

RECENT DEVELOPMENTS AND PROBLEMS IN FEDERAL ORGANIZATION AND MANAGEMENT

6 September 1950

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DR. WILLIAMS: For a good many years before coming to Washington I was teaching in colleges and universities here and there. You may have heard of the college professor who dreamed he was delivering a profound lecture to a group of students, only to find when he woke up that it was just what he was doing. I went through some of those experiences.

But one of the compensations in college teaching is the very fine people you meet on college faculties. (You have to give the profession a pat on the back.) One of the best I ran into was Dr. Graves. Back in the University of Pennsylvania where we were teaching American Government, Dr. Graves was known as a very fine gentleman, showing courtesy and tact on all occasions.

He is not only a gentleman but also a scholar, which is attested to by the fact that he has written a number of very learned books on state government, public opinion, public administration, and similar topics.

Dr. Graves taught at the University of Pennsylvania and was head of the Department of Political Science at Temple University. He was also an instructor at Bryn Mawr College. In those places he was teaching college students.

At that time he was going up in the world. He came to Washington to instruct Members of Congress in the field of public administration. He has been Senior Specialist, American Government and Public Administration, in the Library of Congress, and has recently been staff director for the House Subcommittee on Executive and Legislative Reorganization.

I was tempted to say, but do not know whether I should, that he is still going up in the world because today he has come to instruct us in the field of public administration. His address will be on recent developments and problems in public administration. Dr. Graves.

DR. GRAVES: Dr. Williams, gentlemen: It is a real pleasure for me to come here to the Industrial College and be welcomed by my very old friend, Ben Williams, a colleague when I was fresh out of college and starting in as an instructor at the University of Pennsylvania; also to follow here, as I do, another very good friend and at present a colleague of mine, Dr. Hugh Elsbree.

I have been asked to talk with you this morning on "Recent Developments and Problems in Federal Organization and Management." I take it,

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from the letter I received and from my discussions with Colonel Barnes, that he would like to have me give you a little background for this problem of Executive organization, including the several attempts at reorganization; to point out some of the more significant problems that confront us in this field; and then, with reference to the Hoover Commission--the popular name for the Commission on the Organization of the Executive Branch of the Government--to say something about what we have succeeded in doing in the last two years, and what some of the major problems are that confront us for the next two or three years.

Growth of the Federal Administrative Structure.

So far as the organization of the Federal Government is concerned, I think it is well to point out at the very beginning that nobody ever planned it. We started out with a small number of departments. The Government was set up, as you know, under the Constitution in 1789. During a 100-year period, eight Cabinet departments were established: the original four in 1789--State, Treasury, War, and Justice; the Navy, 1798; Post Office, 1829; Interior, 1849; and Agriculture, 1889--exactly 100 years after the establishment of the new Government. The organization was simplicity itself. There were no special agencies of any sort under various designations of the type that now so perplex and confuse us.

At that time, at exactly the end of the first century under the Constitution, we began to expand a little. We set up the Interstate Commerce Commission in 1887, which indicated something of the type of development that was to continue later on at a very accelerated pace. In 1903 we set up the Department of Commerce and Labor, and in 1913 split that into two separate departments.

So, we had 10 departments in the President's Cabinet. There have been many suggestions for increasing that number, but at the present time the number is nine. As you know, the original War and Navy Departments were abolished and the Department of Defense was established in 1949 to replace them. We now have nine executive departments.

The growth of the independent establishments began with the Wilson regime in 1913, continued during that regime, and was interrupted for a few years until the Roosevelt regime began. There are many of these commissions, but it is usually agreed there are 10 of major importance. I will run through the names hurriedly, beginning with the Interstate Commerce Commission in 1887, and the Federal Reserve Board in 1913; the Federal Trade Commission, 1914; the U. S. Tariff Commission, 1916; the Federal Power Commission, 1920; then the break; the Federal Communications Commission and the Securities and Exchange Commission, 1934; National Labor Relations Board, 1935; the Civil Aeronautics Board, 1940; and the Federal Maritime Board, 1950, replacing the old U. S. Maritime Commission which was set up in 1936. There, then, are the 10 major regulatory commissions.

