

EXECUTIVE OFFICE OF THE PRESIDENT  
PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION  
WASHINGTON, D. C. 20506

January 29, 1970

MEMORANDUM

FOR: Robert Haldeman

FROM: Murray Comarow *MC*

SUBJECT: The BoB reaction to the Council's EOP Report

Yesterday morning you asked for our views on Bob Mayo's January 27 memorandum, including a detailed analysis. Our principal reactions follow; the analysis is attached. Needless to say, none of this has been cleared with the Council.

Examined by itself, the BoB paper is far from ideal. It is easy to dissect; its weaknesses are apparent.

Contrasted to the BoB position 10 days ago, however, it represents real progress, and gives one a rather different sense of the situation. A quick review of the bidding may help the White House staff decide how to proceed.

As recently as last week, the Bureau was saying that the Council's Reorganization Plan was ill-conceived and perhaps fatally defective. This was so, it seemed, because of a legal question on raising the grade levels of BoB top executives by Reorganization Plan action, an issue which had already been handled through an alternative draft. The Bureau has apparently dropped this issue.

Nor does BoB argue now, as it did then, that most of the Council's goals could be achieved by Executive Order, internal reorganization, and staff build-up. On the contrary, the Bureau had the courage to moderate its position. It sets forth well and truly the advantages of Reorganization Plan action - rightly focusing on the importance of getting control over the Executive Office into the hands of the President, where it properly belongs.

What happened, we suspect, was that Mayo and his staff were confronted by an outside proposal restructuring their own organization. They reacted with a concern that was as deep as it was predictable. But in the end, they did change considerably, and we should commend them for it.

It is true that the tactics favored by BoB (see 1 and 2 below) would probably kill the Plan, but we don't think this is deliberate - merely wrong. At this time we would emphasize the large measure of agreement even though some difficulties still persist.

The point is not to be kind to the Bureau. The point is to get the job done. Their help will be needed, or at least their opposition neutralized. (Get Bryce Harlow to tell you about the "Committee Staff - BoB Complex," if he hasn't already).

For even if the Plan goes through, the major instruments of change will be Bob Mayo and his key people. Their commitment to the spirit of the Plan cannot be legislated but can only develop as they work along with you in implementing it.

If you would like us to do so, we would be glad to work jointly with the BoB on a message to accompany the Reorganization Plan. This might modify the past pattern of "outsiders" sending a paper to the Bureau to which they feel compelled to react.

So much for the care and feeding of the Bureau. We would now highlight, from the detailed comments which are attached, four major concerns raised by the BoB memo:

1. It is apparent that Mayo should not be the sole negotiator with Congress. Indeed, "negotiation", "maneuver", and "concession" are to be avoided, if at all possible.
2. "Careful discussions" with all the Congressmen cited in the memo could well negotiate the Plan to death. Obviously, the proper sequence and timing of Congressional briefings is crucial, but this is a different ball game. In fact, there are severe risks in waiting too long to submit the Plan: the opposition will have more time to get organized, and if leaks develop, some noses will be put out of joint.
3. The Divisional structure and general staffing patterns outlined in the Council's memo of October 17, 1969, form essential parts of its recommendations. The BoB memo only deals with these questions in terms of a caveat about selection of names and a warning about hampering the OEM Director with too many specifics.

4. There is still a basic issue about OEM's policy role. At one point Mayo says, as he has in the past, that the boundaries between OEM and DPC cannot be rigorously defined but must be worked out in practice. We agree. Yet at other points he asserts OEM responsibility for "consistency of policy objectives" and "long-range planning". The Council thought that both of these functions should be primarily DPC responsibilities, although much of the underlying analysis might well come from the OEM.

Please let me know if we can be of further assistance.

cc: Mr. Ehrlichman  
Mr. Harlow  
Mr. Cole  
The Council

Attachment

ANALYSIS OF THE BOB JANUARY 27 MEMORANDUM\*

Paragraph 1:

Raises two questions:

- a. If "affirmative action" refers to approval of the Council's recommendation on EOP reorganization, we are under the impression that this issue was settled by the President. If "affirmative action" refers to implementation tactics, our doubts are expressed in the cover memo.
- b. We can meet at any time, but it might be well to have a draft Presidential message in everyone's hands. If you agree, the meeting could be set up next Tuesday, February 3.

Paragraph 2:

What's in a name? We gather that BoB has no objection to "Office of Executive Management" but doesn't like "Domestic Policy Council".

Apparent reasons:

- a. The implication that the Domestic Policy Council will have the sole responsibility for domestic policy.
- b. Their belief that John Ehrlichman and you would prefer to omit the word "policy", calling it simply the Domestic Council. PACEO leans the other way but it is a minor point.

Paragraph 3:

The Bureau's brief statement on the DPC leaves its position unclear.

- a. Does Mayo agree with the Council's view of the DPC structure?
- b. In rough numerical terms, what does "a small staff" mean?

\* We have numbered the paragraphs of the Mayo paper, and track those numbers here.

- c. What does "separated from the White House" mean? Separately funded? Separated in the sense that White House Staff may not be assigned to the DPC staff?

