ADMINISTRATION IN THE FEDERAL GOVERNMENT II

5 September 1957

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CAPTAIN THOMPSON: General Hollis, Gentlemen: This morning we are to hear our fifth and final lecture on the subject of the Federal Government. Our speaker has been closely associated with the Washington scene since 1933, and is well qualified to clear up for us the alleged confusion in our National Government.

As you know, the enlarged responsibility of the executive branch of the Federal Government since the close of World War II in practically all fields has generated many complicated problems in administration and management.

The lecturer today will speak on Federal administration and management problems since 1945, on large tasks and responsibilities of the Federal Government, on recent developments in the Executive Office of the President, and on current problems and trends.

It is a great pleasure to welcome back to the College Mr. Roger W. Jones of the Bureau of the Budget. Mr. Jones.

MR. JONES: General Hollis, Gentlemen: I had a great many doubts as to how to go about this this morning, after listening to Dr. Fesler last week. I finally came to the conclusion that, for the first part of what I have to say, I will stick pretty closely to a prepared text, and then, at the end, I would like to talk just a little bit about some of the particular situations that we find ourselves in within the Executive Office, and what I think they may mean; and I would like to do that informally. Then, of course, I will be willing to take your questions for as long as you want to ask them.

I have given this short paper the title, "Emerging Administrative Problems in the Federal Government."

Last week Dr. Fesler presented a brilliant and sweeping analysis of the growth of administrative techniques in the United States Government in the first half of the 20th century. He made comparisons, illustrated by contrast--all for the purpose of posing the most critical problems, describing them fully, and giving historical answers as to

how they had been met. He emphasized the need for understanding two models of government and their use in meeting administrative problems. The one embodies a straight line of authority leading from the President on down to the smallest field office of an executive agency. This is the hierarchical model, its cornerstone and inspiration being the dictum of the Constitution, "The Executive Power shall be vested in a President of the United States of America." The other model, embodying a pluralistic concept, views the Federal Government as a loose confederation of agencies and programs tied together by the body of the law and kept on an even keel by the distribution of political power and the negatives enunciated in the Constitution.

It is not my purpose this morning to defend either model or, conversely, to attack it. Both can be adequately nourished by the Constitution, and each of you in his own experience has found strong elements of both in the course of day-to-day jobs. Both are consciously assessed as means of governing actions planned for the future. If Dr. Fesler presented to you theory and philosophy painted against the backdrop of historical experience, I suppose it then becomes my task to reverse the field and to talk of the practical against the backdrop of theory and philosophy. If this could be done in the form of simple narrative summaries, it might prove the basis for the case-study approach in some of your discussion groups. At first I was tempted to proceed in that manner. On further reflection, it seemed to me perhaps more useful to use the incident only to illustrate the emerging problem.

The question may well be asked, "How does one identify an emerging problem of administration in the Federal Government?" I suspect that the only good answer is to say that it is first sensed. It does not jump, full blown, into being. Then, if a quick search of the statutes shows no clear authority for coping with it, a somewhat frantic evaluation is made in the light of experience and precedent. Finally, some brave soul tosses it into the hopper of decision-making, with the end result that, somewhere in one of the three branches of the Government, or possibly in all three, something is done about it. Unfortunately this may be a very time-consuming and tiresome process. Faith and need usually combine in the end to produce a very satisfactory and wholly constitutional solution.

Every Government employee, and particularly those in positions of responsibility, should be required to read the Constitution at least once a year. It is a source of never ending amazement to me how much is to be learned from that document when one gets to worrying about

administrative problems--past, present, or future. It provides the basis for far better answers than one might suppose. The catalog of presidential and congressional powers does not need to be learned by rote, but the spirit of both catalogs certainly must be absorbed if one is not to trip and stumble badly. I shall not take the time this morning to repeat any part of that catalog, but I do want to stress two points that grow from any consideration of it.

First, the Constitution does not sanction indiscriminate mixing of the executive and legislative roles, even though it does give the President a legislative role and puts the Senate, at least, into the business of participating in the most administrative of all Executive powers, that of appointing officers of the executive branch. These deliberate deviations, however, were a protection against either executive or legislative tyranny. All of the language and all of the guideposts point clearly to the more important conclusion that the executive is to administer and the legislature, by the enactment of laws, is to establish the policies and programs to be administered.

Second, the complexities of modern government, either in terms of program content or in terms of executive and legislative response to popular will, do not call for abandonment of the Constitution or its system of checks and balances. Neither, may I add, do they call for enthronement of either the hierarchical or the pluralistic model as the best way to get things done. Dr. Fesler was not categorical enough to suit me in his agreement with this view last week, it seems to me, so I wanted to stress it.

Someone once referred to our Constitution as a "glorious compromise." I dislike the term and cannot remember its author. Compromise there certainly was in its making, as any reading of the history of the Constitutional Convention will make clear. It was not, however, compromise in principle. Those advocates of departure from the institutional structure which had to grow from the Constitution will find that their house is built upon sand when they seek to substitute a haphazard jumble of response to conflicting forces.

As I indicated a few minutes ago, in my judgment an emerging problem of administration is first sensed, then checked against the laws, examined in experience, and finally brought to the focus of demanded action. These problems can be simple or highly complex. Three examples of the simple will do for particular consideration this

morning. (May I say parenthetically that they have been chosen with some consideration of this audience.) These three have the common denominator of universality. The first of them is a growing feeling that government as a whole must do something about training. A bachelor's degree or 10 years as a vice president of a large industrial concern is no guarantee that a successful career will ensue for the possessor of the one, or that firm and inspired management will make the place of the other secure in history as a great cabinet officer. Industrial colleges, infantry schools, foreign-service institutes, and all the other examples of formalized advance training are not sufficient. They are necessary, yes, but in the main they merely open doors and then leave the individual pretty much on his own as to what happens next. Training, of course, is a basic responsibility of management, and an individual concern only to the extent that it ties in with natural aspirations which everyone has for advancement. There can be no doubt that without such aspiration on the part of the individual no training program will be successful; but individual ambition is no more a guarantee of success than a bachelor's degree.