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Then you have three independent establishments that I will mention specifically. These are the agencies or administrations not designated as departments but for all practical purposes functioning pretty much as departments. One might say that they are agencies operating in a sub-Cabinet status. In 1939 the Federal Security Agency was established by Reorganization Plan I of 1939, the first of this group; in 1947 the Housing and Home Finance Agency, established by Reorganization Plan III; and in 1949 the General Services Administration, established by the Federal Property and Administrative Services Act, which we usually call the Holifield Act of 1949.

This is the briefest sort of thumb-nail sketch of what has happened: A hundred years of simplicity so far as governmental organization is concerned; the beginnings of rapid growth before World War I, interrupted by the war; a period extending from World War I to the advent of the depression in the Roosevelt regime during which expansion was largely suspended; a period of very rapid growth and expansion through the Roosevelt and Truman Administrations.

The two war periods, of course, saw some very great expansions in the Federal service, to a large extent temporary, and involving emergency functions. While a good many of those functions were abolished, remnants of them remained and some of them continued on a more or less permanent peacetime basis. The result has been a steady and constant growth in the number and scope of government services and, correspondingly, in the number of agencies called upon to administer them.

I have mentioned here only a few of the more important functions by types, but only a few. The number of agencies reporting to the President is variously calculated at somewhere between 65 and 75. We have not only the departments and the independent regulatory boards and commissions, but we also have administrations, agencies, offices, services, authorities, and corporations in an almost bewildering variety.

The whole thing comes to resemble, as I think the President's Committee on Administrative Management in 1937 pointed out, old-fashioned farm property. It starts out at first very simply. They put up a small two-story house and a barn. As time goes on, the size of the family increases and they put additions to the house. Their farming operations increase, so they build another barn. They build a pig pen, a hen house, a milk house, a silo, a tool shed, a woodshed, and a half-dozen other things, so that the plan which was simple and clear to begin with becomes a very confused and jumbled mass of construction of one sort or another.

Well, that is the process that the Federal Government has gone through. As I say, nobody ever planned it. We just went on adding agencies and functions, sometimes consolidating functions, sometimes liquidating an agency or some portion of an agency, or transferring the function to some

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existing department or agency. But we got ourselves into a very confused state from the point of view of administrative organization.

History of Executive Reorganization.

Having covered this bit of background information, let us turn now to the problem of Executive organization and reorganization. The development of this confusion has long been apparent. As early as 1852, or perhaps even before that, there were indications of dissatisfaction with the existing situation. In the Congressional Record in 1852, a Member of Congress directed attention to the sorry state of public service and called for an investigation looking toward improved organization and procedure in administration. Nothing came of it; but at least there were rumblings of discontent for at least a period of 100 years. We went through a long period of civil war and reconstruction during which, of course, nothing much was done in this area. However, in the latter part of the nineteenth century, we started to carry on investigations at periodic intervals regarding the organization and functioning of the Executive Branch of the Government.

In a compilation which I put together three years ago for the use of the Hoover Commission, I set up a table in the appendix on investigating commissions on the subject of "Federal Administrative Reorganization." There were 10 major ones, from 1887 down to and including the Hoover Commission. I am not going to burden you with details of them. Some of them were set up by action of the President. Some of them were authorized by the Congress in joint resolutions and occasionally by resolution of one House. There were two or three cases in which these investigations were carried on by private organizations like the Brookings Institution in 1923, or the National Budget Committee of New York City in 1921.

All one can say about these various investigations is that they show a growing feeling of dissatisfaction with the organizational structure of the Federal Government and with its management, techniques, and procedures. They indicate a realization that something was wrong, that something needed to be done. But we didn't get anywhere--nothing happened. Numerous reports were prepared and published. They were duly filed, put on shelves in the libraries for students in public administration to read. But nothing much happened. I think there were two or three reasons for that, which I can point out to you rather briefly.