Paragraph 3a:

Mayo lumps under the coordination function both policy and program coordination insisting that both are OEM functions. At PACEO's meeting with John Ehrlichman in August the distinction between these two functions was made, and we agreed that domestic policy coordination should be primarily the DPC's responsibility.

Paragraph 4:

In 4b and 4c the BoB memo attempts to stake out and define parts of OEM's policy role. Two comments:

- a. In many discussions, Mayo and others have generally agreed that the DPC-OEM responsibilities and boundaries with respect to domestic policies would be worked out as the two organizations geared up.
- b. PACEO believes that long-range planning and evaluation of priorities are primarily responsibilities of the DPC.

Paragraph 5:

Good summary of advantages of the Reorganization Plan route.

Paragraphs 6 and 7:

As to subparagraph 1, our January 20 memo to Ken Cole said in part:

"The White House is far better able than we to assess the political risks, but we point out the following for your consideration:

1. The chances are that little political capital need be expended. The risks to Congress of not approving the plan seem to outweigh the chance slightly to ruffle the President. If Congress disapproves the plan, it would provide the President an opportunity to fend off certain kinds of criticism by pointing out that Congress refused him the needed improvements.
2. By presenting the plan to Congress, the President reaffirms his strong interest in effective organization and good management.

As to subparagraph 2, we do not know what is meant by "Congressional prerogatives." The BoB must have in mind something like the Bureau's so-called watchdog function over the anti-deficiency statute, a rather meek effort compared, for example, to the Comptroller General's responsibilities in the same area.

As to subparagraph 3 - BoB is right, and these selected Executive Office activities must be individually addressed. We are doing the OEP analysis; the President wisely suggested there was no need to tinker with CEA; and the Vice President's Office of Intergovernmental Relations is small, does no harm and some good. Further, the relationships between these organizations and the OEM and the DPC, just as those between the DPC and the OEM, are sure to evolve after reorganization is accomplished.

Paragraph 9:

Repeats earlier views. Incidentally, you may want to check our expert's advice that it is traditional for the message language to be held in the Executive Office and not discussed with either Congressional staff or with Congressmen until after the Reorganization Plan has been submitted. This is not true of the Plan itself which must be checked prior to submission by the Government Operations Committee's staff for technical accuracy.

Paragraph 10:

If Congress resists, as the first five lines suggest, it will be because it fears a significant increase in the power of the President. If Congress sees the Plan as "lacking in substance", as the next three lines suggest, it might scoff, but would not spend much political capital in resisting. BoB tries to have it both ways. And note that the Bureau recognizes the need for detailed Congressional briefings on how the OEM should be organized, while elsewhere in the memo they urge the avoidance of such detail.

Paragraph 11:

Don't be too alarmed about inhibiting the President's executive action if the Reorganization Plan fails. He could still ask for more people, enhance existing functions, and the like. Mayo means, or ought to mean, that if a Reorganization Plan fails, a President must consider the political consequences of trying to achieve some of the same aims by Executive Order.

But 11 reveals a far more important attitude. It argues that "negotiations with the Congress" are necessary. These should "leave room for maneuver, for concession". If negotiations are necessary - which we doubt - who negotiates? And who interprets to the President the results of the negotiation?

Paragraph 12:

A questionable precedent. Creating an Executive Office is much more difficult than changing one, especially when an old fort like Treasury is assaulted. Moreover, ideas similar to those embodied in the Reorganization Plan have been the subject of proposals made in recent Administrations by both parties.

Paragraph 13:

Mayo is probably right in stating that Congress will expect him to lead administration forces in explaining the Plan. At the least, he will have to take on a large part of the effort. He should work in close and continual consultation with a key White House aide selected for this purpose.

Paragraph 14:

We have always believed that the OEM Director should have substantial power to organize, staff, and run his own operation without undue constraints. Yet since institutions and executives tend to resist change, clear directions are needed. The question is one of degree. We feel that the Divisional structure and general staffing patterns outlined in the Council's memo of October 17, 1969, form essential parts of its recommendations.



Paragraph 15:

The Bureau makes the point that suborganizational structure should not be prescribed. We are not certain what level is meant by "suborganizational". We believe that, below the level of the key functions, organization should not be prescribed and we have not done so.

Further, we cannot disclose our plans to Congress as Mayo rightly suggests is necessary (page 4 of his memo) without describing organizational arrangements.

Operational improvements should not be disassociated from organizational structure. Yet Mayo suggests that we emphasize "results" in dealing with Congress without explaining their relationship to the organizational structure which we believe to be an integral part of the change proposed. The Plan should, of course, be presented as a recognition of the President's right to organize his own affairs and calculated to produce the desired improvements in an executive branch management.

Paragraphs 16-27:

This information, if relevant at all, goes to the question of whether reorganization is desirable. We assume that this issue is settled. As an example, however, of the current activities cited which, in our opinion, do not reflect the President's management requirements, the information systems described are not oriented in any discernible way to the special needs of the President.

Paragraph 28:

We agree.

Paragraphs 29-30:

No comment necessary.