This training problem was sensed in many places in the Federal Government during and after World War II. We found ourselves wanting on many fronts, and particularly we found that a great deal of the technique which had been developed for doing complicated jobs in industry was no longer at the disposal of the Federal establishment. It was discovered that the statutory authorities in most agencies were not broad enough to permit executive action. Now, after much concern in recent years and numerous partial responses from the Congress, we seem to be on the way toward obtaining congressional approval for general training authority which will at least take away from the agencies the opportunity to complain because they do not have such authority. Once this law is enacted, as I am sure it will be at the next session of Congress, the agencies will then have to face up to the hard reality of devising training programs which meet their needs. To you who have had the privilege and the experience of formalized door-opening of the kind which the Industrial College will give you will come much of the responsibility for deciding what the next steps should be. I ask you to take your responsibilities seriously.

The second simple administrative problem now universally sensed throughout the Federal agencies is the feeling that our compensation systems have got a great deal wrong with them and that perhaps some of the old concepts which underlie them belong to another age. The goal

of "equal pay for equal work" seems on the way to becoming a monolithic precept which is used to confound rather than to clarify. Certainly from its rigid stem there have grown strange branches which executive will and legislative enactment must combine to lop off. Even the military now doubt that responsibility can best be measured in terms of the number of persons commanded or supervised. Similarly, there is growing realization that we must abandon completely pyramidal organizational structures, with levels of responsibility restrained and tied down by differences in salary, no matter how minute and how ridiculous those differences may be. Of equal concern is the two-headed fallacy that all college graduates must be required to enter Federal service at the same salary rate and that, all other factors being equal, advancement from grade to grade must await the passage of a given number of months or years, all according to a formula which in most agencies seems to be almost as specific as the statutory formula for ingrade promotions. But to get rid of these anachronisms will take more than a Cordiner Report or a Cabinet Committee on Compensation Systems or a series of hearings by one or two committees of Congress. It, too, is a problem with which you must be concerned when you leave this College and go back to your responsibilities for keeping America strong and supplying the men and the materiel to do so.

The third reasonably simple emerging problem of administration which so far we have not pushed much beyond the act of sensing is much less precise in its manifestations in different agencies. It involves protecting the congressional right of surveillance and program review without at the same time agreeing to a dozen-and-one different forms of congressional participation in administration. Modern government requires broad grants of authority and the highest exercise of discretion in the application of that authority. It also requires new means of keeping the Congress informed and of making sure that there will not be an improper degree of executive freedom to act without review by the elected representatives of the people. Policy and programs both must flow naturally from reasonable interpretation of the language of the law, not from the unbridled imagination of the administrator or the deliberations of a committee of Congress set over him. At both ends of Pennsylvania Avenue this problem is attracting more and more attention, but there is no agreement yet as to what precise difficulties produced the problem, how it can best be examined, or what solutions can be suggested for either statutory enactment or executive application short of law.

The dilemma was not apparent until the first great expansion of Federal activity during and after World War I. Then it was only dimly sensed when presented in particularly dramatic and precise form. Woodrow Wilson vetoed an appropriation act in 1920 because it would have required executive agencies to obtain prior approval of the Joint Committee on Printing before printing magazines. This veto attracted no attention. It was a small matter to be concerned about, perhaps, but it was the forerunner of a 1933 bill which would have prohibited certain income and other tax refunds without approval of the Joint Committee on Internal Revenue Taxation. This case attracted more attention and ended in a formal opinion of the Attorney General before President Hoover vetoed the bill. Next came a new device, that of congressional resolutions--the simple resolutions and the concurrent resolutions. The difference between them I am sure you all know. The simple resolution relates to the business of only one House and does not go to the other House. The concurrent resolution, proposed by either House, involves the concurrence of the other House, because the action is something in which the Congress as a whole wishes to participate. For about 30 years the Constitution, in the eyes of some students has been shoved to one side by the growing use of this particular device as a means of control over the Executive. Concern arises by virtue of the fact that neither the simple nor the concurrent resolution is presented to the President for his approval, in spite of the injunction of the Constitution that all bills shall come to the President for his action. Thus, when the Congress, by simple or concurrent resolution, can set aside an executive action under an authority delegated by statute, the veto power of the President is circumvented.

During World War II the occasional resolution became almost an avalanche, and I doubt whether anyone has made a complete count of all the war statutes which could have been inactivated by simple or concurrent resolution of the Congress. The device was accepted under the stress of war and in a spirit of partnership of responsibility between the executive and legislative branches for winning the war. But how acceptable it is for the long test of constitutional intent I am not sure. I am sure that the next step is not acceptable and that when its full import is recognized it will be rejected by the Congress, as well as opposed by the Executive. It is the attempt to return to congressional sharing in administration by the device of making some executive action depend for initiation or completion upon the consent of a committee of the Congress. Presidents Truman and Eisenhower both have vetoed bills containing such provisions, but this is not enough. I contend that

this is first a problem of administration and proper communication. Only when they fail does it become worthy of the steel of the Constitution.

The failures of military administration and communication must be especially prounounced because it is in military legislation that this device has most often been tried. I suggest that there needs to be considerable hard work done to find out why the Congress feels the need to impose such conditions upon grants of authority. Work also must be done to discover why any executive, whether he be hierarchical or pluralistic in his model, is willing to submit to such restraint. Administrative ingenuity rather than exercise of the veto can best dissipate this threat to proper execution of the laws in accordance with the Constitution.

I do not suggest that the executive branch alone is guilty of failure. No agency can keep Congress or its committees properly informed if it does not know what information is needed by the legislative bodies. As a boy I used to ponder over the meaning of St. Paul's pronouncement, "Evil communications corrupt good manners." It's application seemed endless, and the company of them has not decreased as I have watched the growth of many misunderstandings between Capitol Hill and the Federal Triangle.

