

THE FEDERAL ADMINISTRATIVE SYSTEM

1 September 1948

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DR. REICHLEY: Gentlemen, this morning we have Dr. Benjamin H. Williams, of the faculty of the Industrial College, who will speak to us on "The Federal Administrative System." Dr. Williams.

DR. WILLIAMS: General Holman, Dr. Reichley, and gentlemen:

Reasons for the Increasing Importance of Administration.

One of the most striking changes that have occurred in the form and functions of the American Government in the present century has been the rapid growth during the last 15 years of governmental administrative activities. In this period we have entered into a new world of administrative empires, alphabetic agencies, organizational charts, high and low levels or echelons, coordinators, and expeditors--all explained in strange terms of technical official rhetoric, sometimes referred to by unsympathetic persons as "gobbledygook." The extent to which administration has increased as a governmental function is shown by the chart (indicating). The figures from which the curve is drawn represent the number of Federal executive employees per 10,000 of the population over the period since 1821. They give a rough representation of the increase in the volume and importance of administrative work.

The reasons for this growth are not peculiar to the National Government. They are seen in many other aspects of life and are a part of the civilizational process by which society has become more complicated and interdependent. Take the problem of meat, for example. Once the frontiersman shot turkeys or deer in the forest or raised livestock for slaughter on his own farm. This was a matter for the individual and he did not require a government agent to help him. No vast numbers of people intervened between the man and the meat. Today the problem of meat on your table and mine goes back to the bases of national agriculture, the chemistry of the soil, conservation, grain culture, commerce in grain, animal husbandry, meat packing, and the system of meat distribution. There are other matters which affect meat production and distribution all along the line, such as sanitary standards, financial conditions, transportation, and the handling of labor problems at every stage.

We have passed from an economy in which the individual was largely self-sufficient to one in which society has become a complicated mechanism. Cities have grown in size, and increasingly large proportions of people have become city dwellers. National governments in all advanced countries have felt impelled to take a more active part in regulating and controlling the processes of production and distribution.

In the earlier decades of the nineteenth century the national administration did not grow in importance to the individual. In fact, it actually showed a slight decline from 1831 until after the Civil War. This was the period in which wagon trains were moving to the West, land was being cleared, and excesses of population were being distributed in thinly populated areas. Government supervision was not regarded as necessary nor desirable among these frontier people. Then in the 1870's the curve begins to ascend slowly. For this increase we can ascribe such reasons as the growth in post office employees because of the increase in mail in a more interdependent society and the rise in the revenue collecting staffs of the Treasury.

Then other agencies were added to the Federal Government. We discussed agriculture and its early individualistic character as illustrated by the meat problem. In the 1830's there was a very small agricultural operation being conducted in the Patent Office, the distribution of seeds and cuttings sent in from consular officers abroad. In 1839 the first agricultural appropriation of \$1,000 was made to aid the Patent Office in collecting and distributing seeds, in making agricultural investigations, and for agricultural statistical work. In 1862, during a period of change in the American Government, the Department of Agriculture was created. Today the Department is a large and vigorous organization with some 96,000 employees. It deals with a wide variety of subjects, including agricultural research, farm credit, forestry, rural electrification, marketing, and soil conservation--every one of them a considerable operation in itself.

