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Reorganizing the Executive Branch in the 20th Century: Landmark Commissions

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Reorganizing the Executive Branch in the 20th Century: Landmark Commissions

Summary

This report studies the work and results of a number of 20th century commissions and other similar bodies that have had executive organization and reorganization as central to their mandate. For purposes of this report, these reorganization exercises are referred to as "landmark commissions."

Context for discussion of landmark commissions is provided by a review and analysis of six crucial historical periods, such as the Progressive Era, in the evolution of the executive branch. The selected landmark commissions, beginning with the Keep Commission in 1905 and concluding with the National Performance Review (1993-2000) are described and analyzed in chronological order.

Each commission and its work is founded on philosophical principles of management, some of which are made explicit while others have to be interpreted from texts and actions. The prevailing consensus on organizational management principles changed considerably during the course of the 20th century and these changing principles and assumptions are analyzed.

Highlighted is the current debate over which set of principles should form the basis for future organizational design and management in the executive branch. The debate, in its essence, is between those believing that the governmental and private sectors are distinctive in their characteristics, based on legal theory, and ought to kept separate ("constitutionalists"), and those who believe that the governmental and private sectors are essentially alike and ought to be organized and managed according to generic principles with an economic foundation ("entrepreneurs").

The report concludes with a discussion of the future, if any, for the landmark commission approach to organizational management in the executive branch.

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Reorganizing the Executive Branch in the 20th Century: Landmark Commissions

Introduction

The 20th century was rich in changes to the institutions and processes that together comprise the American administrative state. This very richness of subject matter, however, calls for some generalizations to help explain the events and trends that occupied the attention of successive Congresses, scholars, and generations of practitioners. In its effort to develop such statements of generality this report will study the work and results of a number of commissions and other similar bodies that have had executive organization and reorganization as part of their mandate. For purposes of this report, these reorganization exercises are referred to collectively as "landmark commissions."

Viewing landmark commissions sequentially and exploring the philosophical norms and values guiding their work is only one of several possible approaches to the extensive subject of executive branch organization in the recently completed century. The landmark commission approach clearly emphasizes institutional issues and will concentrate on structural changes resulting from the commissions' recommendations and subsequent implementation. It is recognized, however, that the term "reorganization" covers much more than structural changes. Laws may be passed to achieve policy or enforcement objectives and indirectly reorganize internal department and agency structure in the process. This was certainly the case when Congress passed the Inspectors General Act of 1978, an act that altered the internal structure of agencies and the behavior of agency officials. This broad definition of the term reorganization, however, will be largely avoided to facilitate attention to the successive landmark commissions as guideposts through this century of administrative management.

Context for discussion of landmark commissions in the 20th century is provided by a review and analysis of six crucial periods in the evolution of the organization of the executive branch of government:

- the Founders and the political theory that informed their organizational decisions in 1789;
- the interplay of the President and Congress in executive organizational management during the 19th century;
- the Progressive Movement of the 20th century's first decades and its continuing legacy;
- the rise and decline of "orthodoxy" in organizational management of the executive branch;

- the interregnum period (1972-1992) with its doctrinal heterodoxy; and

- the emergence of a New Public Management paradigm and its critics.

The selected landmark commissions of the recently completed century, beginning with the Keep Commission in 1905, are described and analyzed in chronological order.[1] In tracing the history of these commissions, the interplay of conflicting values appear with regularity. Should the principal supervisor of the administrative agencies be the President, or Congress, or should the President and Congress be co-managers? Should commission recommendations serve to encourage administrative integration and centralization or the values of agency particularity and decentralization? Should commission recommendations seek to give a greater or lesser role for government in the social and economic life of the Nation? Successive commission reports and recommendations provide evidence of the recurring nature of these and other related value issues.

With the advent of the 21st century, the question reasonably arises: Has the age of reorganizational commissions passed? Or, is there a continuing need for periodic reviews and realignments of the basic organizational structure of government?

In nearly every Congress, legislation is introduced to establish a commission with a broad mandate. The 106th Congress, the last Congress of the 20st century, proved to be no exception in this respect. Senator Fred Thompson, then chairman of the Senate Governmental Affairs Committee, introduced the "Government for the 21st Century Act" (S. 2306). The legislation, which did not receive congressional action, sought to establish a nine-member Commission on Government Restructuring and Reform appointed jointly by the President and congressional leadership. The purpose of the Commission was to study the entire government and make recommendations "to reduce the cost and increase the effectiveness of the Executive Branch." The Commission was to submit its recommendations on restructuring by December 1, 2002. A period of public comment was to follow. Then, the Commission was to prepare a final report to Congress in a form that would permit its recommendations to have been included in a single implementation bill and

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[1] Two definitional caveats are necessary at the outset. The term "landmark commission" is intended to be generic in application. That is, many of the comprehensive efforts to reorganize the executive branch have not been proposed or implemented by "commissions" *per se.* In some instances, the President has simply appointed a committee to advise him, as with the Brownlow Committee in 1937, and in other instances no official commission or committee was appointed, as with the recent National Performance Review (NPR), headed by Vice President Al Gore, that rejected the commission option. Nonetheless, in the absence of a more comprehensive and understandable term, landmark commissions will be used to generalize about the behavior of successive comprehensive efforts to reorganize part or all of the executive branch. Second, the term "reform" will be used sparingly. In a scholarly context, the term has little value as it immediately evokes a normative interpretative and evaluative meaning. Presumably, reforms are good and opposition to these reforms is bad. Such normative judgments contribute to the difficulties encountered in generalizing about major trends in governmental administration.

referred to the appropriate committees for consideration. An "expedited procedures" process for floor consideration and mandatory voting was included. As indicated, Congress chose not to act on the proposal.