Turning now to the more complex, I shall suggest three other emerging problems of administration which are even more fundamental than those involving human equations. After all, training, systems of compensation, and failures of communication involve people. The truly complex problem in administration seems to involve the abstract. Here I will be more precise as to the incident which seems to have started the process of sensing.

Release of the 1958 budget to the press was the occasion for three press conferences--one by the Budget Director, one by the Secretary of the Treasury, and one by the Secretary of Defense. In the first and the third there was no hint of the storm to come. In the second, a remark was taken out of context. In somewhat the same way that a chance encounter near Gettysburg forced a major battle on ground of neither commander's advance choice, so the battle of the 1958 budget was joined. In its wake two major administrative problems have emerged, and I am not sure that we sensed either one of them as fully as we should have. Both involve all the abstractions that make administrative nightmares.

These problems may be posed as questions. How can the budget be brought under sufficient executive control to command legislative faith in its integrity and hence tolerance in its review? No one can play a greater part in solving this problem than the men who are charged with the responsibility for military procurement. The second question is equally difficult. How can the budget be so presented in its detail that the committees of Congress, the Congress as a whole, and the people of the country can understand it? There can be neither economy nor understanding when the former begins in any area but that of some special concern, and the latter matters only where that same special concern is involved. The Old Testament blasphemy, "Am I my brother's keeper?" ill behooves any of us in Federal service when it becomes our turn to answer our part of the second budget question.

In summary, I suggest that the budget, no matter how quickly it may be lost sight of in the pink cloud of some future tax cut, remains a major unsolved administrative problem with two major facets--how to control its content and how to explain its impact.

Finally, to choose a third problem of the complex in administration, I must turn to a question of ethics and political metaphysics ("The science of fundamental causes and processes in things," to quote Webster). I know of no other which is more important for the success of our Government. In it are found all of the problems of human equations concerned in training, systems of compensation, and executive versus legislative control. In it may well be found the know-how to answer the budget questions. Again I pose it as two questions which together state the problem: (1) How much must a man sacrifice in economic and financial terms to serve his Government? (2) How can administrative science protect the expert manager from conflict of interest or the appearance of it?

I do not believe that Charles E. Wilson was a better, or a more responsible, or a more ethical Secretary of Defense because he had to sell his General Motors stock. But at the same time I admit that we have not one single device which would have protected him against a conflict-of-interest charge had he not sold his stock and separated himself completely from General Motors. It is not enough to say that Mr. Wilson could afford to do what he did. I know and you know of other cases in which the Government has been denied the services of men it needed badly because they could not afford to do what Mr. Wilson did. This again is not a problem to be solved merely be repealing some

provision of statutory law. It is a problem which strikes at the very heart of our constitutional declaration that we have undertaken to provide for our common defense and promote our general welfare. Both require the availability of the best talent in America, particularly in those positions of supreme responsibility which any political party must agree to fill from its most capable adherents when that party's leader is given the mandate to serve as the President of the United States.

The longer I have thought about this problem the less sure I have become that the answer lies in Federal action of any kind. Forces at work in American politics for the past 25 years represent something vastly more vital than merely a realignment of partisan responsibility. Government, by popular demand, has come much closer to the people. It is their needs, their fears, their hopes which have found expression in the vast system of Federal programs and Federal policy commitments which we have today.

To cite one example, the people of the United States, through Congress, have declared, in the Employment Act of 1946, that it is the policy of the Federal Government, "with the assistance of and cooperation of industry, agriculture, labor, and state and local governments to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power." (italics supplied)

That language is more than semantics. It is a declaration of policy to which both political parties have committed themselves. It makes demands which require resourceful planning and imaginative execution by men and women who have the skill, the energy, and the desire to promote maximum employment, production, and purchasing power. These are the economic life blood of a free America; they are not academic concepts which can be made real by teaching alone. But neither can they be made real if conflict of interest, a prohibition of a narrower day, is set up to deny opportunity to serve.

It seems to me that the same political forces which established such a policy have the responsibility for assuring that it will work. There is nothing partisan about this. If political force finds its best

expression through the operations of our party system and alliances within the parties, then it becomes a matter of party responsibility to find means of resolving the conflict-of-interest problem. Is it too much to ask that the parties take on the job of cataloging the policy positions which must be filled and finding acceptable candidates for them? Is it beyond possibility for parties to get commitments from adherents to serve for more than a year or so in such jobs? Cannot both parties agree on means for minimizing the reasons given for not taking a Federal appointment? There are five most often advanced--immediate financial sacrifice; loss of security rights of great value; getting left behind by the procession back home; being judged in the light of hindsight; and having to absorb too much unmerited abuse. Once these things are done, will we not find that conflict of interest no longer is so much of a problem?

Now, that much of my address gentlemen, was presented on a formal basis, because, as I understand the way in which you work this year, there may be some desire to discuss these things later on, and I thought perhaps it would be well to have the text to fall back on.

I should now like to turn away from the formal presentation and to ask you very briefly to review with me the major advances which I think have been made in the last decade in Federal administrative techniques, and to look at an unsolved problem or two in a very informal way.

I have to go back to two or three points mentioned earlier. The first is that the number of Federal programs has increased. Many of the things which at one time we were undertaking only because there was a depression, or an economic recession, or a war, or an emergency of one sort or another have now become permanent parts of the Federal scene. They are thoroughly accepted, but they involve, as such things always do, overlaps in jurisdiction, conflicts in intent, and a certain amount of competition for support in the Congress and for support back home. In short, they require coordination.

It is easy for the casual political scientist, or the member of a political party which is out of office to take the point of view that these competitions, these conflicts, these overlaps in jurisdiction, are simply the result of a vast and burgeoning bureaucracy which has no

desire to save money, and no interest except to advance its own cause and do things without supervision and at the expense of someone else. I deny categorically that that is true, because, as I indicated in the formal part of this talk with you this morning, Federal administrators do not make the law, any more than you make the basic decision as to what you are going to procure under a fixed set of specifications and requirements in the military field. Federal administrators, of course, must interpret the law, and they must try to carry on the program as they believe the Congress intended. If they indulge in personal empire building, they find that they have gone beyond what the Congress (or for that matter what the country) intends. The Congress will very quickly bring them to book.