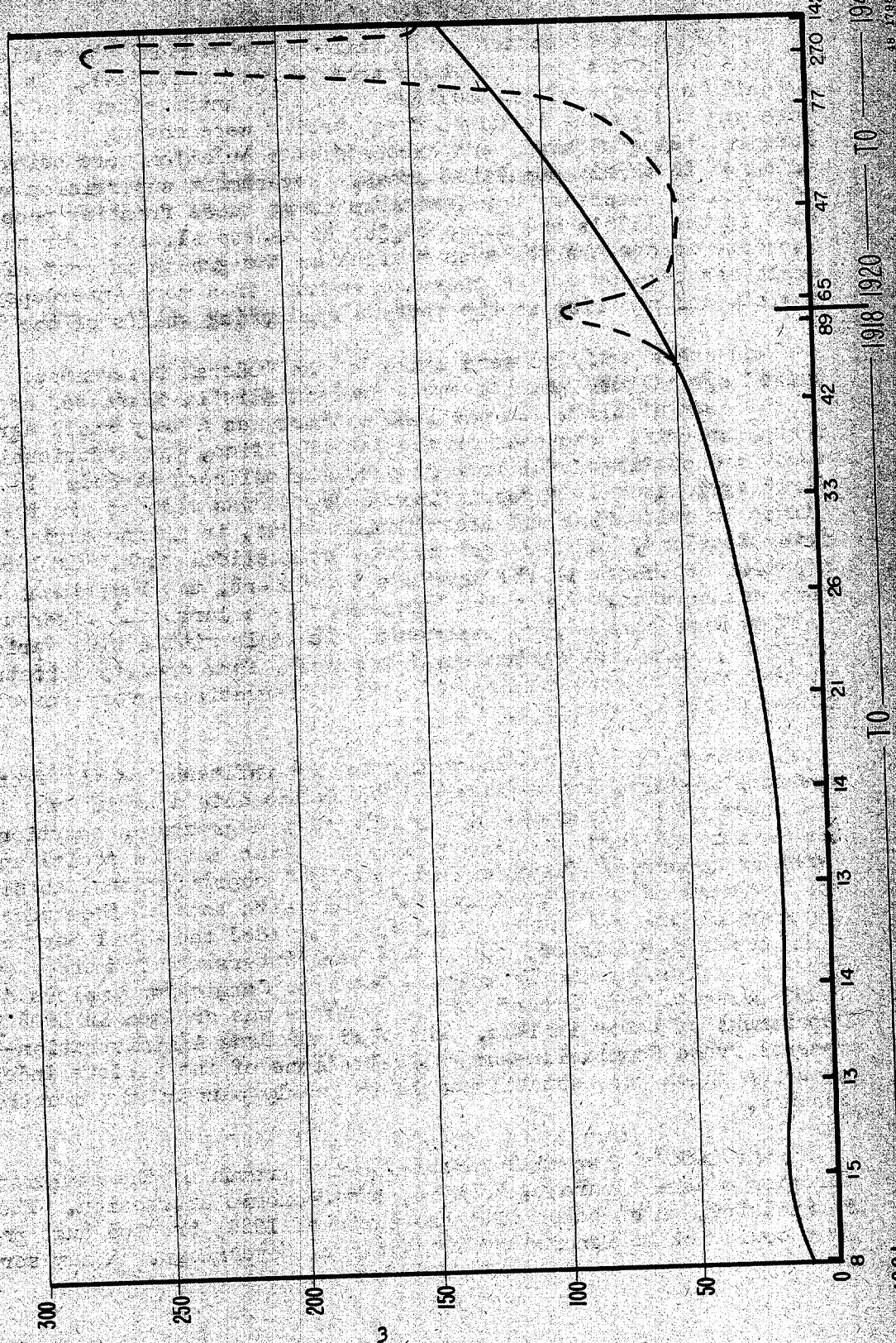
Professor Turner, the historian of the influence of the frontier in American history, has mentioned 1890 as the date at which the frontier had practically disappeared. By that time a greater proportion of the population had begun to pile up in the cities and new social and economic problems appeared. Congress had no direct constitutional authority for solving many of these problems and dealt with some of them under the commerce clause and the taxing power. In 1883 the Civil Service Commission was established, and in 1887 the Interstate Commerce Commission was set up. Today the Interstate Commerce Commission employs about 2,250 persons. The Department of Commerce was created in 1903 and the Department of Labor in 1913. The Food and Drug Administration--and the Federal Trade Commission--are illustrations of the various independent agencies which were established in the early part of the twentieth century.

