

ADMINISTRATION IN THE FEDERAL GOVERNMENT--I

30 August 1957

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COLONEL SMYSER: General Hollis, Gentlemen: The orientation unit, in pursuit of the objective of providing you a refresher of some of the basic tools for the resident course, has brought you so far two lectures on the Federal Government. So far you have reviewed the greatly changing overall role of the Federal Government in our national life.

Today we are concerned with a more specific aspect of the Federal Government, that of administration. Along with the expansion of the Federal Government and the powers of the Government, administration has grown from an almost negligible activity to one of major significance. In fact, you have probably heard it said that administration by executive agencies, through rules and regulations, has replaced some of the legislative and judicial functions of the Government. But, in any event, administration is an activity which we must understand as a basis for our year's study of the political, economic, and defense policies and problems.

To help develop this understanding, we were anxious to find someone qualified as a scholar as well as a public servant. We are very fortunate to have here this morning Dr. Fesler, Professor of Government at Yale University. Not only has he devoted himself to study, writing, and teaching in the field of government but also, he has served many Government agencies, including the President's Committee on Administrative Management. Needless to say, he is the author of many publications in the field of government. His very recent analysis of the second Hoover Commission's Report concerning administration is now in our library.

Dr. Fesler, it is indeed a pleasure to welcome you back to the Industrial College of the Armed Forces and to present you to this year's class. Dr. Fesler.

DR. FESLER: General Hollis, Gentlemen: Some years ago I did a substantial part of the research for my doctoral dissertation in the Planning Branch of the Office of the Assistant Secretary of War. A few steps down the corridor in the old Munitions Building were the

Headquarters of the Army Industrial College. In fact, members of the faculty of that college read portions of my dissertation to assure that I had no secret or confidential material in it. It is a long span in time and in the measures of significance from the Army Industrial College of that day and the Industrial College of the Armed Forces in which you and I are able to gather together today. Nonetheless, I feel that I am back in familiar and friendly haunts.

What I suggest we do today breaks down into three parts. First, we may make some time-period comparisons--one of them comparing 1900 and 1957, and the other looking at the dozen years since World War II. Second, we may identify two quite different administrative "models," or ways of looking at administration. These we shall call the hierarchic model and the pluralistic model. Third, we may identify the most significant administrative developments of the last dozen years. In other words, we shall be acknowledging that Federal administration is evolutionary, both the product of its history and the everchanging victim of its present. We shall be recognizing that Federal administration, as many a piece of machinery made up of a multitude of moving parts, is the more intelligible if we have a sense of the overall design of the whole. Third, we shall be seeking those themes that disclose some kind of order in the administrative occurrences of the postwar period.

The worlds of 1900 and 1957 are different worlds. Last year all governments of the United States employed 10 million people, including both civilian and military personnel. This is about 15 percent of the country's total labor force. Compare 1900. Then one million people worked for all American governments. They were less than 4 percent of the nation's total labor force. Or take governmental expenditures. In 1956 American governments spent over \$100 billion. In 1900 they spent less than \$2 billion. Of course, the changed value of the dollar should be kept in mind. To sum it all up, total governmental personnel in our day is 10 times that of 1900; that personnel's proportion of the total labor force is about 4 times that of 1900; and government expenditures are 50 times those of 1900.

Today we are considering the Federal Government. In June of this year there were 5 million people employed by the Federal Government, half of them civilians and half in the Armed Forces. But in 1900 the Federal Government's total military and civilian employment was only 300,000. Financial calculations reveal an even sharper contrast. The expenditures of the Federal Government have been approaching \$70 billion. In 1900 they were half a billion.

These changes in the dimensions by which the Federal Government's activities can readily be measured did not just happen. Nor were they the result of some continuing conspiracy by Federal bureaucrats to aggrandize power. Rather, they reflect, first, the end of American isolation from Europe and Asia behind two protective ocean moats. They reflect, second, the urbanization and industrialization of our society. For urban and industrial societies offer increased opportunities for social friction. The compact living of the cities and the specialization and interdependence of business concerns and individual workers all give us more chances to rub one another the wrong way. The changes in scope of Federal operations reflect, third, the simple fact of a more-than-doubled population. In passing, perhaps I should note that these people seem to have more to say to one another and they're literate enough to say it in writing. At least I assume that is why the total man-years of the postal service have quadrupled since 1900! Fourth, we should err if we underrated the shift in economic and social philosophy or, if you prefer, the increased variety of opportunities for application of the Nation's traditional concern for economic and social welfare. And, finally, I link closely with this the development of more refined tools with which to analyze economic trends, observe the impact of particular governmental programs, predict the probable or possible consequences of new economic and social proposals, and administer the affairs of State. The development of "know-how" has been as important as the expanding need for the services of government.

Because 1900 and 1957 are such demonstrable different worlds, their comparison may not seem relevant, though it is worth remembering that many of the administrative traditions and habits to which we still pay respect had their origins in that very different and seemingly long-ago world of the turn of the century. But of greater immediacy is a consideration of just the past dozen years, for it is in this post-World War II period that we have experienced the greatest variation in scale of governmental responsibilities.