For one thing, down to the President's Committee of 1937, these commissions concerned themselves with the details and minutia of administration, with one exception. The Cleveland Commission in the Taft era did give some extensive consideration to the problem of Federal budgeting. But even in the report of members of that commission--I remember going through some of it when I was putting together the collection of "Basic Information"--I found they spent their time counting the number of

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electric-light bulbs in the Federal Building in Chicago. They had that all printed and reported in great detail. They counted the number of cuspidors in the corridors of a Federal building somewhere else. They reported details of organization down to the smallest operating unit; page after page of nothing but listings of data that were, I would say, of no earthly good to anybody. Working papers--yes, but why print that kind of material? Well, the reports themselves were one of the reasons why nothing was done.

The later commissions, that is, beginning at least in 1937 with the President's Committee on Administrative Management (and to a certain extent with the Cleveland Commission), devoted themselves to a study of basic concepts of organization and management, and to the application of those concepts in the Federal Government.

Another weakness of the early efforts in the direction of reorganization was the fact that they were conducted on a sporadic basis. We have only recently begun to realize that with an organization as vast and as complicated as is the Federal Government, you cannot keep it in good condition from a structural point of view by the use of what one of my friends calls a "one shot" system. You cannot have one of these reorganization commissions with a lot of publicity and commotion, set the thing in order, then go and forget about it for 20 years. It just won't work. In a setup like this, we have to remember that if we are going to keep an organization in any sort of shape, we have to devote continuous attention to it. We have to realize the fact that the maintenance of good organization is a continuous responsibility of top management.

Another cause of difficulty in the earlier stages of this movement was that we relied almost exclusively on legislation. We depended on Congress to put the Executive house in order and to keep it in order. Theoretically, this is not a proper job for the Legislative Branch of the Government. The problems are too complicated. Members of Congress have neither the time nor, I suspect, the disposition to acquaint themselves with the enormous amount of detailed information that is necessary in order to frame and develop proper legislation in this field.

More than that, in the case of most Federal agencies that are well established, you will find they have some history behind them. The pressure-group interests are, in many cases, very powerful. It becomes exceedingly difficult to get Congress to do anything regarding those agencies, however desirable it might be from the point of view of management and organization. The pressure groups that support them do not want any change in the existing arrangements. You will see an illustration of that before we get through.

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The Hoover Commission.

I suppose all of you are familiar with the Hoover Commission in a general way. It represents the most extensive, the most far-reaching, attempt that has ever been made to survey the machinery of the Federal Government and to develop some sort of plan for bringing order out of chaos.

The Commission was established by Act of Congress in 1947, through the passage of what became known as the Lodge-Brown Act, which established a so-called mixed commission of 12 members; mixed in the sense that there were on it representatives of each of the two major parties, in equal numbers; representatives of the Executive and Legislative Branches of the Government; representatives of officialdom on one hand and of lay persons or private citizens on the other.

The method of appointment was somewhat unusual. The President of the United States appointed four members--two who were in official positions and two who were not. The Speaker of the House appointed four--two members of the House and two persons who were not in official positions. The President of the Senate appointed four--two members of the Senate and two persons who were not in official positions. The result was that you got a very representative group and a very able and distinguished group. The members of the Commission were--in addition to Chairman Herbert Hoover and Vice-Chairman Dean Acheson--Senator George D. Aiken, of Vermont; Representative Clarence Brown, of Ohio, one of the sponsors of the act; Arthur S. Flemming, who for 10 or 12 years was a member of the U. S. Civil Service Commission but who is now president of Ohio Wesleyan University; the late James V. Forrestal; Joseph P. Kennedy; Senator John L. McClellan, Chairman of the Senate Committee on Expenditures; Carter Manasco, then a member of the House; George H. Mead, a businessman from Dayton, Ohio; my good friend, James K. Pollock, Chairman of the Department of Political Science of the University of Michigan; James H. Rowe, a Washington attorney and formerly an assistant to President Roosevelt.