In the 1930's a special reason for the growth of the administrative function became apparent, that is, the economic depression. The slump in industry, which began with the panic of 1929, created huge problems that could not be ignored by the National Government. A new series of

EXECUTIVE EMPLOYEES OF FEDERAL GOVERNMENT

1821—1948

(FIGURES SHOW NUMBER OF EMPLOYEES PER 10,000 POPULATION)



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agencies, designed to cope with business stagnation and unemployment, came into being. The Reconstruction Finance Corporation and the Works Progress Administration are examples of such agencies.

Finally with the coming of World War II, the Federal administration grew far beyond its previous limits. Modern war, sometimes referred to as total war, brings into action a large part of the national resources. Since the waging of such a war requires governmental direction of the national economy, the administrative branch expands rapidly. New agencies are brought into being and old ones increase in size. A recruitment system for civilian employees, directed from Washington, attracted to the capital city many thousands of men and women from all parts of the Nation, with a resulting housing congestion, long lines at cafeterias and theaters, and overcrowding of street cars and buses. These were the most visible evidences of the increase in governmental administrative functions. The chart shows how the number of Federal employees leaped upward during the war years. Following the war the Federal administrative structure declined in size, but it is still far above the level of 1940. Today more than half of the civilian employees of the Executive Branch of the National Government are in the National Military Establishment and the Veterans Administration.

The Legal Basis of the Federal Administrative Power.

The growth of the Federal administrative function has taken place for the most part in accordance with well-defined legal authorizations. The bases for administrative acts have been the Constitution, the statutes of Congress passed under the Constitution, and, in a few cases, an ill-defined source of executive authority, sometimes referred to as the residual power of the President.

The words of the Constitution itself in many cases give to the Executive Branch the authority to take administrative action. The Constitution bestows the executive power specifically on the President in the words: "The executive power shall be vested in a President of the United States of America." The Constitution gives the President the responsibility of seeing that the laws be faithfully executed. It designates him as Commander in Chief of the Army and Navy. And it gives him a considerable power of appointment.

The specific authorization for administrative action, however, comes in the vast majority of cases from the statutes of Congress, setting forth certain principles of law, creating administrative powers, and vesting their execution in the President. As an illustration let me cite the First and Second War Powers Acts of 18 December 1941 and 27 March 1942, together with their amendments. Many powers were given to the President by this legislation, among them the powers to allocate materials and to make such distribution of functions among Federal agencies as he might

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deem necessary. Under these large powers, the President gained a great control over the industry of the country and the authority to set up a network of Federal agencies for purposes of economic mobilization. The powers of the War Production Board to control the production of the Nation were based largely on the Second War Powers Act.

Suppose, however, the need for administrative action should arise during wartime on a question which involves the safety of the Nation and that no constitutional provision or statute gives the President power to perform the necessary act. Must the President wait until the authority has been granted or can he proceed now and seek to find the authorization afterward? If the need is urgent, the President will probably go ahead. Constitutional commentators find here a twilight zone, and some of them have called it an area of "residual" powers of the President. General Greenbaum, in an address here last year, told of a case arising in June 1941 while this country was at peace. There was a strike in the North American Aviation Company plant at Inglewood, California, a plant which represented about 20 percent of the aircraft production of that time. The processes of settling labor disputes broke down. There was no statute authorizing the President to take over the plant. It was decided by the President and his advisers, however, that he should assume control as Commander in Chief of the Army and Navy. And so the troops moved in, cleared out several thousand pickets, and took possession of the plant. Appeals were made to the patriotism of the workers and the next day most of them returned to work.

There are certain difficulties with the theory that the President has such power as Commander in Chief. It is hardly to be supposed that the constitutional framers intended that the authority to command troops was to give the President the legal competence to take over the civilian economy in times of peace. But whatever the correct theory may be, the President has on various occasions exercised extraordinary powers of this kind. It is better if there is a statute granting the authority. It is better that the President and Congress should be operating in harmony. And so in 1943 Congress passed the Smith-Connally Act giving the President the power to take over war plants in case operations were halted or threatened by labor disputes.

Types of Administrative Action.