Are reorganization panels now passé? Or, is the time approaching when a new comprehensive commission will be viewed as essential? Have the events since September 11, 2001 changed the playing field for government organization and management? Is organizational management a separate field of study and endeavor, or should it be viewed as properly tied and subordinate to the budgetary process, as some argue is presently the case? To what degree should departments and agencies be able to initiate organizational changes on their own authority or take the lead with their oversight committees in Congress? Should organizational management be ultimately placed under the purview of a central management agency which applies certain principles and general management laws across the board, with the burden of proof for exception resting on the appealing agency? In short, what political, legal, and administrative values should prevail in the 21st century? What can the experience of the landmark commissions of the 20th century tell us about what to expect as the nation continues down the path of democratic governance in the new century?

Evolving Theoretical Foundations Of the Executive Branch

The commissions studied in this report contributed to the evolution of the executive branch of the federal government. Each was concerned principally, if not exclusively, with the organization and management of the executive branch. The commissions were temporary bodies, normally unassociated with the legislative institutions of government. They did not conduct their proceedings in an apolitical environment, however, nor were they able to ignore the work and ideas of those who had trod this path before. Most especially, these commissions were beholden to the Framers of the Constitution and to an early 20th century political movement, Progressivism. It is therefore necessary to begin by studying the evolving theoretical foundations of the executive branch to fully understand the role of landmark commissions.

The Federalist Creation

While the classical works on political theory and government were useful to the Framers in developing a coherent political philosophy upon which to construct a "democratic republic,"[2] the reading of Montesquieu, Locke, and Blackstone was of little assistance or guidance in the weighty matters of organizing and administering the executive powers of a new government. The Founders turned away from the books for guidance in organizational matters, and reflected instead upon their own experience in trying to wage the Revolutionary War against a global power, and in attempting to manage the national confederation of states after the close of hostilities in 1781.[3] Their personal experiences became the crucible for political thought. This was particularly true for Alexander Hamilton, who had found his administrative experiences during the Confederational period to be extremely frustrating.[4]

It should be noted that while questions regarding how best to organize the executive branch were raised at the Constitutional Convention in 1787, the Constitution itself is nearly silent on organizational matters.[5] The paucity of language in the Constitution respecting organizational matters should not be

[2] Martin Diamond, *The Founding of the Democratic Republic*, (Itasca, IL: F.E. Peacock Publishers, 1981).

[3] Ralph Clark Chandler, "Public Administration Under the Articles of Confederation," *Public Administration Quarterly*, vol. 13, Winter 1990, pp. 433-50.

[4] Henry Cabot Lodge, *Alexander Hamilton*, (New York: Houghton-Mifflin, 1917), chapter 3.

[5] There are only two indirect references to the question of administrative organization in the Constitution; namely, that the President "...may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any subject relating to the duties of their respective Offices," and that "the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments." Article II, sec. 2, cl. 1 and 2.

interpreted, however, as either lack of interest or concern. Quite the contrary, there was a lively concern for organizational matters. There was recognition that the new government would fail if it was unable to generate energy in the executive branch. In *Federalist #70,* Hamilton asserted:

> Energy in the Executive is a leading character... of good government.... A feeble Executive implies a feeble execution of government. A feeble execution is but another phrase for a bad execution.... All men of sense will agree in the necessity of an energetic Executive.

The Framers, in defending the Constitution, emphasized both its innovative character and its institutional continuity. Pre-eminent among the many innovative provisions of the Constitution was the creation of an independent presidency, the term independent meaning in this instance not being dependent for selection or maintenance upon the legislature. The President was given a different electoral base from Congress and also several specific powers, such as the power to veto legislation, to protect itself from an overbearing Congress. It should not be forgotten that their fear was less about a too powerful President than about a too-dependent President, one who would be dominated by Congress which controlled the money.

As for continuity, not only were the states kept intact geographically, but their authorities remained in large part unaltered. Even most laws of the Confederation, such as the Northwest Ordinance of 1787, were retained. As one student of early administrative history observed: "The continuity between the old and new systems was made plain by the fact both [John] Jay and [Henry] Knox, secretaries of Foreign Affairs and War, respectively, continued in their offices, with modifications, under the new government."[6]

Reflecting upon the writings and decisions of the Framers with respect to the administrative elements of the new government, one is struck by their willingness to break new ground.[7] Rarely in their discourse is there reference to the prevailing administrative systems in Great Britain or France, the two major nation-states of the period. This is explained in part because the new government of the United States was created before (although just before) the French Revolution, and thus tended to reflect the values of the 18th century Enlightenment, rather than the values of the 19th century social revolutionaries. More to the point, however, neither Great Britain nor France had "modern" administrative systems at the time. For the most part, their administrative systems were poorly organized and managed, and to a large extent

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[6] Jennings B. Sanders, *Evolution of Executive Departments of the Continental Congress, 1774-1789* (Gloucester, MA: Peter Smith, 1971 [c. 1935]), p. 97.

[7] Leonard D. White, *The Federalists: A Study in Administrative History* (New York: Macmillan, 1948), pp. 513-15.

corrupted by the widespread selling of offices of state.[8] In the case of France, the largely feudal administrative structure would be swept away by the Revolution.[9]

Enlightenment philosophy stressed reason, and reason embraced scientific methodology. Alexander Hamilton, held by many to be the "father of public administration," was articulate in his arguments that public administration was a "science" and that the United States could organize a government that was at once efficient and representative.[10] Writing in *Federalist #9*, Hamilton states:

> The science of politics, however, like most other sciences, has received great improvement. The efficacy of various principles is now well understood, which were either not known at all or imperfectly known to the ancients. The regular distribution of power into distinct departments; the introduction of legislative balances and checks; the institution of courts composed of judges holding their office during good behavior; the representation of the people in the legislature by deputies of their election: these are wholly new discoveries, or have made their principal progress toward perfection during modern times.

