

THE WHITE HOUSE

WASHINGTON

JUN 4 1970

MEMORANDUM FOR MR. EHRLICHMAN

The attached memorandum discusses some of the interrelated problems of bureaucracy and analysis that make it difficult for you and the President to have more control over the longer-range direction of our fiscal and program planning. It also proposes a function I could perform to assist you in overcoming some of those problems.

There are real and severe problems just ahead in budgetary and fiscal planning. That process is essentially out of control when viewed over the time period of the President's first Administration. There are, of course, very real limits to how much any President can change the growth or makeup of Federal spending. However, if he is to make the most of his opportunities, he needs clearly defined choices among carefully drawn options. The annual budgetary process does not provide this, and the White House policy coordination staff necessarily has more immediate concerns.

The NSC staff has been developing major defense program options that the President finds useful. The same thing should be done on the domestic side and for the larger choices of priorities among defense, domestic programs, and budgetary deficits. You and the President now get lots of policy advice, but little in the way of major program and fiscal options tailored to your longer-run interests and to which you can apply your own political judgments. I believe you would find it very useful in dealing with the above issues and in planning Domestic Council agenda to have a staff responsive to you developing such analyses in a flexible and informative way.

I have been working on both the theory and the applied art of analysis for policymakers for nearly four years now. With the White House perspective I have gained over the past year, I believe I could be useful to you in this role -- specifically, to develop (1) a number of major program options and (2) fiscal and program priority analyses that are more relevant to your policy overview needs than the annual budget process information.

I suggest this only because I think it is so essential for the President to have as much opportunity as possible to control the direction of the change in Federal programs and spending. I believe we are here to help him make a difference over the course of this Administration in what kinds of things the Federal government does -- not to "just manage the chaos a little better." If we are to succeed, we will have to come to grips with the above issues; and that can be done only if you and the President have the information necessary to steer the bureaucracy rather than vice versa.

The worth of any such activity would be directly proportional to its responsiveness to your needs. We could have some preliminary information generated within a month. If you are concerned about this problem and would like to explore what might be done, I would be pleased to discuss it with you.

Clay T. Whitehead
Special Assistant to the President

Attachment