There are many ways to classify administrative activities. The subject is vast and varied. I should like, however, to employ a classification like that for the Government as a whole which places all activities under executive, legislative, and judicial classes. Perhaps it is more proper to state the divisions as strictly administrative, quasi-legislative, and quasi-judicial.

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The strictly administrative functions of the Federal administrative system comprise a wide variety of managerial and operational activities, including the following: planning and organization of administrative action; creation of administrative structure; delegation of authority from higher to lower officials; issuance of instructions to subordinates by orders, directives, and oral suggestions; inspection and measurement of work of subordinates; investigations of the effects of laws or of conditions requiring additional laws; detection of the violation of laws and the preparation of evidence against violators; operation of government-owned facilities; research and development; educational work within the Government or educational contacts with the public; selection, promotion, management, and retirement of employees; purchase of real estate and equipment; and the construction and maintenance of buildings and other public works.

The quasi-legislative function is one of administrative rule-making. As society has become more complicated and legislative problems more intricate and changeable, it has been found to be impossible for Congress to enact all the rules, regulations, and amendments necessary to cope with the multitude of situations that are continually arising. The regulations of interstate carriers, pure food and drug rules and standards, restrictions necessary for public health, the control of communications, or, in wartime, the allocation and conservation of materials--those are so complex and require such a continuous stream of regulations that a legislative body could not possibly give full consideration to them. Accordingly Congress provides in many statutes that the President or some administrative agency shall have power to make rules in line with the general principles set down in the statutes. During the war a great volume of regulations was issued by those agencies which had control of economic mobilization. A previous speaker has stated that from January 1941 to 31 May 1944 the Office of Production Management and the War Production Board issued 5,353 orders, regulations, and amendments.¹

Let me give an illustration of the processes of the rule-making power as taken from a matter of current interest, that is, the prize-giving programs on the radio. From a recent paper I read that a Texas bride won \$19,000 in prizes for correctly identifying the "mystery melody" on a radio quiz show. The radio station in New York gave this lady a telephone call during the show and she was fortunate enough to identify the tune "Sun Donee" used on the program. For this she received a

¹ Fowler, Henry H., Legislative Aspects of Economic Mobilization, ICAF lecture, 13 Jun 1947, p. 10.

sizable chunk of the national resources, that is, prizes valued at \$19,000, which, I presume, amounted to more than the author and composer have received in royalties since the song was written 47 years ago. Another type of program announces certain unusual facts. After reciting some of these facts the station then selects a name at random from a telephone book and calls the number. If there is a response, the party is asked a question, the answer to which consisted of some of the unusual facts presented in the program. "What was the budget of Liberia in 1944?" or "How many children did Anthony and Cleopatra have?" If the question is correctly answered an award in money is made to the party. If the party cannot answer, he or she is told "I'm sorry. If you had been listening to the program you would have known the answer." It is, of course, possible for a person to answer the question without having heard the program, so the advertising company stated. But when the manager of a station using such a program was asked 57 of the questions used on the program he could not answer a single one.

It is not for me to express an opinion on the merits or demerits of these programs. I merely wish to point out that the Federal Communications Commission believes that they violate the law which it is obligated to administer. The Communications Act of 1934 provides that no radio station "shall knowingly permit the broadcasting of any advertisement of or information concerning any lottery, gift, enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance." The Commission in determining the application of the law has the authority to institute an inquiry, which it did in the case of a station using the second type of program mentioned. After the legal question was argued before the Commission, that body was of the opinion that the program violated the statute. Meanwhile this particular program had been discontinued by the station. The Commission also has the authority, under the Administrative Procedure Act of 1946 to issue a declaratory order or ruling to terminate a controversy or remove uncertainty.

The Federal Communications Commission, in conformance to the statute on administrative procedure, has, therefore, given notice of a proposed rule that it will hereafter consider that a program is in violation of Section 316 if, as a condition of winning the prize, the winner is required to be listening to the program in question. The proposed rule is really much broader than this and takes in various other types of prize-giving programs. In accordance with the procedure laid down in the Administrative Procedure Act, the proposed rule has been published in the Federal Register, and interested parties have the privilege of filing statements or briefs with the Commission on or before 10 September.