The important point to recognize is that the Framers believed that it was possible to create a rational and democratically accountable administrative structure. They believed that there were principles of organization that ought to be followed and that deviation from these principles should require the promoters to meet a higher standard of proof. The role of historical and legal precedent in the evolution of the federal executive establishment came into play during the very first Congress. Much that takes place today in the field of organizational management can be traced back in origin to the first years of the Republic.

One of the first orders of business for the new Congress in 1789 was the establishment of executive departments. Three "organic" statutes were passed creating three great departments; Treasury, State, and War.[11] A fourth department, a Department of Home Affairs, was considered and abandoned with the functions likely to have resided in that department being assigned to the other three departments. All the particular functions of the newly created executive branch, save

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[8] The British administrative system, so idealized in the latter 19th century, and even today by some, was non-existent during the formative years of the American Republic. Appointments to public offices, for instance, tended to be in the hands of the landed gentry. J. Donald Kingsley notes: The civil list of the late 18th century "was a roster of the politically active aristocracy, together with their illegitimate children, cast-off employees, mistresses, and poor relations." *Representative Bureaucracy: An Interpretation of the British Civil Service* (Yellow Springs, OH: Antioch Press, 1944), p. 28.

[9] Alexis de Tocqueville, *On the State of Society in France Before the Revolution of 1789*, 2nd ed. (London: John Murray, 1873), chapter 3.

[10] Leonard D. White assigns pre-eminent status to Alexander Hamilton: "Writing in the field of public administration, in fact, began in the United States. It was Alexander Hamilton who first defined the term in its modern usage and who first worked out the philosophy of public administration." *The Federalists*, p. 478.

[11] Discussion of the Acts creating the three "great departments" may be found in James Hart, *The American Presidency in Action, 1789: A Study in Constitutional History* (New York: Macmillan Co., 1948), chapter 7.

that of managing the federal government's legal affairs, and delivering the mails were entrusted to these departments.

The decision to establish a unitary administrative structure under the President, a much admired innovation at the time, was intended by the Federalists to complement their more comprehensive theory of government. Leonard D. White, an administrative historian, commented on this theory:

> The Federalists did not fear administrative power. To the contrary, they had a deadly fear of governmental impotence. The interests which they cherished had suffered deeply from lack of a government which could govern, and the need for power was, in their minds, not subject to debate. The Federalists were not, however, in favor of irresponsible power; they did not propose an American copy of an arbitrary kind from whose control they had recently won independence.[12]

The first potential challenge to the Federalist theory of organization management arose from the election of Thomas Jefferson, a man suspicious of energetic government. Jefferson's theory of organization began at the local level with emphasis on the citizen as participant in governmental affairs. There was a romantic element in Jefferson's political thought that tended to view good government as utilitarian and minimalist. He believed in rotation-in-office to guard against the "degeneracy of public servants" and that governmental service should be "drudgery and for subsistence only." For Hamilton, on the other hand, government should be a catalyst for great things. Freedom required strength and national purpose. As Lynton K. Caldwell would observe: "Hamilton is our great teacher of the organization and administration of public power; Jefferson our chief expositor of its control."[13] As it turned out, Jefferson was not inclined to dismantle what organization was in place, nor to alter its fundamental character.

Organizational Management in the 19th Century

Although the main lines of Federalist organization and managerial philosophy remained generally in place through 1829, the institutional presidency gradually declined vis-a-vis the Congress.[14] Congress began to assert its authority over executive agencies more energetically with each passing decade, although this had minimal consequences in terms of organizational structure.

The Federalist concept of an integrated executive branch under the President retained its persuasiveness throughout the 19th century. Prior to 1860, only four permanent "detached agencies" were created: the Library of Congress, the

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[12] Leonard D. White, "Public Administration Under the Federalists," *Boston University Law Review*, vol. 24, June 1944, p. 180.

[13] Lynton K. Caldwell, *The Administrative Theories of Hamilton and Jefferson*, 2nd ed. (New York: Holmes and Meier, 1988 [c.1944]), p. 241.

[14] Leonard D. White, *The Jeffersonians: A Study in Administrative History, 1801-1829.* (New York: Macmillan Co., 1951). See also: S.E. Finer, "Patronage and the Public Service: Jeffersonian Bureaucracy and the British Tradition," *Public Administration*, vol. 30, Oct. 1952, pp. 329-60.

Smithsonian Institution, the Botanic Garden, and the Government Printing Office. When the federal government assumed additional functions, these functions were usually assigned to existing departments, or to new departments created for that purpose, such as the Department of the Interior in 1849.

The first substantial break with Federalist departmentalism did not occur until the creation of the Civil Service Commission in 1883 and the Interstate Commerce Commission in 1887.[15] This break from departmentalism was associated in many respects with the newly triumphant civil service reform movement, which sought to cleanse administration of partisan politics by introducing the merit personnel system.[16]

The final two decades of the nineteenth century were years when rapid industrialization was straining the capacity of the government, which still reflected in many respects a simpler, more rural period of national life. Regulation was being demanded for industries, transportation, and urban life. Government institutions required new cadres of trained, professional personnel, not simply political patronage appointees. In his review of this period, Stephen Skowronek suggests:

> Generally speaking, the expansion of national capacity in America around the turn of the century was a response to industrialism. The construction of a centralized bureaucratic apparatus was championed as the best way to maintain order during this period of upheaval in economic, social, and international affairs. Viewed at this level, the American experience fits a general pattern of institutional development and rationalization in public administration.[17]

Congress was able to exercise leverage over administrative affairs through its control of the purse strings and through its authority to initiate investigations. With respect to the latter authority, Congress had made official inquiries into events and activities since 1789. In the final third of the 19th century, however, Congress expanded its investigatory activities to include management issues.[18] Two congressional inquiries into the conduct and activities of executive departments stand out as the century closed. A Select Committee of the Senate, chaired by Francis

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[15] From 1887 to 1889, the Interstate Commerce Commission was under the supervision of the Secretary of the Interior. From 1889, it became independent of any department (25 Stat. 855). For a historical discussion of the early regulatory commissions, consult: Robert Cushman, *The Independent Regulatory Commissions* (New York: Oxford University Press, 1941).