The Commission organized its work around task forces, which were composed of outstanding citizens in particular fields of interest. In the field of general management, for instance, they set up a task force composed of outstanding citizens; a similar procedure was used in many different fields--such as personnel, natural resources, foreign affairs, national security, budget, and accounting.

There were 23 of these groups. Each group was given an allocation of funds. It then proceeded either to organize its own staff or to contract with some existing agency--usually a private one--to carry on such research as was necessary in connection with its particular assignment. The Natural Resources Task Force, for example, entered into a contract with the Library of Congress under which the research work for that group

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was done. The Federal-State Relations Task Force entered into a contract with the Council of State Governments to carry on its research. Various firms of management engineers were engaged to carry on research for other groups.

Ultimately, out of this we got a series of 19 reports--18 subject-matter reports and a concluding or summary report. Each of these subject-matter reports was supported by a task force report containing the research findings of the organization performing its staff work. A few of those were published, but the Commission ran out of money before its work was completed so that a lot of valuable material was left unpublished. I think it is a terrific waste that we should have spent as much money as we did on the Commission and then not be willing to spend the small additional amount necessary to make the results of the inquiry available for general use. These task force reports should be printed so that they would be available in the future to government officials (Executive and Legislative) and to scholars in colleges and universities throughout the land.

These reports contained, altogether, according to a tabulation made by the Bureau of the Budget, some 340 or 350 recommendations. That number is not particularly significant however, because while some of those recommendations dealt with matters of fundamental importance, such as, for instance, the one relating to the unification of the armed forces, or the reorganization of the Department of State, others dealt with relatively small points.

On the Senate side, all the reports as they were transmitted to the Congress were referred to the Senate Committee on Expenditures in the Executive Departments. On the House side, 12 of the 18 were referred to the House Committee on Expenditures; six, dealing with such subjects as foreign affairs, personnel management, natural resources, veterans affairs, national defense, and post offices, were referred to subject-matter committees. The nature of these recommendations, I think, should be explained. Apparently there has been a widespread public misunderstanding with regard to them.

Members of Congress have received a staggering amount of mail, a great deal of it stirred up by the Citizens Committee on Reorganization, headed by Robert L. Johnson, president of Temple University. At some stages of the game they were receiving 200 or 300 letters a day in many of the Congressmen's offices.

I made it my business to examine some of that correspondence. Of course, I saw that which came in to the Chairman of our subcommittee, but I went to a few staff people I knew and borrowed great sheaves of this stuff to look through to see what was coming in. The general impression I got was that the people wrote in with the best of intentions but that

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most of them hadn't the faintest notion of what the thing was all about. Most of the letters said, "We want the Hoover Commission reports enacted into law." Well, that is all very nice, but the recommendations were not submitted in such form that they could be enacted into law as submitted. They have to be studied, legislation has to be drawn, and hearings have to be held. A great deal of work, in both the nature of staff work and the effort on the part of the Members of Congress, is necessary before these recommendations can be carried into effect.

The first thing to do was to get the authorization, in the form of the Reorganization Act of 1949, so that certain of the recommendations could be carried out, not by statute, but by reorganization plans. Here is where you had, a few years back, beginning in 1939, a shift in technique. I told you that in the early days we got nowhere because we depended too much on legislative action in a field where legislative action was neither a convenient nor a workable method of procedure. The new technique is this: In addition to legislative action, which of course is always possible, we have reorganization now by reorganization plan under legislative authorization and subject to legislative review. "Under legislative authorization" means we must have an act of Congress authorizing the Executive to proceed in accordance within certain prescribed limits to prepare plans, which will be submitted to the Congress for its consideration. Those plans will be in the nature of unfinished business for a specified period of time; in this case it was 60 days. If during that 60-day period, neither House passes a resolution disapproving the plan, the plan automatically becomes effective and has the full force and effect of law at the expiration of that 60-day period.

Under that procedure we had altogether 34 plans submitted--8 in 1949 and 26 in 1950. Out of those 34 plans, 26 became effective. One plan did not go into effect because it was superseded by legislation; one was defeated on the House side; all the other defeats were administered by the Senate.