Other examples of rule making by the administrative branch are the establishment of food standards by the Food and Drug Administration and the lowering of tariffs by the President under the Reciprocal Trade

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Agreements Act. Of particular interest to us are the numerous rules and regulations issued by administrative bodies during the recent war to determine the nature of the national industrial output. In 1941, the automobile manufacturers of this country had turned out 3,700,000 passenger cars. After Pearl Harbor it appeared that the production of passenger cars was a luxury that should not be continued in face of the crisis and an order was issued (20 January 1942) that their manufacture should cease. The War Production Board could enforce its order through its power to control materials, a power delegated to it by the President who had received it in the Second War Powers Act. The effect of this order was far-reaching. It put out of business for the duration of the war one of our largest industries. It was a tremendous aid to other war industries. Automobile plants all over the country and hundreds of thousands of skilled laborers were diverted to the making of airplanes, tanks, and other implements of war. The result in the scarcity of passenger cars can be seen to this day. Another order of 8 October 1942 stopped the distillation of grain for beverage purposes. This made possible the conversion of distilleries to the production of alcohol for smokeless powder, synthetic rubber, medical supplies, chemicals, and other necessary war materials.

The growth of administrative regulations, it would appear, will have a considerable influence on lawyers in this country. In past years the attorney has been trained in common and statutory law and equity. The legal profession must now turn its attention to no small extent to Federal administrative regulations. I was speaking with a Washington attorney the other day, and it was his judgment that most of the practice in the District of Columbia is concerned with administrative regulations. There is an increasing market in this field for lawyers. We have them in government making rules and regulations, and outside of government they are engaged in advising their clients what the rules and regulations mean.

There are in the Library of the College 57 volumes of the Code of Federal Regulations of the United States. Sixteen volumes in the regular code carry it up to 1938. Since that time 41 supplementary volumes of similar size have been published. The volumes printed since 1938, that is, are two and a half times as numerous as those issued up to that date. In the matter of government by administrative regulation we have a steeply climbing curve which is roughly similar to many of the other indices of a civilization that is yearly growing more complicated and more potent. I mean the curve of such phenomena as that of the speed of travel, the production of minerals, the output of factories, the power of explosives, the figures of attendance at colleges, and, we might add, the capacity of governments for economic mobilization.

The quasi-judicial activities of the administration are concerned with a vast multitude of decisions which affect the rights of individual citizens. These are somewhat in the nature of judicial decisions applying the law to a specific set of facts. They may involve the granting or withholding of valuable rights and privileges, the taking or restoration of control over property, the determination of the amount of taxes due the Government, or in some other way applying the law to the benefit or detriment of the individual. Illustrations of such cases are found in granting or denying a social security benefit, determining whether a postal-fraud order shall or shall not be issued, granting or refusing applications for establishment of a broadcasting station or the renewal of a license, granting or denying a governmental loan, issuing or refusing export licenses, and, particularly in wartime, making an allocation of stock or other material to a manufacturer.

The laws governing immigration into the United States are administered by the Immigration and Naturalization Service of the Department of Justice. An individual seeks to enter the United States and there is some doubt of his right to do so under the statute. For example it might be a man of Chinese descent claiming to be of American birth and seeking to enter the Port of San Francisco. He may lack citizenship papers or there may be some other flaw in his evidence. The question of fact as to his place of birth must be decided by the immigration authorities in determining whether he shall or shall not be admitted. Another case involving citizenship could arise in the administration of the Office of the Alien Property Custodian. A man of Japanese descent born in this country and living continuously in New York during the recent war owns a share in a Chinese corporation under Japanese control that was vested, that is, taken over, by the Alien Property Custodian. He makes claim for restitution of his share of stock. The Office of the Alien Property Custodian, in passing on this claim, must determine the facts about the claimant's citizenship, residence, and ownership of the stock. It must also make a determination as to whether the return of the property is in the interest of the United States.