[16] Carl Russell Fish, *The Civil Service and Patronage* (New York: Longmans, Green, 1905). Paul Van Riper, *History of the United States Civil Service* (Evanston, IL: Row, Peterson and Co., 1958).

[17] Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877-1920* (New York: Cambridge University Press, 1982), p. 4.

[18] Oscar Kraines, *Congress Against Big Government* (New York: Bookman's Associates, 1958). For a bibliography of congressional inquiries into the conduct of business of executive departments other than by standing committees, 1789-1911, consult: Gustavus Weber, *Organized Efforts for the Improvement of Methods of Administration in the United States.* (Washington: Institute for Government Research, 1919).

Cockrell of Missouri, conducted an investigation of executive agencies to determine why they were so slow in acting and apparently costing so much. (50th Cong., 1st sess., S. Rept. 507, 1888). With a similar objective, a joint commission of both Houses was established in 1893 (the Dockery-Cockrell Commission), chaired by Senator Cockrell and Representative Alexander Dockery, which issued a report on the laws managing each department (53rd Cong., 1st sess., H. Rept. 49, 1893). A number of laws altering the "business methods" of agencies were enacted as a direct result of the commission's work.

The principal significance for administrative history of these two late 19th century commissions, however, lies not in their substantive results, but rather in their attitudes towards the institutionalized presidency and its relationship to the departments and agencies. Neither inquiry discussed the presidential office, nor what role that office might be expected to play in the improvement of the conduct of the executive branch.

While the new governmental reform movement enjoyed its first major victories at the municipal level, its ideals had an impact upon the national government as well, in part because Congress was finding it more difficult and less rewarding to manage federal agencies directly. As Peri Arnold suggests: "[C]ongressional leaders assumed that only the legislature could impose changes in administrative practices. But Congress was too unfocused for the task of administrative reform; there were always more pressing issues for the members, and Congress' interests in administration are necessarily episodic...."[19] Thus, Congress was increasingly sympathetic to the idea of delegating some of its managerial and regulatory authority to the President and executive agencies.

The problem, however, was that the institutionalized presidency was unable to substantially enhance either its political or managerial leverage over the executive establishment. The President had virtually no staff, no budgetary authority over agencies, and few general management laws through which the agencies could be supervised collectively.[20] The situation was ripe for change.

Progressivism and Its Values

The new century ushered in new opportunities for American Presidents to exert their leadership skills. Governmental institutions were growing rapidly, not only in size, but in their resource requirements. The executive branch needed new forms of

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[19] Peri Arnold, *Making the Managerial Presidency: Comprehensive Reorganization Planning, 1905-1996*, 2nd rev. ed., (Princeton, NJ: Princeton University Press, 1996), p. 18.

[20] John Hart, *The Presidential Branch: From Washington to Clinton*, 2nd ed. (Chatham, NJ: Chatham House Publishers, 1995), chapter 2.

management and a skilled manager, and the President was looked upon to furnish this leadership

Progressives believed that progress was not only possible, but virtually inevitable if certain sound principles were followed. The first of the two capstone principles was that politics and administration could and should be separated. Although some scholars attribute this intellectual concept to Woodrow Wilson,[21] most writing cites a small book by Frank J. Goodnow, *Politics and Administration* (1900), with bringing the purported distinction to scholarly consciousness. Goodnow argued: "Politics has to do with the policies and expressions of state will," whereas administration "has to do with the execution of these policies."[22] This dichotomy led to the proposition that it is the function of the legislative branch to form policy ("will of the state") and of the executive branch to implement the policy. The executive branch, properly organized and managed, would administer the policies in an impartial and apolitical manner.[23]

The second capstone principle distinguishing the Progressive era was the belief that the administration of government agencies and programs was subject to principles of "scientific management." The idea that public sector administration could be made "scientific" was first and most notably promoted by Frederick W. Taylor who wrote on the "one best way" to manage a manufacturing activity in his 1911 book, *The Principles of Scientific Management*.[24] Although he was specifically concerned with managing the work process in a private factory, he was convinced, as were his followers, that the principles of scientific management were applicable to public administration as well.[25]

Under the banner of Progressivism, the doctrines of "scientific management" were promoted for application in the executive branch. With respect to organizational management, Progressives, by and large, favored four "reforms": (1) reorganization of the executive branch into functional departments and agencies; (2) promotion of the President's authority to manage a unified executive branch; (3) introduction of an executive budget; and (4) development of a "neutrally competent"

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[21] Woodrow Wilson, "The Study of Administration," *Political Science Quarterly*, vol. 2, June 1887, pp. 197-222.

[22] Frank J. Goodnow, *Politics and Administration* (New York: Macmillan, 1900), pp. 10-11.

[23] The politics/administration dichotomy has been attacked by some scholars as both naïve and false, yet it retains much of its intellectual appeal. This appeal, Dwight Waldo observes, is no doubt related to the dichotomy's strength as both a tool for description and a normative call for action. "Politics and Administration: On Thinking About a Complex Relationship," in *A Centennial History of the American Administrative State*, ed. Ralph Clark Chandler. (New York: Free Press, 1987), chapter 3.

[24] Frederick W. Taylor, *The Principles of Scientific Management* (New York: Harper and Bros., 1911).