Up to this point I have mentioned two methods for putting these things into effect: legislation, which is congressional; reorganization plans, which are Executive. The third method is through administrative action; that is, by administrative action of the heads of the various departments, agencies, boards and commissions of the Federal Government.

I have here a copy of the third edition of a House committee print which we have published, entitled "Progress Report on Executive Re-Organization." This undertakes to tell, up to 15 June 1950, what has happened. All the plans are listed under appropriate headings. All the legislation that was passed is shown. As a result of a series of letters which we sent out to the various departments and agencies, we have statements from them as to specific things which they have done within their own organizations to carry out particular recommendations of the Hoover

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Commission. I want to tell you that on the whole it is a very impressive report. More has actually been accomplished toward the reorganization of the Federal Government than has ever been done before in any similar period of time in all our history.

Now, I do not say the job is done; it isn't. It is very far from done. It is not a job that can be finished in one year or two years. I think if the world situation does not get seriously worse than it is now, maybe in two or three years we could get through the job of examining and processing the various recommendations contained in the Hoover Commission Report. I do not think it can be done in any less time than that.

When that is done, of course, there is again the responsibility for keeping at it, through the establishment of some continuing machinery. I think that is one of the weaknesses of our current law. The Senate insisted on putting in an expiration date, which is April 1952. We, not only on the House side but also as students in the field, generally feel that this authority should be given to the President on a permanent basis, without limitation, so that he could have some of his staff at work at all times to spot out ineffective procedures in the organization and to make recommendations to him for appropriate corrective action.

Basic Principles of Executive Reorganization.

In addition to these two major principles of Executive reorganization --the concept of reorganization as a continuous process, and the basic responsibility of the Executive for reorganization--there are many other guiding principles which control, or should control, the reorganization movement. One of these is classification of functions according to a single major purpose. This principle is easy to state but difficult to achieve for the reason that, in the process of classification, many more or less arbitrary decisions have to be made regarding activities that cut across the lines of classification determined upon. Is health education, for instance, primarily a health problem or a problem in education and training? Is safety education a problem in the field of labor management, coming within the purview of the Department of Labor, or an educational and training activity? A decision either way could be logically defended.

The requirement that there be maintained a straight and unbroken line of authority and of communication to and from the head of the agency to the most lowly employee in the organization is another basic principle. In the Federal Government, this principle has often been violated in the past, when duties have been assigned, sometimes by statute, sometimes by delegation, not to the head of the agency but to some bureau chief or other subordinate officer. Such violations are contrary to the fundamental principles of good organization and good management, and during the past two years, serious efforts have been made to clear up these

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situations. Numerous reorganization plans have sought to vest full authority and responsibility for administration in the head of the agency, while in other instances statutory changes have been necessary in order to accomplish this purpose. The problem of divided authority has been dealt with also in the regulatory commissions where, in line with the Hoover Commission recommendations, the effort has been made in a number of reorganization plans to vest full authority in the chairman for the management of the purely administrative aspects of the work of these commissions.

Students of administration have spoken and written much about the concept of span of control, which should be regarded as another guiding principle of reorganization. It is obvious that an executive who has too many subordinates reporting directly to him cannot give proper attention or advice to any of them. The size and complexity of the Federal Government, and indeed of many of the departments and agencies of the Federal Government, make it exceedingly difficult if not impossible to follow this principle to the letter; but every effort should be made by the consolidation of agencies and by the subordination of minor agencies and activities to achieve an organization as nearly as possible in accordance with the limitations imposed by the span of control principle.

It should also be emphasized that the responsibility for leadership and guidance in the improvement of executive organization and executive management must be provided by top management. Since top management is already responsible for administration, it is in the best possible position to know where the weak spots in the organization are, where administrative practices and procedures are weak and ineffective. It has the responsibility, not only for getting services performed but for getting them performed as efficiently and economically as possible. In this capacity, it should make desirable improvements when it has the authority and recommend them to higher authority or for legislative action when it does not have the authority. Similarly, it should, by initiating management improvement programs, programs for the development of executive leadership, and in other suitable ways, do everything it can to make the administration more effective.