Most of the decisions of administrative tribunals are as a practical matter final. Appeals from administrative decisions lie to the courts on questions of law, and also questions concerning the sufficiency of facts may be raised. But it is not likely that courts will review any large percentage of these decisions on questions of fact. They would be clogged with cases and the operation of the Government would be seriously retarded. The aim of an efficient administrator in this age of fast-moving governmental events must be to settle questions speedily and justly.

Problems of Federal Administrative Structure.

There are a number of types of problems which are never solved, but keep recurring under different forms, in an administrative system during a period of change. Two of these classes of problems are that of decentralization and that of administrative reorganization.

When a Federal administrative agency begins coping with a problem, the tendency is toward centralization of authority in the agency in Washington. Since the head of a department or other agency is responsible for the activities of his field agents, he is apt to keep them rather firmly under control. Centralized administration also means uniformity in the application of the law. The disadvantage is that the central headquarters becomes overburdened with details. The processing of an item requires references to subordinates who must report back on the question. One administrative study showed that under a decentralized system in which there was much delegation of authority for settlement to field agencies, it required 5 administrative steps to complete the issuance of a grant-in-aid for relief while under a centralized system it required 12 such steps.¹⁷ And so under centralized administration Washington becomes a bottleneck, where papers are held up and people wait for hours to see administrators. A system of delegation of authority to act to field offices, where possible, brings about greater speed.

There are some subjects in which decentralization is more practical than in others. A subject in which the principles are well worked out and there are available personnel well-trained in their application is more subject to decentralization than one which is rapidly being developed from scratch. Thus the administration of the Federal legal system is well-adapted to a large amount of decentralization. And in other fields, as the administration becomes more mature, decentralization becomes possible.

There is, of course, a second reason for decentralization since the development of aerial bombing and particularly since the advent of the atomic bomb, that is, the danger of having too large a part of the administrative decisions made in one place. During the war the economy of the United States was directed and controlled in a large measure from Washington. Washington was the nerve center for economic operations throughout the United States and the world. Vast streams of paper work came and went and thousands of long-distance telephone conversations were carried on daily from this city. One or two atomic bombs would play havoc with this centralized system. It has been suggested that not only should the headquarters of some of these agencies be moved from the city but that also for those that remain there should be much delegation of function to field offices.

The problem of administrative reorganization is one of trying to make order out of chaos in a rapidly growing administrative jungle. It has been related that a poor fellow was found wandering on the streets of Washington. He had forgotten his address and did not even know to what Federal agency he belonged. Checking through the Congressional Directory I find that in 1948, including the agencies in the Executive Office of the President, there were some 70 offices, commissions, and agencies in addition to the 9 major departments of the Federal administration. The administrative house has been built by tacking on additional rooms everytime new agencies have been created. From time to time reorganization occurs and some of

¹⁷ Glaser, Comstock, Administrative Procedure, American Council on Public Affairs, Washington, 1941, pp. 58-59.

these agencies are brought into the main departments or are consolidated with other independent agencies. Such a system gives rise to waste and duplication. The task of continuous readjustment to bring the various agencies into logical relation with one another, to prevent duplication, and to reduce the number directly responsible to the President is a never ending one. The agency which is permanently responsible for improvements in the administrative structure is the Division of Administrative Management of the Bureau of the Budget. There are some 50 professional specialists on administration in this division, representing possibly the best concentration of talent in the field of administration. Their function is to give advice to agencies and to the President on problems of organization, administrative procedure, and management.

In addition, Congress from time to time creates a special commission to recommend regarding administrative reorganization. The commission meets, employs specialists, confers with those particularly informed on Federal administration and then comes out with a report which may or may not be given due consideration by Congress. By act of Congress of 7 July 1947 the Commission on the Organization of the Executive Branch of the Government, popularly known as the Hoover Commission, was created. The policy of Congress, as stated in the act, was to improve the administration by lowering expenditures to the lowest amount consistent with efficiency, eliminating duplication, consolidating similar services, abolishing unnecessary offices, and defining and limiting executive functions, services, and activities. A large staff, housed in a building on K Street between 16th and 17th, is at present working on the report which is to be presented to Congress next January.