[25] Testimony of Frederick W. Taylor before the Special Committee of the House of Representatives to Investigate the Taylor and Other Systems of Shop Management, January 25, 1912. The Committee reported its findings to the House on March 9, 1912. (62nd Cong., 2nd sess., H. Rept. 403). Daniel Nelson, *Frederick W. Taylor and the Rise of Scientific Management* (Madison, WI: University of Wisconsin Press, 1980).

management class for agency leadership. Given the particular focus of this study and the limited space, we can discuss only elements (1) and (2) of the general Progressive philosophy: the need for a functionally based, integrated executive branch structure and the evolution of the managerial presidency.[26]

Scientific management was influential not so much because of its specialized procedures as for the fundamental idea it fostered, namely, the perfectibility of human institutions.[27] Properly constructed and managed institutions, it was believed, could overcome many of the structural inadequacies of congressionally mandated programs. There was a self-assurance among reformers and public administrationists that they could administer anything. Managers could and would ultimately triumph over the alleged ineptness and venality of politicians. Managers were to be the elite in this scientifically ordered world of the future, and the President would be the Chief Manager of a revitalized national government. The Chief Manager must base his overall managerial strategy on a comprehensive plan, and for this plan to be implemented there must be an integrated executive branch organization with strict lines of responsibility and accountability to him. Thus, the struggle to increase the President's managerial capacity began.

Reorganization of executive agencies and functions as a systematic tool of governance was a major component of the multi-faceted Progressive philosophy. The first President to espouse the "reorganization" strategy for Progressivism was Theodore Roosevelt. "President Theodore Roosevelt, unlike McKinley," Herbert Emmerich averred, "had firm views on presidential management. He was the undoubted originator of the concept of reorganization as a continuing need for administrative management and as an executive responsibility."[28]

Theodore Roosevelt, the embodiment of Progressivism, believed that a corollary of Scientific Management was the view that there was "one best way" to organize the executive branch, and that the prerogative to reorganize should rest with the President and his departmental secretaries. He was able to put this view into law with the passage of the 1903 Act creating the Department of Commerce and Labor which authorized the President "... by order in writing, to transfer to the new department any unit engaged in statistical or scientific work, together with their duties and authority" (32 Stat. 827). The authority to transfer would then be an Executive Order rather than a statute. Roosevelt subsequently asked Congress, unsuccessfully, for broad reorganization authority.[29] Later Presidents would press with greater success for general reorganization authority.

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[26] For a review of the political theory that motivated the Progressive Movement, see: Dwight Waldo, *The Administrative State*, 2nd ed. (New York: Holmes and Meier Publishers, 1984 [c. 1948]), chapters 1-3.

[27] Leonard D. White, *Introduction of Public Administration*, 4th ed. (New York: Macmillan and Co., 1951), p. 21.

[28] Herbert Emmerich, *Federal Organization and Administrative Management* (University, AL: University of Alabama Press, 1971), p. 38.

[29] James D. Richardson, ed., "Seventh Annual Message of President Theodore Roosevelt to Congress, *Messages and Papers of the President*, vol. XIV, (New York: Bureau of National Literature, 1918), p. 7105.

Progressives believed in information, analysis and experts. There was a working assumption in much of their writings and activities that if one could somehow seat reasonable people around a table, give them plenty of information on a problem or subject, there would be a high probability of agreement among the participants. Thus, the idea of "commissions" came into vogue. Ideally, commissions would consist of "experts" but, if necessary, include some political leaders as well. The point was, however, that a commission was less likely to be subject to political pressures and short-term perspectives than a regular legislative committee. Commissions would meet, hire expert assistance, define the problem, review the facts, and make recommendations for change to the President, to Congress, or to both. The use of advisory commissions became popular during the Progressive era and remains so to this day.

Progressives wanted the American political system and their government to become both efficient and politically accountable. The leaders of American commerce wanted a government that could support the emerging business culture and thus a "good government" alliance was formed consisting of business leaders, top academics, and social reformers. It was a fragile alliance at best which enjoyed ascendency for less than two decades ending with America's entry into World War I.[30] But much was accomplished by this alliance and 80 years later its influence is still felt.

In the field of organizational design and management, the Progressive values emphasized presidential administrative leadership, hierarchical structure and an integrated executive branch. These values still have appeal as a philosophical norm, even though the administrative history of the post World War II period is largely a chronicle of rejection of these values in practice. Whereas, Presidents once viewed organizational management as the key to administrative leadership, today the tendency by Presidents is arguably to view the design and organizational structures as simply a minor and negotiable element in the larger political equation. The absence of a consensus as to the principles or doctrines that should guide the process of organizational design and management, coupled with a decline in central management agencies of the U.S. government,[31] has resulted in a highly fragmented political environment. The present situation finds, in the view of some, that agencies, their interest group constituencies, and relevant congressional committees (the fabled "iron triangle") have become the principal initiators and arbiters in organizational design and management.[32]

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[30] Waldo, *Administrative State*, chapter 2.

[31] Alan Dean, Dwight Ink, and Harold Seidman, "OMB's 'M' Fading Away," *Government Executive*, vol. 26, June, 1994, pp. 62-64. Paul Light, "The Incredible Shrinking Budget Office," *Government Executive*, vol. 34, Jan. 2002, p. 66.

[32] James R. Thompson, "The Clinton Reforms and the Administrative Ascendency of Congress," *American Review of Public Administration*, vol. 31, Sept. 2001, pp. 249-272. (name redacted), "Traditional Organizational Principles and the Managerial Presidency: From Phoenix to Ashes," *Public Administration Review*, vol. 50, March/April 1990. pp. 129-40.

Rise and Decline of Orthodoxy

The study of landmark commissions is, in large measure, the story of the rise and decline of an idea. The idea began with the Federalists, was reasserted by the civil service reform movement of the 1880s, refined by the Progressives, and culminated in the reports of the Brownlow Committee and Hoover Commissions in the period immediately before and after World War II. The idea that generated all this activity was the belief that management, particularly the organizational design aspect of management, was subject to certain theoretical premises applicable throughout the federal government and government in general.