Finally, I want to point out--this cannot be anything more than just a listing--two things before I finish: First, the major accomplishments in the last two years, that is, during the life of the Eighty-first Congress, since these reports were submitted to the Congress, to the President, and to the public; and, secondly, to indicate some of the major jobs that still remain to be done. I shall say only a sentence or two about each of these items. Perhaps later on, if there are questions on some of them, they can be developed a little more fully.

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Major Accomplishments During 1949-1950.

Let us now consider the major accomplishments.

First, I think one would list the Reorganization Act of 1949. Without that, none of these reorganization plans could have been submitted.

Second, there is the accomplishment, after discussion that extends back to the close of World War I, of the unification of the armed services, in the form of the Unification Act of 1949.

Third, we have the Federal Property and Administrative Services Act of 1949, bringing together under one roof and under one direction a whole group of service activities relating to the whole Federal structure-- property acquisition and management, purchase and supply, traffic management, records management, and many other things related thereto. This is an enormous organization and it has a tremendously important role to play in the organization and functioning of the Federal Government.

Fourth, I mentioned that a good beginning has been made toward the rebuilding of the Department of Labor, which had been stripped of one function after another. I am not going into the reasons for that, but it had reached a rather low state. It is gradually being rebuilt.

Fifth, the reorganization of the Department of State, which has made very substantial progress.

Sixth, we have made a beginning toward the development of a national transportation policy in accordance with the recommendations of the Hoover Commission. The Bureau of Public Roads, which used to be a part of the old Federal Works Agency, went over to the General Services Administration but was promptly moved over to the Department of Commerce in accordance with the provisions of Reorganization Plan No. 7 of 1949. Under Reorganization Plan No. 21 of 1950, the functions of the old Maritime Commission were placed in the Department of Commerce. This does not give us a national transportation policy, but it is an important indication that we are moving in the direction of establishing such a policy in the Department of Commerce, where it belongs.

Seventh, important steps have been made in the development and application of the principles of the performance budget.

Eighth, the Congress has enacted a whole series of salary-increase measures applying to top-level executives, civil service employees under the provisions of the Classification Act of 1949, to all personnel in the armed services, and to all postal employees. The criticism has been made, with much justification, that it was impossible to get good people into a lot of these government jobs because the pay was wholly inadequate. The

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Hoover Commission called attention to the serious situation in that respect and this Congress has dealt with all the major phases of the pay problem.

The ninth is what we call the Presidential timesaver. It is a small thing, but it shows, in a way, the type of problem we have to deal with sometimes in an area like this. We had a meeting of our committee one morning and Representative McCormack came in. He was not always able to attend the meetings because of his rather arduous duties as Majority Leader. He had a problem on his mind that particular morning and he wanted to present it to the committee. I thought the way in which he did it was very interesting.

He had, a day or two before, been up to the White House for a conference with the President on legislative matters. There was a great pile of papers, eight or ten inches tall, on the President's desk. Just as a matter of curiosity, Mr. McCormack said, "What is that pile, Mr. President?" The President said, "That's my homework." He said, "What do you mean?" The President replied, "Oh, I have a pile like that every night. It takes me an hour, two hours, and sometimes more just to look through this stuff and sign my name."

Of course, in the old days when the presidency wasn't the kind of job it is now, he was called upon to process papers, sign his name to such vital matters as Osage Indian claims, oil royalties, whale-hunting licenses, regulations with regard to migratory birds, all kinds of things which we ought never to have imposed upon the time and energy of the President. Well, we succeeded in getting an act through Congress which authorizes the President, by law, to delegate to department heads and other officials the performance of a great number of these routine duties, thereby freeing him from at least that much unnecessary labor.

We got through in this session an act providing for accounting reform in the Post Office Department. We have—I want to emphasize this because of its over-all significance—the management improvement program which is being carried on, by direction of an Executive order of the President, through the Administrative Management Division of the Bureau of the Budget. It is a tremendously important program and is getting well under way.

