role" of the Office of the Budget, the Commission observes that "its functions go beyond strictly budgetary matters."

"It is the President's main reliance as an instrumentality for the improvement of management and the attainment of economy and efficiency throughout the executive branch," the report says. "Our purpose is not only to perfect the work of the Office of the Budget in budgetary operations as such, but to strengthen it as the managerial arm of the President." (Pages 25-26)

Council of Economic Advisers: The Commission says:

"The Council is a relatively new agency. It has properly proceeded with considerable caution in developing its role. No one can judge its strength or weakness with confidence at this early stage of its existence. But it seems clear that, at least potentially, it is handicapped by being a multiheaded body, with the requirement that its members be confirmed by the Senate.

"To put a full-time board at the head of a staff agency is to run the risk of inviting public disagreement among its members and of transplanting within the President's Office the disagreements on policy issues that grow up in the executive departments or in the Congress. It also makes cooperation with related staff agencies more difficult.

"The Commission recommends that the Council of Economic Advisers be replaced by an Office of the Economic Adviser and that it have a single head." (Page 17)

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National Security Council and National Security Resources Board: In recommending that the National Security Council and the National Security Resources Board be formally placed in the Office of the President, the Commission termed these the "two most conspicuous Cabinet level committees" and observed that both are "located in the same building with the agencies of the President's Office and to all intents and purposes are part of that Office." The report observed in passing that "the National Security Council is unduly weighted in its statutory membership on the side of the military departments." (Page 20)

Budgeting: "The budgetary processes of the government need improvement in order to express the objectives of the government in terms of the work to be done rather than in mere classifications of expenditures."  
(Page 6)

Accounting: "The accounting needs in the executive branch require standardization and simplification and accounting activities require decentralization if they are to become effective tools of management and if great expense and waste are to be eliminated," (Page 6)

Central Services: "Central administrative services for various operating agencies -- such as purchasing of supplies, maintenance of records, and the operation of public buildings -- are poorly organized or coordinated." (Page 7)

The above three findings were not accompanied by recommendations in this report. They will be treated in greater detail, with recommendations, in subsequent reports. Both these reports, one on "Budgeting and Accounting," and the other on "The Office of General Services," will appear at an early date.

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Federal Field Services: "The business of the Federal Government is primarily transacted by field offices. Nearly 90 percent of all Federal employees work outside of Washington. There must be some official in the Government responsible for constant study and simplification and coordination of departmental work in the field. (Page 42)

"The findings of our task forces indicate the direction for reorganization and improvement. Among these findings, there are listed the following deficiencies.

"a. Too many separately organized, highly specialized field offices representing individual departments, their bureaus, and even different units of one bureau.

"b. The ineffectiveness of field offices in dealing with operating problems because headquarters fail to delegate authority.

"c. Confused lines of direction and supervision between specialized headquarters units and the field.

"d. Inadequate systems of reporting and inspection which prevent administrative officials from knowing how effectively and efficiently their field organization is performing.

"e. Lack of coordination of effort among the various Federal field offices, both within the same agency and between different agencies.

"f. Failure to make the most of potential cooperation from State and local governments and private organizations,

"This Commission is not in a position to make individual recommendations regarding the several hundred different field services of Federal departments and agencies. The proper distribution, supervision, and



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coordination of these field offices is essentially a problem for the President and the head of each department, with the cooperation of the Congress."

Recommendations: "(1) Administrative regions and regional headquarters should be remapped on a comparable geographic basis. (2) Greater utilization should be made of pooled centralized administrative services. (3) Reporting and inspection practices should be strengthened. (4) Field relationships with State and local officials should be standardized. (5) The responsibility now vested in the Public Buildings Administration for providing certain types of space necessary to meet the field requirements of Federal agencies should be expanded. (6) Manuals of instructions now in use should be revised and simplified and their self-defeating degree of detail eliminated."

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