Writing at mid-century, Wallace Sayre described the prevailing premises of organizational management:

> Organization theory was stated in 'scientific management' terms; that is, it was seen largely as a problem in organization technology—the necessities of hierarchy, the uses of staff agencies, a limited span of control, subdivision of work by such 'scientific' principles as purpose, process, place, or clientele. The executive budget was emphasized as an instrument of rationality, of coordination, planning, and control.... A 'neutral' or 'impartial' career service was required to insure competence, expertise, rationality.[33]

These principles acquired the status of received truth, thus becoming what is referred to even today as the "orthodox theory" public administration. The most refined statement of these principles is to be found in the 1937 essay by Luther Gulick, "Notes on the Theory of Organization," which was an edited work that accompanied the Report of the President's Committee on Administrative Management (Brownlow Committee) submitted to President Franklin Roosevelt on January 1, 1937.[34] The Brownlow Committee report was described by Sayre "as the high noon of orthodoxy in public administration theory in the United States."[35]

Criticism of the orthodox principles of organization was heard from academicians even during the period when the principles enjoyed their widest support among political and governmental leaders. As early as 1946, behaviorists were labeling the principles of organization as mere "proverbs." The problem, they alleged, was not so much that these proverbs were devoid of wisdom, but that the prevailing doctrine was inadequate to help one pick the right proverb from the wrong one.[36] What was needed to establish a proper theory of organizational and administrative management was the development of precise language determined by scientifically based research. Behaviorists, according to skeptics, have been trying

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[33] Wallace Sayre, "Premises of Public Administration: Past and Emerging," *Public Administration Review*, vol. 18, Spring 1958, pp. 102-03.

[34] Luther Gulick, "Notes on the Theory of Organization," in Luther Gulick and L. Urwick, eds., *Papers on the Science of Administration* (New York: Institute of Public Administration, 1937), pp. 1-45.

[35] Sayre, "Premises of Public Administration," p. 103.

[36] Herbert Simon, "The Proverbs of Administration," *Public Administration Review,* 6(Winter 1946): 53-67.

unsuccessfully for over half a century now to come up with a comprehensive theory of governmental organization to replace the "principles" they debunked.[37]

The consequence of these assaults on traditional public administration principles of organizing governmental institutions has been to de-legitimate them in academic circles and to a lesser degree among practitioners. Public administrators appear to be embarrassed to openly avow the "orthodox" organizational principles, lest they be accused of political naïveté. The retreat from public law experience and orthodox organizational principles proved to be an invitation to those promoting a new, comprehensive management style, called "entrepreneurial management," a subject to be discussed more fully elsewhere in the report.

On a practical level, a break occurred in the 1960s between the academics, who tended to abandon orthodox organizational principles and language, and political leaders who, although they felt little constraint against breaking orthodox organizational principles in designing agencies and programs, still felt compelled to use the orthodox rhetoric. Even today, most political leaders justify reorganization proposals on the grounds of improving "economy and efficiency," "streamlining government," "reducing overlap and duplication" and other such phrases which suggest the savings of money as the primary motive for making organizational decisions.[38] The last landmark commission study to reassert the orthodox principles, albeit with reservations, was the Ash Council report of 1971 to President Nixon.[39]

Heterodoxy: Deconstructing the State

In the two decades following the Ash Council report, no one theory or doctrine of public management gained consensus status. Whereas before 1970, most

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[37] Orthodox principles of organizational management enjoy a virtue that should not be ignored; they are comprehensible and tend to conform to the experiences of lawmakers. As Harold Seidman commented early in the 1980s:

> Flawed and imperfect as they may be, the orthodox 'principles' remain the only simple, readily understood, and comprehensive set of guidelines available to the President and Congress for resolving problems of executive branch structure. Individual members of Congress can relate them to their own experience within the Congress or outside organizations. They have the virtue of clarity, a virtue scorned by the new orthodoxies, especially the behaviorists and social psychologists, who tend to write to each other in the arcane language which is unintelligible to the lay public.

(*Politics, Position and Power: The Dynamics of Federal Organization*, 3rd ed. (New York: Oxford University Press, 1980), pp. 8-9).

[38] In November 1991, for instance, the Chairman of the House Budget Committee, Leon Panetta, proposed to consolidate the existing 14 Cabinet-level departments into six "super departments" indicated that such a reorganization would result in eliminating 250,000 federal jobs and a savings of between $3 and $5 billion a year. The likelihood of "savings" or special efficiencies coming to pass by way of such a proposal was immediately challenged. Eric Pianin, "Opposition Swamps Panetta's Plan to Consolidate Cabinet," *Washington Post*, November 5, 1991, p. A-19.

[39] U.S. Executive Office of the President, *Papers Relating to the President's Departmental Reorganization Program* (Washington: GPO, 1971).

reorganization proposals emanating from commissions reporting to the President, or Congress, or both, emphasized the need for more presidential leadership, integrated departments, hierarchical leadership, budgetary accountability, and personnel system interchangeability, this ceased to be the case. The next two landmark commissions, President Carter's Presidential Reorganization Project (PRP)(1977-79) and President Reagan's Grace Commission (1984-85), specifically disavowed orthodox organizational management principles, and by implication, government organizational theory altogether. As Peri Arnold observed, they also shared an anti-government, populist bias in their thinking.

> Beginning with Carter, and continuing through the presidency of Ronald Reagan and into the Clinton Administration, administrative reorganization and reforms have become expressions of populist concerns about government's size, cost, and performance.... Now reform's purpose was to make government fit the expectations of the electorate that was increasingly hostile to big government. In effect, administrative reform was abandoning one presidential political project regarding administration for another. It is now a tool to negotiate the President's role vis-à-vis administration in an environment of discontent about government and skepticism about its activities.[40]

With respect to the PRP (1977-79), President Carter's chief reorganization planner, Harrison Wellford, "forthrightly denied that any overall principles, theory, or view of organization, administration, or the governmental system guided the planning operation."[41] The PRP believed that the best management concepts came "from the bottom up, not from the top down." Good management was based on pragmatism, not doctrine. Let a thousand ideas flourish.