So much for what we have done. That is not a complete list. It is just some of the things that seem either particularly important or particularly interesting.

Unfinished Business.

Now for the jobs that remain to be done. Let us list a few of those. A complete administrative reorganization of the Post Office Department is

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imperative. It is an enormous job and an important one which should stand about number one on the list of unfinished business. We have done very little so far in the field of budgeting and accounting legislation. I said we had done a great deal through administrative procedure in putting into effect the performance budget, but we need some legislation on quite a number of problems in this field. There has been none of any importance since 1921. (Speaker's note: Later in the session Congress passed and the President signed important legislation in this field.)

We need some legislation providing a statutory framework for the organization of the Executive Office of the President. The office has come into existence in its present form only within the last decade. It is altogether too loose and informal an organization for the purposes it is supposed to serve. Serious study is to be given to this problem with a view to developing suitable legislation, not so drastic or so detailed as to tie the President's hands--that we must not do--but we must give him some sort of statutory basis for his office.

We need traffic management legislation. The U. S. Government loses vast sums of money every year through the ineffective and incompetent handling of its traffic and shipping problem. That is particularly true in periods of war, but it is also true that the loss is very great even in time of peace. It is going to be a tough thing to get effective legislation through because some of the railroads won't want it. It is a job, however, that has to be done.

We need a national commission on intergovernmental relations. The complexities of the relations in the Federal system--Federal-state, inter-state, Federal-local, state-local--have brought us all sorts of overlapping, duplication and conflicts of jurisdiction not only in taxation, which has been widely discussed, but also in many other fields. We need a national commission of the sort that was proposed in the bill originally introduced by Representative Boggs, of Delaware, by Senator Hendrickson, and eventually a group of some thirty-odd members of the Senate, to make a study of this problem and to make recommendations regarding it, somewhat along the lines of what the Hoover Commission itself did with regard to Federal organization and administrative procedures.

Next, we need a Department of Health, Welfare, and Education. Two attempts were made to get such a department by Reorganization Plans--one in 1949 and another in 1950. Unfortunately, the basic issues involved in this matter were beclouded by personalities. Both of the proposals were turned down, one by the Senate and the other by the House. But turning down these proposals does not solve the problem.

We need, again, to develop a natural resources program. Very little has been done with regard to the important recommendations of the Hoover Commission in that field.

And then--I almost hesitate to mention this item in this company--there is a problem with reference to the Army Engineers and the Bureau of Reclamation, for which some kind of solution needs to be worked out. That has not been tackled as yet. These are some of the problems on which we still have to work. You can see there is plenty left to do.

I have taken more time than I originally planned to do. I will now try to answer any questions you may wish to raise.

QUESTION: In looking over the organization for economic mobilization we always find the National Security Resources Board at the top. Yet, in looking over the authority of the NSRB, it seems to be only a recommending agency. So, for our economic mobilization in the United States we have only an agency that can recommend; it has no power or authority. Is there anything being done to strengthen that, to give us a head to our economic mobilization endeavors?

DR. GRAVES: I think the situation at the moment is in a state of development. Just what we are going to do, I do not know. In World War I to a certain extent and in World War II to a very large extent, you remember, we created a new government, to all intents and purposes. Many new agencies were created; their power and authority were so great that they practically took over the operations of the normal peacetime agencies of government. When the National Security Resources Board was set up, it was made an advisory agency.

The question which now confronts the Congress is simply this: If we are going to have another war, or another period of extensive preparation for war that is on a scale large enough to disrupt seriously the normal civilian organization and procedure, are we going to create another temporary government with a lot of new agencies which would probably use different names but would follow the same principles--or are we going to assign the duties which are necessary in connection with the defense program to existing departments and agencies of the Government?