The easiest way to do this of course, is to reduce or deny appropriations until the program emphasis has been changed. The more difficult way is through the device of hearing or investigation, in which the substantive committee of chief concern steps in and makes the executive agency and its officers come down and give an accounting of their stewardship, with possible enactment, subsequently, of amendments in the basic law.

Both devices are appropriate, when properly used. I would, however, say that the executive branch, until the last 10 or 12 years, has not thoroughly understood that this kind of action by the Congress can become congressional administration--a rough substitute for the prescription of the Constitution, "He (the President) shall take care that the laws be faithfully executed." There are dangers in considering that these words are something which can just be shoved to one side in the belief that, if he doesn't do it, or doesn't do it affirmatively, the Congress will step in and do it for him.

Many major programs have too much potential conflict, too much overlap, too much in-built opportunity for self-serving by different agencies, or too much incentive for exercise of similar authorities to serve the same or similar ends to permit negative, after-the-fact administrative machinery to straighten them out. They demand and require positive executive control, not punishment by legislative action.

Just to cite one kind of example, with which some of you may be somewhat familiar, let us take the work which we are now doing in the field of conservation of our water resources. The President and many other national leaders have said that in a few years our major national

problem will be how to get the most effective use out of every drop of water that falls on this country. We all know much of it is being wasted today, wasted through neglect, wasted through the pumping into it of both industrial and household waste of one sort or another, wasted through lack of use before it flows into the sea. Plans to prevent such waste are in the making.

We now have operating in this field, first, the Corps of Engineers of the Army, with its big programs of flood control, navigation, and similar matters, and the building of dams for power and other purposes; secondly, we have the Bureau of Reclamation, with its programs of irrigation, power, and reclaiming land. Both of them are now beginning to become concerned with problems of drainage. And we have in the Department of Agriculture what is known as the upper watershed program, tied together with the soil conservation program--a series of interrelated actions designed to keep the water on the land.

There are already overlaps and other disputes among these three agencies. If one is negative, he can say: "Why should the executive branch worry? Let each go ahead; let each do its own job as it sees fit, within the limits of the funds appropriated by Congress; and if there be an argument about it, let the Congress settle it through the substantive committees of the Hill." Such philosophy of operation is unfair to both the Congress and the Executive for many reasons, not the least of them being the simple facts that (1) it is not the job of Congress to manage, and (2) the corps programs are under the general surveillance of the Committees on Public Works; the Agriculture programs are under the Agriculture Committees; and the Bureau of Reclamation's programs come under the jurisdiction of the Committees on the Interior. There is no unifying force at the other end of the Avenue to handle this administrative job. If present machinery is unequal to the task, the Executive should take whatever steps are necessary to create the needed machinery, including making recommendations for any new laws he believes necessary.

This problem and others of similar import have brought about the need for better administrative machinery and better coordination at the apex of our Government in the Office of the President. The devices which have been established are not perfect, nor, necessarily, will any of them last forever. In fact, in my judgment, none of them should be permitted to last beyond the point at which they serve the needs of the President of the United States. Twenty-five years ago the idea of

coordination by the President was almost unknown. Even 15 years ago it was suspect and considered an evidence of the desire for executive domination of Government. Today it is accepted as natural, necessary, and newsworthy, if one may judge by the support given the recommendations of the Hoover Commission by press and radio.

I have spoken to this audience before about my firm conviction that both the statutes and the executive branch should stop trying to organize and manage the President, and let him organize and manage them. It is for that reason that we in the Budget Bureau have been so definite in opposing from time to time efforts to create statutory machinery which could in the long run be used to negate the Constitution's concept of placing all executive power in the President. This position now has won much support and represents a new improvement in the techniques of administration.

In the Truman administration it became apparent almost within days after Mr. Truman took office, that action would have to be taken by the President to get the people of the country to realize that he was not just a shadow of Mr. Roosevelt and that everything would not go on exactly as it had gone on before. The President of the United States is both a man and an office, and the man and the office, if they are going to be successful at all, cannot be separated. Mr. Truman gave a great deal of thought to this process of developing presidential machinery--institutional and personal. For example, it was he who took the point of view initially that the Council of Economic Advisers should be exactly that, an advisory body to the President, and that they should not get themselves mixed up in the day-to-day hurly-burly of debate about economic issues, as they did somewhat later on in his administration. Similarly, he created the position of the Assistant to the President and enhanced the institutional role of the Budget Bureau. In his administration, also, the National Security Council was created and the White House staff was enlarged. All of these steps were designed to improve Federal administration through provision of better tools to the President. It was not the purpose to circumscribe the President or prescribe how he should use these tools. But the method of use by one President should not be binding on his successor. Here, again, however, the President should suggest the change, not the Congress, if the laws are not flexible enough to permit him to adapt the statutory machinery to changing conditions and to the needs of his kind of administration.

In my judgment it didn't help the President when, shortly after the Eisenhower administration took office, committees of the Congress proposed a complete denial of funds for the Council of Economic Advisers. At the same time, in a strange paradox, we had other committees on the Hill taking the position that they were not turning their backs on the philosophy of the Employment Act of 1946 under which the Council was set up, which I read a few minutes ago. It was still national policy to promote maximum employment and purchasing power, but not in the way in which the Council of Economic Advisers had been doing in the last year or so.

In the light of improved administrative techniques that move by the Congress was unfortunate, and it led to a quick and careful re-examination of several things. In a short time the Congress agreed that the President should have this body to help and advise him. At present the Council again serves in a purely advisory role, but I do not suggest that it always should be that way. If a future President, for one reason or another, decides to espouse a given form of economic or social philosophy, I have no doubt of his right to use the Council of Economic Advisers, or any of the rest of the presidential machinery, as he sees fit to advance his advocacy. If he chooses to do so, however, then it becomes the job of his successor to reassess the situation and to change whatever he believes his mandate authorizes him to change in the role of his office.