The Administration of Ronald Reagan continued the populist thrust of the Carter years with its Grace Commission that announced at the outset that its report would not discuss "the origins, premises, or methodologies of their studies ... because we do not want to risk losing even one reader who might be turned away from having to wade through such preliminary material."[42] The Carter and Reagan reorganization exercises rejected the orthodox concept of a strong institutional presidency, opting instead for the stronger political presidency then in academic vogue.[43] As the 1980s progressed, an intellectual vacuum emerged, with no comprehensive organizational management counter theory being presented to replace the orthodox principles now in disfavor. Insofar as there was coherence to the Carter and Reagan reorganization exercises, it was a general movement toward deconstructing the state.

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[40] Arnold, *Making the Managerial Presidency*, 2nd ed., p. 373. See also: Arnold, "Reforms Changing Role," *Public Administration Review*, vol. 55, Sept./Oct. 1995, pp. 407-17.

[41] *Ibid*., p. 300.

[42] President's Private Sector Survey on Cost Control (Grace Commission), *War on Waste* (New York: Macmillan Co., 1984), p. 1.

[43] See: Terry M. Moe, "The Politicized Presidency," in *The New Direction in American Politics*, eds. John E. Chubb and Paul E. Peterson (Washington: The Brookings Institution, 1985).

New Public Management: Entrepreneurs Versus Constitutionalists

While the Carter and Reagan Administrations were not subtle in their populist distrust of government, and felt little need to posit a comprehensive administrative theory upon which to base their actions, the new Clinton Administration (1993-2001) decided to achieve similar ends with a new strategy. They would "reinvent government" toward the end of making it both smaller and more concerned with "performance."[44] A bit of historical background is useful at this point.

Beginning in the immediate post World War II period, several strands of economic literature emerged arguing a case for the superiority of the market over governmentally planned and managed economies, then dominant throughout the world. One strand consciously assumed the mantle of "public choice" theory. At its heart, public choice theory rests on the premise that political as well as economic behavior is based on rational, self-serving maximization of material income or the satisfaction derived therefrom.[45]

The political impact of this premise has been extraordinary. By the mid-1980s, it had swept many nations to varying degrees, including the United States, and contributed its share to the collapse of the communist world and to centralized government planning and management generally. Planned economies fell from favor. Free market advocates pushed a variety of related concepts internationally, many with profound implications for government management.[46] A New Public Management (NPM) paradigm (model) emerged in the early 1990s and rapidly gained international currency through its dissemination, if not uncritical support, by the Organization for Economic Cooperation and Development (OECD).[47] The underlying premise of the NPM is that the governmental and private sectors are alike in their essentials and subject to the same generic management principles. Promoters of NPM ("entrepreneurs") rely on literature, propositions, and practices that strive

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[44] The term "reinventing government" came from David Osborne's and Ted Gaebler's widely read account, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, MA: Addison-Wesley Pub. Co., 1992). This book strongly influenced Vice President Al Gore.

[45] "Public choice can be defined as the economic study of economics and political science. The subject matter of public choice is the same as that of political science: The theory of the state, voting rules, voting behavior, party policies, the bureaucracy, and so on. The methodology of public choice is that of economics, however, the basic behavioral postulate of public choice, as for economics, is that man is is an egoistic, rational, utility maximizer." Dennis Mueller, *Bureaucracy and Representative Government* (Chicago: Aldine Press, 1979), p. 1. For an early American variation on this bureaucratic utility maximizer theme, see: Anthony Downs, *Inside Bureaucracy* (Boston, MA: Little Brown, 1967).

[46] Milton Friedman, *Capitalism and Freedom* (Chicago, IL: University of Chicago Press, 1962).

[47] Organization for Economic Cooperation and Development (OECD), *Governance in Transition: Public Management Reforms in OECD Countries* (Paris: OECD, 1995).

for convergence of the governmental and private sectors.[48] The acceptance of the convergence model of public management worldwide has been both rapid and in some instances disruptive.[49]

The American variation on the New Public Management (NPM) was the "reinventing government" exercise, led principally by Vice President Al Gore. The reinventors largely rejected the language of public choice, however, preferring instead that of business schools: entrepreneurs accept the underlying premise that the government and private sectors are fundamentally alike and subject to most of the same economically derived behavioral norms.[50] In the private sector the principal, if not exclusive, objective is results, and this principle, in their view, should be applied to the governmental sector as well. Thus, the first principle of the 1993 National Performance Review (NPR) *Report* reads: "Effective entrepreneurial governments cast aside red tape, shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results."[51]

This shift toward results over legal process as the primary value in government management is a statement about political power as well as administrative management. Vice President Gore indicated as much in 1993 when he stated: "CEOs—from the White House to agency heads—must ensure that everyone understands that power will never flow through the old channels again."[52] The NPR vision was to break down the barriers between the sectors and create a society of government/private partnerships. The partnerships, ideally, would be largely autonomous bodies run by managers under contract to meet negotiated performance standards. The entrepreneurs argue that managers should be deregulated, given freedom from congressional "micro-management"[53] and less supervision by the President and his central managerial agencies. Since the goal is greater managerial autonomy, there is relatively little interest in organization *per se*, or in the legal theories that encourage political accountability for agencies and officers.

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[48] Barry Bozeman, *All Organizations Are Public* (San Francisco: Jossey-Bass, 1987). L.J. O'Toole, "The Implications for Democracy in a Networked Bureaucratic World," *Journal of Public Administration Research and Theory*, vol.7, July 1997, pp. 443-60.