There are some pretty important considerations on both sides of that question. When you set up temporary agencies, you draw in people from outside, from business, industry, and so on. While many of these individuals become patriotic and devoted public servants, there are a few who come in more or less for the purpose of looking after the interests of their respective companies. That is a danger you run with that system. If it is possible now to assign these duties to existing departments and agencies of government, you can avoid a large amount of that difficulty and have the administration in the hands of professional administrators, that is, people who have been trained to operate in the field of administration.

Now, I say we are in the process. I believe the matter is going to come to a head probably in the early days of the Eighty-second Congress. There is some possibility that we in Legislative Reference may try to prepare some kind of an analysis of this problem for the information and assistance of the Congress. We are thinking about it, but have not definitely decided as yet to do that.

QUESTION: It seems that one of the most important weaknesses of our present organization is that we have too many people, too many agencies, and too many organizations reporting to the President. I realize that the best solution would be to cut down the number of agencies and departments, but I do not think we have much chance of seeing that happen.

I am wondering if any thought was ever given to increasing the number of Vice-Presidents, to three or four, or four or five, each one to be in charge of certain groups of activities and they, in turn, would report to the President.

DR. GRAVES: I do not know that I have heard about a proposal to increase the number of Vice-Presidents. There have been many proposals, of course, to give the Vice-President important administrative responsibilities as an assistant to the President. Not one of those proposals has ever materialized, and I doubt that any of them ever will. The responsibility is the President's. Very often the Vice-President is the representative of a different faction of his party--not always, but frequently that has been true in the past. Or he is someone that the President does not in any case particularly trust.

I agree with you that we should cut down the number of agencies to what is normally regarded as a reasonable span of control. The span varies, of course, according to the kind of job which is being supervised, the caliber of the people, and so on. I do not think you can do that, but I think if we can get some statutory basis for the organization of the President's Office, enlarge and improve the quality of the staff service available to the President, that some of these difficulties can be overcome.

COMMANDER NEEL: Doctor, you mentioned the whole host of emergency agencies that had been set up in time of war. Do we have, as a rule, any real difficulty in getting rid of these emergency agencies after the war ends?

DR. GRAVES: No, we never have had. As a matter of fact, I think that is one of the rather fine characteristics of the Anglo-Saxon system. We are able in a period of emergency to confer enormous powers upon our Chief Executive to expand the scope of the Government, and when the emergency is over, those powers gradually fall off as the expiration dates on the acts come around. The agencies that were established are gradually

liquidated and such functions as we wish to keep—and there are usually some—are transferred to existing agencies and we get back to something that, as nearly as one ever does, approximates the status quo.

Always, of course, there is an increase in the number and the scope of services. A great deal is said about that, often in a critical fashion. I think we ought to remember in connection with such criticism, though, that this is a lot bigger country than it was, that is, so far as population is concerned. There have been steady increases, very rapid ones at some periods. So far as the cost is concerned, we need to remember that the purchasing power of the dollar has declined for the Government as it has for you and me as individuals. So, naturally it costs more, even if you are going to provide the same services without any expanded programs or additional service.

QUESTION: Is anything being done to improve the selection, progressive training, and education of the vast number of civilian career employees of the Government so that we can get improved performance within our government agencies?

DR. GRAVES: I think a great deal is being done in that field. I have been much interested in personnel matters for a long time. As a matter of fact, during World War II I worked for three years and seven months with the Third Regional Office of the U. S. Civil Service Commission, which is long enough to get some idea of the way the Government operates. I think a great deal is being done to improve our methods of recruitment and selection. And equally important, I think we are beginning to get it through our heads that we have to organize and develop proper training programs within the agencies after the people are taken in. It is not enough simply to select competent people. You have to keep constantly training them, helping them to do a better job as conditions change and as shifts occur in the organization.

COLONEL BARNES: Dr. Graves, it is easy to see why Dr. Griffiths nominated you when I asked him if he could supply someone from the Legislative Reference Service for this subject. You have given the class valuable information, not only for this orientation period, but they will also find it of great value later on when they come to preparing their reports.

I cannot understand why this is your first appearance here.

Thank you very much.

(24 Oct 1950--650)S.