Let me quickly remind you of the astonishing ups and downs in the measures of governmental activity. On the eve of World War II, in fiscal 1940, the Federal Government spent \$9 billion. In 1945, just five years later, it spent over 10 times that amount, almost \$100 billion. With V-E and V-J days this was rapidly cut to 60, then to 39, and, in 1948, to 33 billion dollars. This would appear a rapid enough adjustment to strain a government's administrative capacity. But the Korean War and, even more significantly, the decisions on the scale of the cold war, shot expenditures up again from the \$33 billion of 1948

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to \$74 billion in 1953. The economy drive of the new administration and Congress pushed them down to \$65 billion in 1955. Reversing direction again, the President proposed 1958 expenditures of almost \$72 billion.

One way of clarifying the importance of national security considerations in these shifts, particularly the more recent ones, is to see where the increase has come between the low expenditure point of 1948 and the recent year of 1956. The total expenditures doubled between 1948 and 1956, adding \$33.5 billion. Of this \$33.5 billion increase, major national security accounts for almost \$29 billion, and increase in the interest on the public debt accounts for over \$1.5 billion. This leaves only \$3 billion that is chargeable to all other programs, both domestic and international.

We have been experiencing a special kind of period in the last dozen years, and we should recall its main features. First, the shifts in international power, accompanied by a shift in American opinion toward recognition of the responsibilities that accompany power, have changed the role of both our military services and our foreign services. The competitive nature of the cold war, the rise of colonial and other underdeveloped peoples, the edge-of-the-seat posture dictated by the atomic spine tingler, all have entered into the definition of our powers and responsibilities and imposed novel tasks in the fields of economic, cultural, and administrative assistance and exchange, in the field of outflowing persuasion and inflowing intelligence communications, and particularly in the field of coordination of political, military, and economic policy and action. That whole foreign and security complex is the greatest of the new challenges to our administrative as well as political capacity.

A second characteristic of the last dozen years is the continual prosperity, which dates back to the astonishing performance of the American economy during World War II, when it demonstrated productive potentials far beyond the calculations of the most New Dealish economists of the prewar period. Prosperity has implications for government, as any political officeholder knows. It reduced frictions in society, for people are scrambling not for the margin of existence but for the margin of luxury and leisure. People, and their political candidates, speak in less strident voices about government's role. They are more disposed toward reaching a consensus on measures--particularly those already enacted in more friction-full days--measures that distribute abundance among all or most members of the society.

The establishment of this consensus which underwrites the idea of a mixed economy surely is a historical benchmark for America. Much of what Government and its administrative agencies do has been removed from the arena of debate.

For that very reason, prosperity's effect on administration may be to establish an atmosphere of complacency and of routine administration. The zest for getting new things done may be dulled, and administration may lose its cutting edge, its drive, enthusiasm, and spirit. The civil service may thereby lose its attraction for adventurous men and women. Furthermore, in a period of full employment and rising incomes, the salaries offered by the civil service will predictably lag in attractiveness and personnel recruitment techniques may not adapt quickly to the tightened labor-market situation.

Administration's setting is not only the relation of the United States to the rest of the world or to the economic conditions at home. Administration operates in a setting of politics. The last dozen years have witnessed two political tendencies that particularly bear noting, for they help to define the Chief Executive's role. First, the Presidents of the period, Truman and Eisenhower, have contributed to the institutionalization of the Presidency. Each believed in staff work and each relied more on organized official staffs than on a changing variety of men without portfolio or men whose portfolios disguised, rather than revealed, their relation to the President. Second, each President had to seek support outside his own party. Neither President had the comfort of knowing that his party had a majority of each house of Congress throughout his incumbency. Such comfort would have been slight in any event, for the parties continued to be factionalized, and cross-party alliances played hob with tidy concepts of party responsibility. Add to this the fact that President Eisenhower has attracted a larger popular vote in many states and districts than the Republican candidates running with him, and there emerges a further confirmation of the beyond-party role of the President. The simple fact is that the legislative and executive branches have different constituencies, a difference that is reinforced by the internal leadership structure of Congress. Much of the agony of administrative agencies that try to be responsive to both Congress and the President can be explained in terms of the need for Congress and the President to be responsive to different constituencies.

Having had thrust upon it responsibilities of the scope and intensity of those it now carries, how does or should the Federal Government organize and staff itself on the administrative front to discharge those

responsibilities? The question can perhaps best be comprehended in the light of two "models." One model envisages an executive branch that is a closed hierarchy leading up to the President as Chief Executive. Each level of the hierarchy is responsive to the directions of the next higher level and flows advice upward to the higher decision-making points. The structure is pictured as a pyramid, and considerations of span of control and avoidance of multiplicity of levels affect the dimensions of the pyramid. Effective communication, both vertically and laterally, becomes important, as do such behavioral characteristics of the staff as loyalty, responsiveness to superiors, and freedom from entrapping alliances with groups outside the executive branch.