Consequently, I think that the more you put presidential machinery in a flexible role of providing staff assistance and do so clearly by precept and statute, and the less presidential machinery is given a substantive role, the more adequately the President will be equipped to discharge his heavy burden of executive responsibility.

This Executive Office structure, until it was created by Mr. Roosevelt in 1939, was practically nothing except the White House Staff. The President could, and occasionally did, detail to his office from other agencies--a statutory authority which he still has--individuals with some particular skills. But he did not have a large staff. In fact, it was only in Mr. Hoover's administration that the presidential secretaries were increased from 1 to 3, a development which Mr. Roosevelt in sarcastic or whimsical partisanship once referred to as "the one substantial accomplishment of the Hoover administration."

Since the establishment of the Executive Office in 1939, there has been what some students have called a "bewildering" series of changes in the organizational structure of that Office. Actually, the major structure has been little changed and any bewilderment is only the result of bringing into the Executive Office from time to time temporary bodies set up to do a specific job and then abolished. Some political scientists are very critical of this. One of them, in conversation with me, said that while he could excuse "tinkering" during war, he saw no reason in the world why there should have been at least three advisory committees to the President in a few year's time on questions of water resources policy, one of which prepared a monumental three-volume report, "about which nothing was done."

Now, I urge you to think carefully about what this gentleman suggested. It was his view that any problem be handled by a statutory agency, his defense against too many of them. He suggested that an agency on water-resources policy, be set up, finalized in law, and given broad statutory authorities and functions. I cannot believe that such action, in itself, is going to solve problems not yet defined or ready for solution.

There have been two developments in the Eisenhower administration which I think are particularly worthy of note and some little comment. I refer to the formalization of the Cabinet as an advisory body to the President, and the establishment of the Cabinet secretariat, as the first of these illustrations. All of you, I am sure, have had experience with secretariat operation. It has many strengths, and some weaknesses. Its strengths are that it gives the executive to whom it is responsible an opportunity to regularize the job and to see to it that at least reasonably good staff work gets done, and that time, effort, money, and everything else are not wasted by having people bring issues in for decision before they have been satisfactorily staffed out. Its greatest weakness, perhaps, is the fact that unless the greatest care is taken formalization tends to reduce issues to presentation in the lowest common denominator, and to inhibit free discussion. There is also the tendency to create agenda items regardless of whether they merit consideration by the President or in his presence.

In my judgment the present administration has done a very good job of steering between Scylla and Charybdis on this particular front. The Cabinet has not been over-formalized and has not concerned itself with

very many issues which were unworthy of Cabinet consideration. On the other hand, it has been able to keep many issues in focus for the President and to improve the staff work done on a series of very important problems. In short, it has helped the President to resolve problems, and that is a test of soundness, whether the problem be one of transportation policy, resources development, veterans' benefits, or extension of social security.

The second device which the Eisenhower administration has formalized most successfully has been participation of the Cabinet and the legislative leaders in the final make-up of the President's legislative program. Perhaps I am overly concerned because, after all, this is the chief thing with which my official life is concerned. The practice of having a formal program was started by Mr. Truman, who announced it to the Congress each year in the three annual messages--the Budget Message, the State of the Union Message, and the Economic Report. President Eisenhower added the additional steps of Cabinet discussion in the course of preparation of the program, and advance consultation on the more important items with the leaders of Congress in the hope of bringing into being a reasonably coordinated program before it is sent to the Hill. The success that the President had with his program in his first term grew, in part, out of the fact that this program was tested out on a basis of Cabinet agreements on policy followed by an exchange of ideas in advance of presentation to the Congress by meetings with the legislative leaders. In the fall of 1953, for example, the President, having brought his program into full focus for the first time, sat with the legislative leaders of the Congress and the Chairmen of the Committees for three full days. A full review was made of what the Administration was going to present to the Congress; why it felt it was important for the Congress to consider these bills and suggesting tentative time schedules for consideration of major items.

Many of the items in the program had been thoroughly discussed throughout the country over a period of several years. The Congress responded favorably and a high percentage of the program was enacted. The same pattern developed in the 84th Congress--and remember, this involved a shift in congressional control--in the third and fourth years of the Eisenhower administration. There may be many reasons why this kind of momentum was not maintained in the 85th Congress. I should like to mention two of them because I think they illustrate an emerging administrative problem of concern in the Federal Government generally and of particular concern to the President--any President.

The first of these is the fact that no President now can succeed himself beyond a second term. When the constitutional amendment was proposed to limit the President to two terms the Budget Bureau and others accustomed to dealing with presidential machinery believed that it might have adverse effects on the Presidency. A President unable to succeed himself, we believe, loses important political power, no matter how brilliant his leadership. In terms of the long pull and in terms of being able to work out agreements with the Congress on controversial items he lacks one of the powers which he most greatly needs, that of being able personally to take an issue back to the electorate as a candidate.

The other factor which I would like to mention is the way in which Government has come down into the lives of the people. I have mentioned this to this audience before. In the last 30 years the Federal Government has shifted its entire character from being primarily a service and police organization concerned with the Army, the Navy, the Post Office, Agriculture, and a few things like that, to a series of interlocking programs which come into the lives of each one of us. There is little that we do from day to day that does not have some thread of direct connection with some Federal program which has been enacted by the Congress. Federal programs operate at the local level and Federal employment now is out in the States, in the cities, in the towns, in the counties. Washington is the nerve center, and I presume always will be, but the actual job, whether it be concerned with social security, or aid to education, or getting money to finance a house, or a GI loan, or protecting people against a bogus issue of stock, or a stock pond on a farm, is performed right in the locality in which you live. As I indicated, over 90 percent of Federal employment is out there. It is not here in Washington.