In planning for economic mobilization it has become the function of the National Security Resources Board to advise the President with regard to the administrative machinery to be set up in a future emergency.

In the Industrial College the administrative problems of economic mobilization are considered toward the end of the course under the guidance of the Mobilization Branch. I wish here only to mention one problem of a very general character, or perhaps it should be called a group of problems, that is, to what extent in war should peacetime agencies be used and to what extent should new agencies be created. We know that during the war some permanent agencies were depended upon heavily in economic mobilization. I have in mind particularly the Army, Navy, Treasury, and the Department of Agriculture. All other departments and many peacetime independent agencies likewise participated to some extent. The functions which they performed were similar to those which they performed in times of peace. In other cases new agencies were set up, such as the War Production Board, the Office of Defense Transportation, the Office of War Information, and the Office of Price Administration. If one were to look for a general principle to be followed in such cases it would be about as follows: That the permanent agency should be used wherever the

wartime functions were sufficiently similar to those performed in peace as to make it possible without radical change in character to perform them in war. But when wartime functions arise which are different in character or tempo from the normal activities of existing agencies, it becomes advisable to set up entirely new agencies.

Summary

In summary, the Federal administrative system has developed greatly since the early part of the nineteenth century and has grown with great rapidity during the last two decades. This expansion has been related to the evolution of civilization and the developing complexity of society itself. Federal administrative power is based on the Constitution and the statutes. In extreme emergencies action has been taken without specific constitutional or statutory basis, the authority arising from what has been called the residual powers of the President. In cases of need, however, Congress has usually been quick to enact the necessary legislation. As the powers of administration have grown they have fallen into three classes, the strictly administrative, the quasi-legislative or rule making and the quasi-judicial. Administrative regulations are affecting the life of the country to an increasing extent, and are coming to constitute an important system of law. There are two types of administrative problems which have come to live with us permanently--first, the decentralization of authority and, secondly, the continual reorganization of administrative structure and the shaping of it into a more logical system.

The lecture to be given by Dr. Hunter tomorrow will mention some of the problems of administration raised in previous wars up to 1918.

DR. REICHLEY: Are there any questions?

QUESTION: Do you feel that the sharp upswing, that you have shown there, in the past 10 to 15 years is entirely the result of the requirements of our economic system, or is it largely a result of change of Government philosophy?

DR. WILLIAMS: Well, I think probably your question infers that much of it is artificial, made to fit a philosophy. I don't think so. Pre-conceived theory may have some influence, of course, but the main factor is the changing situation.

I don't think that government could have increased that much simply due to alteration in the philosophy of some of the leaders. Much more important is the change of conditions, the growth in complexity of society, the acuteness of the depression in the 1930's and the coming of "total" war.

QUESTION: What is the reason for the large number of independent agencies that have arisen? Why could it not have been possible for the FCC to have been merely a division of the Department of Commerce? Why also could not the Department of Agriculture apply itself to crops or the restriction of wheatlands; and why should there be all these separate agencies, such as the TVA, and so on? It seems that all of these agencies add up to the total number of people to be supported in carrying out the work of the agency.

DR. WILLIAMS: What you are raising is the question of continual administrative reorganization.

Very frequently it has been the practice to create an independent agency when there was a function to be performed and then, later on, bring it into one of the older agencies.

At the present time the Hoover Commission is working on problems of that sort. It was created by an act of Congress to try to bring logic into the Federal administrative system and to eliminate duplication. Mr. Hoover, by the way, is an old student of this problem and has been the author of a number of projects for administrative reorganization. The Commission makes its report, I believe, next January. I would not want to say whether the Federal Communications Commission should be brought into the Department of Commerce at this time or not. But undoubtedly there will be something on that when the report of the Commission comes out next January.