There are two variations of this model, based on differing expectations about civil servants' behavior. One submodel assumes a continuing body of neutral civil servants who, while privately holding varying views on policies, will loyally serve whatever President is at the head of the executive branch and whatever Cabinet members the President has appointed to head the executive departments. The alternative submodel concludes that the President must bring in his own men by the hundreds, if not thousands, to assure responsiveness by the hierarchy. This conclusion can be reached by any of three avenues. One pursues the line of argument that, if neutrality is in fact possible, it is likely to mean an indifference to program objectives. This drains vigor from administration. A second avenue of thought is that if loyal and enthusiastic service is to be sought in the permanent civil service, then higher civil servants are called upon to be "switch hitters," who can one year vigorously identify themselves with a public power program and the next year as vigorously obstruct public power projects in favor of private undertakings. As the switch-hitting concept is not likely to be realized in practice, it in fact threatens to handicap an incoming Chief Executive with civil servants recruited or at least indoctrinated under the previous administration. The third avenue abounds with danger signs pointing to the tendency of "little bureaucracies" of the Government to develop their own policy lines, built on their own conceptions of "what's good for the people," and indifferent to which party is in power and to policy directions of higher administrators. Whichever of these three avenues is chosen ends with the proposition that the higher civil service cannot be looked to for the loyalty and responsiveness and vigor that the hierarchic organizational model requires. The conclusion follows that the higher posts should be staffed with members of the President's party, or members of his faction of the party, or persons dedicated to his program objectives in particular policy areas.

The first model, then is of a hierarchy headed by a Chief Executive and staffed at its higher reaches by men committed to loyal execution of the President's program, either because they are permanent civil servants pledged to serve whatever President is in power, or because they are personally committed to the President's program.

The second model assumes a pluralistic society, sees administration as a continuation on many different battlefronts of the political war of groups seeking to have their interests prevail, and assumes a fragmented administration linked with a fragmented Congress. Far from being a symmetrical pyramid, the executive branch is but a jumble of stones, haphazardly disposed as their specific gravity and perhaps Congressional levity may have dictated. The task of administration, at least at its higher levels, is the same as the task of politics--to facilitate the peaceful resolution of conflicts of interests compatibly with the disposition of power among groups on our society. Administrative organizations are themselves the products of this conflict and resolutions of interests. Their survival as individual agencies depends upon their command of sufficient outside support to withstand assault by disadvantaged interests. Their top officials can retain their power only as they adjust their use of power to the preferences of the supporting groups or succeed in winning sufficient support from other groups to break free from the original supporters.

The implications of the pluralistic model are clear. The President is not "master in his own house." Indeed, it is not his house at all. He is not the spokesman for the Nation, in the sense of "all the people." He is the spokesman for the combination of forces that enabled him to attain power and that makes it possible for him to retain the substance of power. This is typically a more urban and industrial set of forces than that dominant in Congress. Administrative agency responsiveness to Congress, and especially to congressional committees and their chairmen, is a requisite for survival, for substantive power and appropriations derive from Congress. This has a sobering influence on administrators inclined to look to the President for their sole guidance.

With these two principal models before us, one the hierarchic and the other the pluralistic, we can make several comments about them. The pluralistic model appears a more realistic portrayal of the administrative world. It is more realistic because it denies the existence of an administrative world. Rather, there is a political world of forces contending for power--that is, contending to have their views of policy prevail over rival views. Administration shares in this world, both because it contributes to the formulation of policy and because it

translates paper policies into reality. Power is the heart of the matter, and administrative arrangements do and must take account of the disposition of power in our society.

The hierarchic model appears less realistic and is never found in its pure form. It is a logical mental image deduced in part from the principle of separation of powers, a few phrases in the Constitution about seeing to the faithful execution of the laws, and the customary designation of the President as the "Chief Executive." The model is not, however, wholly divorced from realistic considerations. The hierarchic model undergirds a concept of a strong President, as it does a strong governor or mayor or, in foreign countries, Cabinet, for administrative power is a form of political power. That is, once established, administrative power contributes to political power and is not merely its derivative. Further, the hierarchic model appeals to rational minds as a framework for coherence, coordination, a degree of unity. These are values that, however objectionable in the extreme and however attenuated the means for their promotion, cannot be dismissed as irrelevant to a government that is expected to make sense.

The fragmentation blessed, as well as described, by the pluralistic model and the coordination aspired to by the hierarchic model each express part of the whole truth about administration, as the trees and the forest each express part of the whole truth about a wooded area.

In public administration the two models perform rather different roles. The pluralistic model more accurately describes much of what goes on in administration and politics. It has not, so far, yielded a very useful idea of what direction we should move in if we have the opportunity to express a preference or exert an influence. It hardly suffices to say that if an agency survives, it must be concluded that it has admirably met the test of reconciling conflicting forces or the test of serving without successful challenge the interest of a particular group. The hierarchic model, on the other hand, has the operational significance of a myth widely subscribed to. As a result, in public discussions, those advocating departure from the model carry the burden of proof. It follows that most reorganization commissions may be expected to be influenced greatly by this model. Since, however, their recommendations call for dislodging already established agencies and relationships, and must be acted upon, if at all, by political men, it should not be surprising that the recommendations often fall afoul of the power group forces that are central to the pluralistic model.