This means, in my judgment, gentlemen, that the focus of communication on most issues has shifted from contact with the Congress, with the representatives of the people, to contact with the executive agencies. I think the Congress is constantly trying to cope with this great reservoir of "people to agency" contact. When there is a new idea, no matter how much it may have grass-roots connections and support via the executive branch, it takes time for the Congress to catch up. There is nothing wrong with this, but it often is interpreted as evidence of failure of leadership or conflict between Congress and President. There may well be such conflict and delaying partisan tactics on some measures, but those that have continuing popular support soon, in the long look, lose most of their partisan coloration and get enacted.

A number of the items in the President's program for the 85th Congress fell into this category. They had been overshadowed by the items enacted in the 83d and 84th Congress, and few of them became campaign issues. Furthermore, the battle of the budget slowed things down all along the line.

I dare say some part of every President's program will be enacted during the administration of his successor regardless of the fact that they may be of different parties. It takes that long for any program to mature. In spite of all this new communication with the Executive, the Congressman still gets the gripes, of course, in the hope that by some sort of a miracle something will be done, but he does not get the feel for the day-to-day program. That kind of communication takes place with the executive branch agencies.

I have checked this impression of mine with members of Congress and they agree with me that often the first inkling they get of feeling back home about the need for extension of a veterans' law, or changes in social security, or objection to a Federal school-building program, or something of that sort, usually comes to them from some evidence that there has been communication with the executive branch. At the risk of obvious repetition I suggest that this, too, may be responsible for some of our administrative difficulties today; because, as the programs have become more fixed between the executive branch and the people of the country, we have come increasingly into a situation in which the members of Congress, despite all of the improvements in communication that we have, just don't feel that they are on top of the situation.

Now, it behooves us in the executive branch to do something about that. I think we rely far too much on formal communication and far too little on the natural devices of seeing the members of Congress, who are concerned with our problems, and sitting down and talking with them, and trying to keep them abreast of what is going on.

In the fields of activity to which most of you will return, there may be inhibitions against too much contact, except through formal channels, between you and members of Congress. But I would urge you--and I say this very sincerely--that one of the major contributions you can make to simplifying and making more effective Federal Administration is by seeing to it that Congress knows what it should about your job. When you feel there is something that the Congress should

know, put on all the pressure you can, pushing it on up the line, to see to it that necessary information is communicated to the Congress--not only in a printed report that goes down on the first of January and lies on the Speaker's desk and then is referred to a committee, but in terms of informal reports, the way in which we normally do our work, in day-to-day relationships.

In closing, I want to say that it has been very good to be here again. I hope that I may be invited back. I tried to describe this talk to my younger son, who recently was home on furlough and wanted to know what I had been doing for my country. He said, "You have been down there twice before?" I said, "Yes, I have." He shook his head and he said, "I don't understand it, but a man is entitled to three strikes, Dad."

CAPTAIN THOMPSON: Mr. Jones is now ready for your questions, gentlemen.

QUESTION: Mr. Jones, you mentioned that it was the function of the legislative branch to set forth its program and of the executive branch to carry out that program, emphasizing that the legislative should not meddle too much in the operations. Yet in recent years we have seen more and more instances where the Congress will appropriate money for a specific program and the executive branch will freeze that money and will refuse to spend it. How do you justify that?

MR. JONES: Well, that's a good question. I don't think this is quite as controversial as it may sound from your question, captain. The attitude of the executive branch is that an appropriation is an authorization to spend. It is not a mandate to spend, unless the Congress puts a "shall" in it. There are appropriations which, of course, are mandatory and must be expended, probably down to the last nickel. In any period of struggle to keep the income and outgo reasonably balanced, there is going to be some disagreement, particularly if the Congress authorizes more money for some purpose than the President feels fits into the overall plan. Consequently you are bound to have instances in which a President decides that spending beyond a certain rate gets things out of balance with results which, as he sees it, mean that he is not faithfully executing the law. He then directs that a reserve be set up to prevent such expenditures.

Now, unfortunately, the kind of area in which this happens usually is an area in which, from the executive branch point of view, the Congress has been oversold. These make the headlines. I can't begin to tell you how many times reserves have been established when they attracted no attention at all. The President, in directing the Budget Director to establish a reserve, has acted only after there has been consultation between the department head and the Budget Director. Often the committee chairmen of the appropriations and substantive committees of both Houses also have been consulted and the matter has been fully agreed.

The real difficulty comes when either end of the Avenue puts a chip on its shoulder and dares somebody to knock it off.

Now, I realize I haven't answered the central part of your question. You say, how can we justify it? I justify it on this ground. There is only one person who is in a position to give that final judgment on balance of programs, one as opposed to another or all others. He is the President of the United States. And I think that by and large the Congress recognizes this.

In the Eisenhower administration, to cite another kind of example, extra monies have been added by the Congress for the work of the National Institutes of Health. This year, the Director of one of those institutes was criticized in a committee hearing because he had not spent all the money that the Congress appropriated to him last year, and which voluntarily, without any push from us at all, the department had put into reserve because it couldn't spend it, or couldn't spend it in what it considered to be an economical and proper way.

In summary, there is no simple answer. At times you are going to have a contest of will, and then you are going to have controversy. If the President says to the Congress, "You are wrong," and the Congress says to the President, "We are right," under those circumstances maybe some people would argue that the will of the Congress should prevail. I am not prepared so to argue, because I honestly believe that the President has a better fix on the whole picture than the Congress has.

I am afraid that's the best I can do with your question.

QUESTION: Sir, the question I have is about an article that I read in the newspaper. It was stated in the column of Marquis Child yesterday in the morning paper that there is a feeling, a strong feeling, in both parties of Congress and among their principal colleagues that the Budget Bureau is making executive decisions. Would you care to comment on that?