DR. REICHLEY: There certainly is a great danger in the expansion of the administrative system. I can give you a pretty good example of that. During World War I the U. S. Spruce Production Corporation was established to obtain lumber for the building of airplanes. That was World War I. In reviewing last year's budget, someone found an item, "U. S. Spruce Production Corporation." It seems that it represented the salary of one man and that of a chauffeur, plus the maintenance of an automobile. Such expenditures have been carried in the U. S. Budget since 1918, supporting the Spruce Corporation.

DR. WILLIAMS: I would just like to say something further here. With a rapid expansion, like that in government administration, you would expect, naturally, to find all kinds of illogical situations and great opportunity for reorganization and consolidation.

QUESTION: Does the establishment of an agency as a separate body give it more authority or ability than if it is placed under one of the regular departments?

DR. WILLIAMS: The Federal Communications Commission is an independent agency somewhat similar to the Interstate Commerce Commission, and is quasi-legislative and quasi-judicial in character. There is a school of thought that such agencies ought to be kept independent. In fact they are, to a certain extent, more independent than are the departments. Their policies cannot be so well controlled by the President through the threat of removing the top personnel.

QUESTION: Dr. Williams, you gave us a curve for the United States. Do you have any comparative figures for some of the other countries?

DR. WILLIAMS: You mean as to whether or not our administrative staff is as large, in proportion to population, as the administrative staffs of foreign countries?

QUESTION: Yes, sir.

DR. WILLIAMS: Well, I can't say. I think it is comparable. I can say this: Way back here (indicating in the 1840's) we were far below the other countries.

I was glancing over De Tocqueville's work on American Government awhile back and found he had hardly mentioned Federal administration. When he commented on administration, he was referring to county and local administration. His idea was, apparently, that we had practically no Federal administration at all.

I cannot give you any figures of comparison now. Take France, for example--France has a centralized government. She has a large, centralized administrative staff.

I have shown on the chart only one part of the American administrative system. You have also the state and local systems. But all of them put together may not equal the proportion in European countries. Maybe someone here knows the answer. (No response)

COLONEL CLABAUGH: You might address that to one of the quiz programs.

QUESTION: Does that curve of Federal employees include those who are engaged in productive activities such as now conducted by TVA, which activities were previously considered as coming within the province of private enterprise?

DR. WILLIAMS: Yes. They are all included.

QUESTION: Dr. Williams, on your chart, is that last figure 192, as the line shows, or 142?

DR. WILLIAMS: It is 142.

QUESTIONER: Then there has been almost 50 percent drop in employment since the peak of the war. Your curve shows only a decline to about 190.

DR. WILLIAMS: (Examines the chart) That is what the figures show. There has been a drop of almost 50 percent since the peak of the war. (The curve in the chart questioned by the student proved to have been incorrectly drawn, dropping only to 192 when it should have declined to 142.)

QUESTION: I notice from your chart that you show a general reduction in employees in the period 1920 to 1930. I wonder if you have any reason for that other than that it was during a Republican Administration. (Laughter)

DR. WILLIAMS: That is not the full reason, although if philosophy plays much of a part, the tendency would have been to reduce the staff. But the country was moving along on a wave of prosperity at that time. There wasn't so much of a tendency to resort to the Government in order to keep things going, and I think that had something to do with the decline in the number of employees. It was a period of prosperity and there was less need for government intervention.

QUESTION: Would you mind explaining what you mean by the use of the word "executive," in "executive employees of the Federal Government"? Do you mean those on a yearly or hourly basis? Are they both included?

DR. WILLIAMS: Yes, I believe all types are included.

QUESTIONER: What do you mean by the use of the word "executive"?

DR. WILLIAMS: That means Executive Branch as distinguished from the Legislative or the Judicial Branch of the Government.

DR. REICHLEY: Are there any more questions? (No response) Thank you very much, Doctor Williams.

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