Much of what are widely regarded as advances in Federal administration in the last decade or two can best be understood as efforts to apply to a pluralistic government the arrangements implicit at least in the hierarchic myth. Centrifugal tendencies have been countered with centripetal pulls; the confusion of many agencies riding off in all directions has been countered with the coordinative strength of the Presidency; anarchy has been condemned in favor of order; agency alliances to interest groups and particular Congressmen and congressional committees have been attacked by efforts to tie the agencies more closely to the President or to department heads. These efforts have not been wholly successful. And one may be certain that were they wholly successful we should witness a countervailing tendency for centralization, coordination, order, and lack of responsiveness to important segments of the public and of Congress which carry cost tags that not all will want to pay.

We now turn from the clarifying values of the two administrative models to the administrative events of the past dozen years. The themes of the period I shall emphasize are four. One concerns policy formulation in the executive branch. A second relates to the role of operating departments. A third accents the new importance of national security and foreign affairs. A fourth grows out of the problem of recruiting and developing the people needed in the Government service.

The first theme is the recognition and institutionalizing of policy formulation as a normal and overriding task of the executive branch. I shall not examine the desirability of the devotion of administrative energies to the formulating of policy and the implications this has for the role of Congress. For our purposes we can simply accept as a fact that the President and a number of other officials in the executive branch do prepare policy proposals for consideration by Congress, that they do make policy decisions in areas such as military and foreign affairs where the Executive is constitutionally strong, and that they do make policy decisions under delegations of authority from Congress. Given this fact, the problem is how to strengthen the ability of the executive branch to carry the responsibility.

In the kind of economy and the kind of world that we have discovered in the last dozen years, if not before, the first lesson is the interrelatedness of policy areas earlier thought separable. This means that, contrary to what traditional administrative doctrine holds, far too few problems can properly be left for independent determination at lower levels of the administrative hierarchy. We may regret the fact, but fact it is.

To reach a rational decision on the raising or lowering of the interest rate throughout the economy requires mobilization of the points of view and technical competence of a multitude of agencies. For, though the Treasury and the Federal Reserve appear at first glance to be sufficient (and let me note that in times past even their harmonious collaboration has been difficult to arrange), in fact their viewpoints may fail to reflect adequately the kinds of competence and points of view to be expected in the agencies concerned with small business, veterans, railroads, housing, education, and public roads.

Interrelatedness, then, dictates that much policy formulating be done at the level where all elements of the problem and all competence at the command of the executive branch can be mobilized. It follows that certain needs must be met. One is that policy problems be formulated in sharp and intelligible terms, with alternatives clarified and their possible consequence stated. A second is that the higher decision-makers have staff assistants who are themselves capable of taking the comprehensive view and able to do the exploratory fact gathering and thinking that their superior has too little time for. A third is that, despite the interest of a number of agencies in each major decision, the decision itself should have more integrity than customarily results from interagency negotiation and committee work. Too often decisions reflect the least common denominator among the agencies negotiating, or mask disagreement under vapid platitudes and ambiguous phrases lacking operational significance, or have a fragmented bits-and-pieces quality whose prime virtue is that each agency has gotten something for itself.

Developments that illustrate the response of the executive branch to the phenomenon of interrelatedness include the following. Program budgeting is making some headway; its advantage is expected to be that through it the annual budget process can be made a more important policy and program formulating instrument; this is only possible if the expenditure estimates can be summarized according to the principal program areas with which policy makers are concerned, rather than in terms of a multiplicity of organization units each of which has a relatively small piece of a major public program. The preparation of the President's principal messages to Congress now involves extensive consultation of the principal agencies, so that they share from the beginning in the formulation of what becomes known as the President's program. Agencies normally clear their own recommendations of legislation through the Executive Office of the President to ascertain whether their positions will be in accord with the program of the President. At the other end of the process, congressional legislation

is referred to the agencies for comment preparatory to decisions on Presidential approval or veto. The development of the Executive Office of the President, established only in 1939, is a major recognition of the magnified responsibilities of the President in policy formulation for economic, fiscal, administrative, foreign, and military affairs. Establishment of the National Security Council, through which the President is advised on the formulation of a coordinated policy linking foreign policy, military power, and economic mobilization potential, is perhaps the most notable of the presidential level developments.

I do not mean for my comments on interrelatedness to apply only to the interagency level of the Presidency. Within the individual departments there has come a greater awareness of the department head's need for staff assistance on policy problems. The Department of State, the Department of the Interior, the Treasury Department, and the Department of Health, Education and Welfare are among the agencies that have established special policy-analysis or program-planning units closely associated with the Secretary to assist him in formulating department policy.

There is a change, particularly in the last dozen years, that suggests some new difficulties in the formulation of policy at the higher levels that interrelatedness requires. This is the increase in the technical character of factors to be taken into account in the reaching of policy decisions. We have always had the problem that as decision-making shifts to upper levels of the hierarchy it gets further away from those who have the most intimate acquaintance with the problem. We have been willing to pay that price, because those intimately familiar with the problem may in fact see only one aspect of the problem; so we sacrifice intimacy to gain breadth of perspective.

In no field is the increasingly technical content of decisions as characteristic as it is in the field of national security. Atomic energy, research and development on weapons design, and Univac scales of calculations have become basic to any sensible thinking about the size, staffing, distribution, and equipping of military forces. With half the Government's financial and civilian personnel resources devoted to this field, it is inconceivable that formulation of policy should not rise to the highest levels of the Government. Yet I suspect that we have yet to develop the capacity at those levels to make confident decisions on issues that turn on contradictory technical claims.