MR. JONES: I will be glad to comment on it. You will have to do your own discounting of the comment. I have been in the Budget Bureau a long time. If you will read the Budget and Accounting Act, gentlemen, you will find that the Budget Director has practically no substantive authorities of his own. Almost the only thing that that act gives him the power to do is to reduce, increase, or modify estimates. Amendments to that act give him certain authorities with respect to reserves, but he exercises those under the control and direction of the President, in whose office his bureau sits and on whose staff he is a personal appointee--I may add, without Senate confirmation, any more than the Senate confirms the President's secretary. He is a member of the personal staff, removable at the will of the President. He has some other kinds of duties that arise out of one other statute, the Federal Reports Act of 1942, under which Government statistical coordination is carried on. Those are his only substantive, and, if you will, mandatory authorities. Everything else that he does he does on behalf of the President of the United States, in the name of the President of the United States, and, I assure you fully, only with the concurrence of the President of the United States.

There is criticism of the Budget Bureau from time to time, and it is particularly pronounced in periods in which we are trying to balance the budget or keep it balanced, and that has been true right straight back through the 30-odd years of our history, in which the Budget Director has always been accused of making substantive decisions not his to make.

All I can say is, gentlemen, he announces many of those decisions, yes. He may advise on them, but he doesn't make them. If he did make them, he would be taking unto himself the powers of the President. I think under our system of overnment that never could happen. I believe that once a man enters that oval room over there in the White House, no matter what his prior experience in government, it takes him no more than a few days to recognize that probably the most important thing that he has to maintain as long as he occupies that room is

the undiminished power of the Presidency, power retained in his own hands where it was put by the electorate. He may delegate some authority, but the responsibility is his. No President has ever doubted that fact.

I think that this present flap about the Budget Bureau in part goes back to what happened in the very first years of the Eisenhower administration--in fact in the very first months of the Eisenhower administration. Because of the constitutional amendment that makes our presidential term now begin on the 20th of January, it becomes the duty, by law, of an outgoing President to present the budget for the fiscal year that begins the next July 1. In other words, by statute, President Truman has to present the budget for the fiscal year 1954, which began on 1 July 1953, five months after Mr. Eisenhower took office. Mr. Dodge had come down here in November of 1952, after Mr. Eisenhower was elected, and came into the Budget Bureau just to be there in order to find out as much as he could, but not to participate in, the preparation of the budget for the fiscal year 1954, that budget which Mr. Truman had to send down, but under which Mr. Eisenhower had to operate.

This was an executive budget, and Mr. Dodge at no time made any suggestion whatsoever, nor did anyone from the hotel headquarters of the President-elect in New York make any suggestion. All they wanted was to understand what Mr. Truman's administration proposed to put into that budget. Then, after the Eisenhower administration took office, the Eisenhower administration had to assume the responsibility for making such changes in that budget as it believed, in the light of its very fragmentary experience, and in the light of its program commitments made in the campaign and in the Republican platform, were necessary to reflect the policies of the new administration.

Mr. Dodge believed that this was going to be a pretty tough and, at times, disagreeable job, that it would involve in-fighting with the agencies, with the Congress, and with the public, and that, in this one instance, there should be a pretty complete delegation from the President to the Budget Director to make decisions consistent with announced presidential policy but without detailed presidential review, and in the full understanding that he considered himself expendable if bad mistakes were made.

The revisions in the 1954 budget that were presented by the Eisenhower administration were generally reviewed by the President, but they were very largely the result of a personal delegation of authority from the President to the Budget Director. Mr. Eisenhower accepted full responsibility for the result, and, in all candidness, he tried to make this clear to the press and to the Congress. But I don't think it ever got far enough into the consciousness of a lot of people. It was assumed that there had been a grab of power by the Budget Director, and that from here on out he was going to make the budget decisions.

Gentlemen, that just didn't happen. The subsequent Eisenhower budgets have been reviewed just as completely by the President, in person, and the policies under which we operate have been just as much presidential policies as they ever were in the past.

Had Dodge done anything which was not thoroughly consistent with the President's philosophy, he would not have stayed on to make another budget and to present its philosophy and outline to the Congress.

So the Budget Director, no matter what he does, except in those limited things that I mentioned, is entirely a staff officer for the President. Now, to the extent that the Budget Director can draw down on himself criticism, and relieve the President of unnecessary burdens, I think it is worth while. We think we are there, all of us, to carry out the President's policies to the best of our ability, and if that gets us in trouble, well and good; we'll take it.

QUESTION: You have been in the Government quite a while. We were told previously here that appointed members of the President's team have difficulty controlling their particular bureaucracies, or whatever you want to call them; in other words, that the people underneath them would resist the policy change. I would like to know if that is true in your experience. Also, how much difficulty do the people have in switch-hitting--that is, working under a Democratic administration and then changing, even though they may be Democracts themselves? How faithfully will they follow new policy, and how far down should you appoint officers who will go along with a new team coming in?

MR. JONES: I think you have given me five questions. I will try to take them, and some of them very briefly. This is going to take about five minutes, gentlemen. In the first place, how far down should you have the appointive power--that is, the power to remove and appoint people of your own political persuasion? I will give you a very simple answer. Just as far down as it is necessary to be sure that you do bring about a change in policy direction, if a change in policy direction is indicated to carry out a commitment of the party in power.

Now, moving forward from that base, let me say this: If you will read the Republican and the Democratic platforms, going all the way back to about 1928, you will find that there is little difference in them in terms of the ends to be sought; but there is a lot of difference in political philosophy and in the suggestions of methodology and procedure and devices by which you reach desired ends. It has been my job, ever since the 1948 campaign, to line up in parallel columns the commitments of the two parties. It was also my job in both 1948 and 1952 to get ready for transition, if it should come about. In the course of making those analyses, I have come very firmly to the belief that the issues on which the two parties disagree, as to what the end result will be, are so relatively unimportant, in terms of the welfare of America, that you can afford pretty much to overlook them. They do not affect the loyalty, the perspective, or the desire to do a good job so far as the civil servant is concerned.