National security is the most obvious illustration of what I am talking about. But I remind you that we have technical puzzles too in

other areas. On the current agenda, for example, is the question "What is the cause of an inflation that occurs when there is not a shortage of goods in relation to demand?" Increasingly, it seems to me, the executive branch carries a responsibility for answering such a question without bombast, drawing on its own staff of economists and on economists in the Nation through consultantship arrangements. Rational decision-making rests on facts and analyses produced by experts. Yet the actual making of decisions we must carefully reserve to lay executives and legislators. An emergent need, then, is for interpreters between laymen and experts. These, I judge, will be scientists, scientists who can use laymen's language, and laymen with a gift for learning new languages and concepts.

The second significant administrative theme of our time is the emphasis on operating departments and line executives. Patronage appointments, nepotism and amicisim, corruption in the awarding of contracts, lack of concern for economy and efficiency, faithless handling of public funds, were all historically identified with operating departments. The purification process, therefore, called for setting up agencies independent of the curse of politics and armed with power to supplant or control the operating agencies in the aspects of administrative behavior where the public trust had frequently been violated. Then, too, it seemed only natural that, if Congress passed general laws applicable to all agencies on management matters, there should be central agencies to police observance of the laws. Often a watchdog agency concluded that there was no better way of overseeing how a job was done than to do the job itself. So we had centralized recruitment and examination, review of individual position-classification actions by the Civil Service Commission, detailed approvals of individual expenditures by the General Accounting Office, and, with perhaps less success, central purchasing or central fixing of specifications for items in common use. These tendencies were strengthened by the view that money would be saved by the expert central performance of a number of the "housekeeping" functions necessary to governmental operations.

Since World War II we have witnessed a remarkable reversal of field. Operating departments are now trusted sufficiently so that every proposed action does not need specific approval by a central housekeeping agency of the whole Government. This does not mean an end to the watchdog function. The formula adopted to reconcile operating responsibilities and watchdog responsibilities is this: The central control agency will formulate standards; the operating department will be delegated power to make all specific operating decisions; the central control

agency will periodically audit, usually on a sample basis, to determine whether the operating department has been acting in general conformity with the standards; the central agency may revoke delegations of power made to departments that persist in disobeying the standards; the central agency will place its expertise at the service of operating departments--a kind of technical assistance program.

The tendencies I note are illustrated by the Civil Service Commission, which, in the fiscal year 1956, permitted 55 percent of the new hiring to be done by agency boards of civil service examiners, instead of directly through the Commission's office, and which has yielded to the agencies much of the position-classification work that earlier centered in the Commission's own offices. The General Accounting Office has shifted from controlling expenditures by detailed examination of every transaction through its "settlement" powers to use of a broader kind of postaudit comparable to that performed by private accounting firms for business enterprises. Over a third of governmental expenditures have come under this "comprehensive audit" scheme. And in the development of accounting systems, the Comptroller General, consulting with the Bureau of the Budget and the Treasury, is now expected to set principles and standards; but, within these principles and standards, the agencies carry the responsibility for developing their own accounting systems.

The delegation of power from central housekeeping or control agencies to operating agencies has not always been followed by adequate delegation within the operating agencies. This could mean, for example, that the personnel specialists in the Civil Service Commission have merely delegated powers to the personnel specialists within the central personnel divisions of operating agencies, while operating bureaus and officials within the agencies have gained nothing.

The President's authority to reorganize without obtaining affirmative approval by Congress--an authority first established in 1939--has been called "the greatest single step toward management improvement in the Federal Government in this generation." This authority, as currently phrased, enables the President to submit reorganization plans to Congress which automatically go into effect after sixty days if neither House of Congress has formally disapproved them by vote of a majority of its members. Thereby the President takes the initiative. He can submit proposals one at a time and so reduce the likelihood of his inducing a combined opposition in Congress; the force of inertia is made to work in favor of, instead of against, reorganization; and

the President, if he wishes, can make the process one of continuous reorganization instead of once-in-a-generation or once-in-a-decade blanket reorganization.

Aside from other uses to which the reorganization power can be put, it is admirably designed for bringing about that kind of departmental unity and focus that gives an organization a sense of purpose, an affirmative spirit, and a community of feeling, all of which invite the department head to play a leadership role. Ideally, the major public program areas found appropriate for program budgeting would be the areas appropriate for departmentalization. But in practice, resistance by affected bureaus and interest groups, together with reasonable disagreements over definitions of the major program areas, has restricted the President's freedom to shape departments of unity and focus.

Among the significant provisions of Presidential reorganization plans have been those transferring to department heads the powers previously vested by statute directly in their subordinate officials, such as bureau chiefs. To be sure, the department head normally proceeds to redelegate powers to his subordinates conformably to the already established pattern, and often he dare not do otherwise. But each arrow added to the department head's quiver strengthens the possibilities of his really being leader of his own department. Formal and symbolic patterns of power and deference are not without significance.

The creation of administrative assistant secretaryships is thought to have further strengthened the department head. Abused, however, the arrangement could increase the prestige and demands of house-keeping services at the expense of operating bureaus. The establishment in several departments of planning, programming, or policy staffs for the service of the department head (to which I have referred earlier) illustrates even more sharply the renaissance of the department head.

A third theme of this period is still in the composition stage. This is the shaping of machinery for the fields of national security and foreign affairs. The continuance of this effort to such success as our wit can contrive is more important than any other prospective administrative development in an area of substantive policy and operations. The Department of Defense, established within the last decade, looms larger than all other agencies of the Government put together. It spends over

half the Federal budget; it has almost half of all civilian employees of the Government; with its men in uniform it has four-fifths of all Federal civilian and military personnel. Its very size and complexity pose unusual problems for presidential control, but other features make it a puzzling challenge to the administrative art. The concept of civilian control of the military; the virtual impossibility of cutting the Federal budget without focusing the principal cuts on the defense budget; the hesitations lay administrators have in meddling with the national security; the impact of military procurement on many American industries and on general stability of the economy; secrecy; the rapid technological developments in weapons design, and their impact on requirements and mobilization; the rivalries of the several traditional armed services; the elaborate program of military assistance in other countries; the need for linking military power to foreign policy decision making; even the neglect until recently of defense administration by the professional students of public administration--all these together have contributed to the difficulty, and at the same time the necessity, of bringing the Department of Defense and its components into the mainstream of American policy-making and administration.

To enfold three or four uniformed hierarchies into a civilian-headed department has proved a hard task. The principal problems are that the civilian head is helpless if his own men do not share in the development of military programs, budgets, research and development plans, and procurement, but that, on the other hand, responsibilities become confused if the Secretary's principal assistants can give orders to subordinate departments and bureaus. The man in the most anomalous position is the civilian head of one of the three departments that are within the Department of Defense. He is truly the "man in the middle." The tendency of the civilians to specialize in "business management" aspects of Defense Department work, which some observers have noted, is not the happiest resolution of the difficulties.

Perhaps the National Security Council provides a substantial part of the answer, though the secrecy of its work precludes critical evaluation by an outsider. The impression exists that, as a formulator of policy, particularly where military power and foreign policy meet, it has made a notable contribution. I have detected some doubts about the effectiveness with which its policy decisions are implemented through the Operations Coordinating Board.

If the near-future administrative shape of defense organization is unclear, its obscurity is matched in the foreign affairs area. After

noting what he calls the State Department's "allergy to management," Arthur W. Macmahon has commented:

"The administrative problem in a department of foreign affairs is indeed unique. Business cannot be parcelled out in fixed fashion among bureaus. The exact location of responsibility for initiative within the department depends upon the situation at hand. With each shift the resources of the whole department in some fresh combination must be available at the point where the papers of action are moving. The Department has wisely rejected the notion that all prime responsibility for action could be reintegrated in the geographical units while the economic and other parts would be merely advisory. Such a fixed distinction between line and staff would be unreal. In each case it is the duty of the person charged with responsibility for preparing the decision to know and to seek out those whose advice should be sought and those intitled to review the proposed action. In the event of disapproval, it is his further duty to carry the matter upward for decision. The main solvent, of course, lies in energetic men who know the Department and have a sense of the government as a whole."

If we are not clear on how the Department of State proper structures what it does have within it, we also do not know what should be in it. Whether the International Cooperation Administration and the United States Information Agency should be in or out, or in some curiously amphibious status, remains a subject of debate. Whether such departments as Agriculture and Commerce should have their own foreign services or should depend on the regular Foreign Service is not so settled as it was once thought to be. And who is to represent the United States at international conferences and do the supporting staff work, when the conference subject is fiscal or agricultural or commercial in character, must be a matter stimulative of some friction beside the quiet Potomac.

A fourth theme--to use the term we have become accustomed to--is more a cacophony of sounds than a theme. The problem of people in administration, or what the professionals call "personnel administration," has become more sharply defined. But I am less confident that we have progressed far toward its solution. I have already paid my respects to the decentralization of personnel work by the Civil Service Commission and departmental personnel offices. This is all to the good, for it recognizes that a staff larger than the combined employment of America's eight largest corporations cannot be operated

centrally or uniformly. Beyond this point, though, we still have on our agenda such problems as: The loyalty-security-suitability program; the extent to which career civil servants and foreign service officers may err in their predictions, advice, or decisions without imperiling their careers; the conflict-of-interest bar to ready recruitment and flexible use of businessmen; the confusion over the roles of political executives and higher civil service executives; the reconciliation of the admirably enthusiastic recruitment of college seniors on the one hand with, on the other hand, their eventual need for graduate school training if they are not to be blocked from the higher professional, and even administrative, posts in the career service.

Much of the fascination of Federal administration lies in the fact that it is in a constant state of becoming. Its adjustment from the world of 1900 to that of 1957 is a standing contradiction to any who belittle American administrative capacity. Yet our adjustment seems to occur in conditions of tension. The Great Depression spawned a host of new ideas on how to adjust to the administrative problems of a positive government. World War II is in retrospect--and not simply because we were victorious--a record of astonishing administrative adjustment to magnified and exceedingly complex responsibilities. And the maturity shown in the difficult period since 1945 suggests that we have developed a degree of administrative sophistication that provides a more solid foundation than the gifts for improvisation demonstrated in the depression and in the war. Over such longer pulls we have the hierarchic model as a constant reminder that pragmatic improvisation may neglect the design of the whole. And we have the pluralistic model to remind us not to "put the cart before the horse."