There are some dramatic examples in which the policies are 180 degrees opposed. Take one--the attitude of the Truman administration and the Democratic Party toward the issue of who owns the submerged lands--the so-called popular Tide Lands controversy. The Democrats felt very strongly, as their President had felt, that this was a Federal responsibility, that these were Federal lands, and that they should be kept under the control of the Federal Government. The Republican platform, and the incoming Republican President, felt equally strongly that they were not a Federal responsibility, that the United States was made up of a union of states, and that this was state territory and had been from the time that those states were set up.

Now, I don't believe that the normal civil servant would find that kind of issue, of a difference in philosophy, so centrally important to his way of life that he would be unable to support loyally the decision that was made by the administration in power, recognizing that that decision would then have to be passed on by the representatives of the

people in Congress assembled, and that the resulting act of Congress did represent the majority view insofar as our representative Government does that.

I am not saying that there won't come a day when there will be once again great differences between our parties. When that day comes, you are going to have some difficulties in time of transition because even civil servants do have intellectual convictions. They also are honest, for the most part. There were some difficulties in transition this time. However, many of those difficulties came about, in my judgment, because there was two-way suspicion about motives more than disagreement upon ends. Honesty and good faith soon made themselves felt. Some people left voluntarily, recognizing that they were out of step. Others were fired or transferred, some justly; very few unjustly.

Where the new people coming into the administration felt that there was a program which should be changed, they found a staff which, by and large, were willing to get the facts, to lay out the pros and cons as the staff saw them, and then to abide by the decision. In some few cases there was resistance after the decision was made. Then the incumbent of that job, in my judgment, very properly, got what was coming to him--he got fired, or he got asked to move somewhere else.

Gentlemen, I can't stress too strongly the instances in which the new administration went to bat for civil servants who had become so dedicated to a particular way of doing things that they couldn't change. Every effort was made to get them jobs somewhere else. The obvious and the easiest thing to do was to abolish a job and hence shift them out of the department, but in many instances they were shifted within their own department, and appropriate jobs were found. On the whole there was very little undercutting of new policies and the literally hundreds of senior civil servants were not very much concerned about the shift. The purpose of their jobs was still to serve the public welfare, and that was where their loyalty lay.

In the case of the assistant directors of career in the Budget Bureau, Dodge's position with us, in a nutshell, was this: "I know you are competent, or you wouldn't have the job you are in. I assume that you are objective and are dedicated to the presidency rather than to the politics of the incumbent in the job. Under those two assumptions, I shall consider that you are loyal until you prove otherwise. Now get in and start to work." We had no difficulty. There was no change.

There were but few members on the Budget Bureau staff who felt that they were Democrats first, and civil servants second. Those few got out, of their own volition. The same thing happened all over town. If a man finds himself in a situation in which he simply cannot do a straightforward job, he is usually the first one to know it, and he is usually the first one to want to move.

Gentlemen, the amount of so-called sabotage that took place on Government programs you could put in a thimble, in my judgment; and certainly we in the Budget Bureau were in a position to see it if it took place. Now, I am not saying that there was not the fear that this was going to happen, and that some new members of the incoming administration didn't have experiences that probably justified their seeming belief that it was happening. The impression was given that Schedule C was set up to provide defense against "those horrible monolithic civil servants" who would not let a policy officer do his job. In many cases what the policy officers were complaining about was that they didn't believe in doing things the way Government has decided is sound after much experience over a long period of time, and in a way that has stood the test of all kinds of administrations and political atmospheres. They wanted to do things another way. It is only natural that they should have wanted to make changes not in accordance with the rules. Those rules weren't made by the Civil Service for its own protection, and I assure you that when a better rule was found it was adopted and supported by career employees.

There was much meeting of minds, also. For example, Dodge had meetings for the incoming Cabinet in the month of January 1953 before they took office, and went over with them the budget situation and other things about their departments that the Budget Bureau was in the best position to tell them about. One of the things that we reported was what those departments had been advocating by way of legislation. The same approach was used in making these presentations to each member of the new Cabinet. In effect we told them that their departments had ready-made legislative programs which had come in to the Bureau the previous September. There was usually some reflection of shock at that point and a natural reaction--"I didn't have anything to do with that program. That was a Democratic program. That came from the predecessor administration." We then went on, "We are not asking you now to accept or to reject that program. We are simply telling you that it is here, that many of the elements in it have been a part of the program of the department for several years, that it has been pretty thoroughly

staffed out, that we are returning it to you, and that we are taking no action on it now. Take it back home, take it apart, put it back together again, and resubmit it to us next year or whenever you are ready. This year the Eisenhower administration is not going to push departmental legislative programs in Congress. We must first give you a chance to get on top of your job." As a rule, every item came back sooner or later, with not many changes except when the department found a better way to do the job.

Departmental legislative programs and the program of the President himself are not primarily partisan matters, gentlemen.

Let me illustrate how this personal honesty works in a concrete case. I had on my staff at one time a brilliant young political scientist who is now an Associate Professor in Columbia University. During Mr. Truman's administration he worked very hard to get a full understanding of the President's program. After Mr. Truman was reelected in 1948, he came to me and said, in effect, "Roger, I want to fight for this program. A lot of it is going to be controversial, and I am no longer in a position where I want to be objective. I think I ought to leave the Bureau." Then he went to the White House, and, in the remaining years of Mr. Truman's administration served as one of the most dedicated advocates of the Truman program in Washington. At the staff level, anonymously, he was working, chipping away, finding answers of the kind that the President wanted. Of course, he did not seek to return to a Civil Service job. He left as soon as the new administration came into office.

That was much too long an answer, but you tripped the trigger of my tongue on a subject that I am very much interested in. Did I miss any parts of your question, colonel?

CAPTAIN THOMPSON: Gentlemen, I realize there are lots of questions still hanging fire. However, I'd like to announce that Mr. Jones will be with us during the discussion period which follows. Please hold your questions until that time. Inasmuch as we have run overtime, I am going to call the political discussion groups together at 10:45.

Mr. Jones, on behalf of the College, I wish to thank you for a most informative and instructive lecture and question period.

MR. JONES: Thank you, sir.

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