COLONEL SMYSER: Dr. Fesler is ready for your questions.

QUESTION: I have a question on the OCB. You indicated that possibly the OCB was not as effective as it might be in carrying out NSC decisions. Would you comment as to why you have arrived at this conclusion and on methods for improving it?

DR. FESLER: I think that in the context in which I was speaking I tried to make clear that I did not have personal acquaintance with the situation and was merely reflecting an impression. Therefore I can't speak concretely upon this.

There are many similar situations that many of you have encountered where the problem may be a composite of several things, or may

have any of several alternative explanations. What I am trying to get at is that very often the difficulty of a group charged with implementing a decision made by another group is great. The Operations Coordinating Board, particularly, is faced with the problem of implementing a statement of words on paper which has conceivably been arrived at by some of the methods I spoke of as characteristic of interagency negotiation. So formulation of the order may not be at all as clear as the implementers would like it to be. Therefore the fault may not be with the group in charge of implementation but with the original order.

I will simply cite two examples. One was in the period of 1942. I may overstate this; but in the first half of 1942 the War Production Board had a requirements committee composed of gentlemen of your rank and corresponding civilian ranks, who sat very soberly around a table and distributed monthly or quarterly allocations of copper to end-products programs. It was only discovered, I believe, after six months of this sober making of policy decisions, that the decisions had no operational significance, because copper did not go into end products directly--it went into the form of wire and tubes and so on. Nobody knew where those were going. There was no way of tracing the pounds of copper at that time through this process. You can then have decisions at the policy level that to the copper branch, for instance, are meaningless, and they just have to go ahead and operate.

You can also have a decision in the terms I spoke of as involving interagency negotiations. You sometimes get that even in Executive orders. I can't quote this, but there was great concern at the time of the end of World War II about the relaxing of controls. The price agency felt that the production controls should be relaxed gradually, that they should be "unwound" in an orderly fashion. This became a matter of considerable dispute. There were others who said that the war being over, and shortages being over, the Government should get out of the regulatory business. There came from the White House at that time, as I recall, an Executive order directing the War Production Board and other agencies to relax controls, to reconvert, to abandon controls as rapidly as possible without contradicting the principle of an orderly conversion of the economy, "period." This became rather difficult to read in terms of operational significance.

This may be part of the problem. There are other difficulties. Sometimes a policy decision arrived at at the top level simply is not arrived at in terms of who is going to do what. When you transfer this to an operating board you may find a block to action in the simple fact

that the decision as formulated did not lend itself to being broken up into the bits and pieces for which the operating agencies are organized.

I am sorry I can't respond more specifically on the Operations Coordinating Board. Those of us who are outsiders have little to go on. I merely reflected an impression that was abroad for a time.

QUESTION: In discussing the amount of the increase in personnel in government in the United States in the past 50 years, one of the factors you mentioned was that of less isolationism. How does it compare in this country with some of the European countries which don't have that factor percentagewise in the last 50 years?

DR. FESLER: Unfortunately, those are the two paragraphs I had to cut out of my lecture, and I don't have them with me. My generalization was that the trends that were cited in the United States in terms of growth of personnel since 1900 were not unique to the United States. Increases also were plottable in Britain and in France, which were the two countries I looked at, and I developed some rough figures on them. But it is very difficult to compare a country with an empire without state governments, and so on, and compare what that country's national government has in the way of personnel with our own situation and feel that you have anything that is really comparable.

The situation currently is that the national governments of France and Britain together have the same number of nonpostal civilian employees that the United States Government has. Their combined population is about 100 million, not counting overseas possessions, compared to our 170 million.

Another point is that in Britain the personnel of all its governments has tended to be a greater proportion of the labor force than has the personnel of all American governments. This is not just a result of nationalization under the labor government but goes back, as I recall, to figures in 1930 when Britain was ahead of us in terms of proportion of the total labor force accounted for by government employees. But the rate of increase of our National Government employees during the last half century has been sharper than the increase in Britain and France.

QUESTION: Sir, you mentioned the problems, or the possibility of problems, in having the President's or the administration's program carried out by having permanent top career people in the higher echelons.

I believe in Great Britain permanent civil service extends higher up into the planning and policy-making levels. What experience have they had in getting their public programs carried out on that basis?

DR. FESLER: The key way in which the British permanent career service extends higher is in the provisions for permanent under secretaries in each department, which has the great virtue that the British don't wipe out the whole command echelon every time there is an overturn in party elections. There is somebody who is departmentally oriented, instead of there being only a series of lower executives each oriented to a particular bureau. In our system the bulk of higher civil servants are in the bureaus and we have specialized staff divisions, perhaps, but we do not, in any official, certain way, assure that somebody remains when there is a party overturn in the election, that somebody remains who knows the whole department and who is in a key position and has the title, so that continuity results. We have a continuity of sorts, but we get it in different ways. Basically we wipe out the Secretary, the Under Secretary, the Assistant Secretary, and many of their staff when we have a party overturn.

In the British system I think the generalization would be that the party does get its policy effectively implemented through the permanent civil service, partly because of an ethic of the role of the civil servant which does make him capable of either neutrality or switch-hitting, whatever you want to call it--loyalty to something that is distinct, loyalty to the on-going of government, so to speak, and it is distinct, from the particular policy platform of each government as it changes in Britain.

I myself, if I may put in a personal viewpoint here, have never become enamored of the permanent under secretary idea. Secretary Forrestal, as you may recall, was much taken with this idea. I am a skeptic about deputy and chief relations where there is a No. 1 and a No. 2 man. It seems to me that as an organizational pattern its success depends so wholly upon the personal compatibility of the two men that the odds are against it as a regular, repetitive organizational pattern. In a number of instances, perhaps it will occur to you, as it does to me, chief-deputy relations have not worked out too happily.

QUESTION: One of our previous speakers said that he was becoming a little alarmed at the amount of use by the House, of Congress, of the committee system to enact some of their legislation. I believe his statement was something like this: That he would sooner see the

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House disbanded than see complete resort to the committee system. What is your feeling about this?

DR. FESLER: The basic fact you have already stated, which is that congressional government is committee government to a considerable extent. Many of you have friends who come to Washington and go to watch the House or the Senate in session, and testify that they are startled at how little seems to occur on the floor of those two bodies; little knowing that the real work is done in the committees. This is old and standard stuff.

Now, the difficulty is not, of course, with the use of committees to do their normal job of gathering needed background information, and drafting and perfecting proposed legislation. The difficulty is the increased formalization of what I suppose has in many instances been informal over the years, that is, the actual taking of powers by the committees to control the administrative agencies without resort to the House or Senate or Congress as a whole. This has been done informally, of course. It has rested on the dread that administrators have of offending any Congressman in a strategic position. Take a man who is a chairman of the Subcommittee on Appropriations that will be handling an administrative agency's budget. When he calls up it is not surprising that there is undue attentiveness to his wishes, even though he is just one member of the Congress. Similarly with the chairman of the subject-matter committee that has jurisdiction over the agency--it is predictable, as a matter of human nature, that he can make the agency's people responsive to his views. There was a time, as I recall, when the chairman of the Naval Affairs Committee was informally called the Secretary of the Navy.

This I think is unfortunate. It gets responsibilities confused. Increasingly in legislation there is a tendency, since it is drafted by the committee, to write in an authorization to agencies to act in a particular area provided that the agency come back to the committee for approval of individual projects over a certain amount, or of a certain kind. This continuous congressional surveillance and intervening in the decision-making by the agencies, it seems to me, is most unfortunate. At least, if it is not, then in political science we need to rethink our categories, because we don't have any very satisfactory way of formulating this and saying, "This is the kind of government you have." This has been regarded as a departure from the model of the proper role of congressional committees and of Congress. I prefer not to express myself in highly colorful language, and so, I would hesitate to say that "I would

rather see the House abolished than--" but on the other hand, certainly the tendencies that have been developing I think are most unfortunate.

QUESTION: A previous speaker referred to the disintegration of Congress, and there has been considerable discussion about the growing administrative load of the Executive and the fact that it has tended to unbalance our trinity form of government, with increasing powers for the Executive at a time when there does not seem to be any real way for Congress to regain to itself some of the powers it is losing. Do you feel that there is an undesirable trend in that direction toward power for the Executive and that it can and should be prevented?

DR. FESLER: I am not so much disturbed over the need for finding ways in which the Government can absorb additional work. This is the basic problem, the increase of the load on the Government. You then have to place the load someplace. Congress, a legislative body almost by definition, is not geared to absorb additional work indefinitely. That is not one of its characteristics, that it can take on more and more work and retain the same degree of detail of attention it has previously given to its work. It is not expansible, in a sense.

The Executive, on the other hand, has as one of its characteristics the fact that it is almost indefinitely expansible. This you may not like, but it is one of the characteristics of a hierarchy, a functionalized hierarchy, that you can continue to add people and to add units to handle new tasks. This creates problems of big management, and so on, which I tried to refer to a bit ago, but it is there that you can absorb more work. This is therefore the phenomenon. I don't see that there is much of an escape from this.

Now, the problem becomes the degree to which the administrative part of the Government shows appropriate deference in appropriate spheres to the Congress, and, on the other hand, the degree to which the Congress refines its conception of its role so that it is maximizing on its investment of energy, instead of dissipating its energy in less fruitful paths of activity. The only way that Congress can maintain a possession of power is to prove itself adept at using power at strategic points. This means selectivity on its part.

All that suggests some sort of a central will in Congress (which is one of the difficulties, of course) to make this kind of choice as to how to act strategically, what they will legislate on in detailed fashion what they will spend legislative debate time on. This is a strategic kind of

decision that would need some sort of a Joint Chiefs of Staff in the Congress. We have approaches to that from time to time, of course, but it is very hard for the joint chiefs of Congress to control what one man in the Congress may choose to decide is a good way to spend his time. This obviously interferes with the Congress getting to its work, or at least getting home.

COLONEL SMYSER: Dr. Fesler, on behalf of General Hollis and the entire student body, I wish to thank you for a most interesting and informative discussion.

DR. FESLER: Thank you. It was a great pleasure to be with you.

(4 Oct 1957--4, 150)O/ljt:ekh