[49] Donald F. Kettl, *The Global Public Management Revolution: A Report on the Transformation of Governance* (Washington: The Brookings Institution, 2000). B. Guy Peters and John Pierre, "Governance Without Government? Rethinking Public Administration," *Journal of Public Administration Research and Theory*, vol. 8, April 1998, pp. 223-43.

[50] Mark Schneider, Paul Teske, and Michael Mintrom, *Public Entrepreneurs: Agents for Change in American Government* (Princeton, NJ: Princeton University Press, 1995).

[51] U.S. National Performance Review, *From Red Tape to Results: Creating a Government That Works Better and Costs Less* (Washington: GPO, 1993), pp. 6-7.

[52] *Ibid*., p. 68.

[53] Donald F. Kettl notes: "First, 'reinventing government' seeks the transfer of power from the legislative to the executive branch." "Beyond the Rhetoric of Reinvention: Driving Themes of the Clinton Administration's Management Reforms," *Governance*, vol. 7, July 1994, p. 309.

Critics (often self-identified as constitutionalists) challenged the fundamental philosophical basis of the entrepreneurial management paradigm arguing, among other things, that it tends to subvert the intentions of the Constitution and is anti-democratic in thrust, if not intention. Constitutionalists view the government and private sectors as distinct in character, with the distinctions founded in law. The distinguishing characteristic of governmental management, contrasted to private management, is that government actions must have their basis in public law, not in the financial interests of private entrepreneurs or in the fiduciary concerns of corporate managers.[54] The frequently criticized hierarchical structure found in the executive branch is designed more to ensure accountability for managerial action; promoting control over employee is secondary. In this view, the value of accountability to political leadership and the importance of due process in decisionmaking trumps the premium placed on performance and results. However, it is less a question of pursuing one value at the expense of the other than it is a matter of precedence in the event of conflict.

According to the constitutionalists, the fundamental purpose of governmental management is to implement the laws passed by Congress, laws that may be wise or less-wise, not necessarily to maximize performance (however it is defined and measured) or to satisfy "customers." While political accountability and effective performance are generally compatible objectives, when these values come into conflict, the democratic values of legal process and political accountability take precedence over the unquestioned entrepreneurial values of efficiency and results.

The century closed with this debate between the entrepreneurs and constitutionalists over the future direction of public administration. The debate is not over arcane issues of little long-term consequence, but rather it concerns fundamental issues of democratic governance.

This study of landmark commissions is intended to provide an overview of the ideas, institutions, and people who shaped the contemporary organization of the United States government. The executive branch is not the result of random political actions. Nor is it a construct of a single moment, set in stone to last the ages. Rather, it is a product of several basic theoretical concepts intended to create a structure that permits and enhances the Founders' goal of creating a democratic republic. In the century recently ended, these theoretical concepts underwent periodic reinterpretations to accommodate changing circumstances and administrative values.
This study covers the period through 1999, but it is already clear in this new century that new institutional questions and challenges are facing the President and Congress. For instance, how best to reorganize the executive branch to pursue effective counterterrorist measures without eroding democratic accountability and the proper administration of other agencies and programs? Should Congress realign committee jurisdictions to best oversee and co-manage the national counterterrorism strategy? All of which leads to the question: What contribution, if any, might another landmark commission provide towards addressing these questions?

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[54] (name redacted) and Robert S. Gilmour, "Rediscovering Principles of Public Administration: The Neglected Foundation of Public Law," *Public Administration Review*," vol.55, March/April 1995, pp. 135-46.

Landmark Commissions

Those commissions considered to be "landmark" in character, while they may be studied individually or collectively, may also be viewed as part of a much larger institutional category, the federal "advisory commission." Advisory commissions, or committees as they are often called, come in many sizes, lengths of service, and are assigned remarkably diverse mandates. Indeed, categorizing the multitude of advisory commissions has proven to be a daunting task.[55] One attempt was undertaken by Hugh Davis Graham. Graham suggested that there were essentially five categories of advisory commissions:

1. *reorganization*. The study of organizational structure generally with the intent to realign authorities, organizations and personnel toward the end of increasing rationality and accountability.
2. *mega-commission.* Intended to examine the existing status of national life and offer recommendations for its betterment.
3. *crisis-induced.* In the turbulent 1960s, the practice began of establishing high visibility commissions to make investigations into so-called national crises (e.g., the National Advisory Commission on Civil Disorders (1968), generally referred to as the Kerner Commission).
4. *technical.* The great majority of advisory commissions perform technical functions and give advice to agencies. Most such commissions are permanent, staffed by technical experts, and form a basic method for the inclusion of diverse views in the agency's policies and management.
5. *major policy*. These commissions have been appointed to study and make recommendations on policy issues. In the past, such commissions have studied civil rights, elements of U.S. foreign policy, and more recently, provided a study on the future of Social Security.[56]

In this study our attention will center on one of the subcategories of advisory committees, the reorganization commissions, those that were assigned a comprehensive mandate to study the organization and management of the executive branch, broadly interpreted. It is also worth noting that the literature on both advisory committees and reorganization generally focuses on advisory committees created by, or related to, the executive branch. Much less attention has been paid to

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[55] There are a number of studies of advisory commissions and committees. See: Thomas R. Wolanin, *Presidential Advisory Commissions: Truman to Nixon* (Madison, WI: University of Wisconsin Press, 1975); Carl Marcy, *Presidential Commissions* (New York: King's Crown Press, 1945). Steven P. Croley, "Practice and Guidance on the Applicability of the Federal Advisory Committee Act," *Administrative Law Journal*, 10(Spring 1996): 111-78. U.S. Library of Congress, Congressional Research Service, *Federal Advisory Committees: A Primer*, by (name redacted), RL30260 (Washington: July 16, 1999).

[56] Hugh David Graham, "The Ambiguous Legacy of American Presidential Commissions," *The Public Historian*, 7(Spring 1985): 5-25.

the many advisory committees created by or related to the legislative branch.[57] Many of these advisory committees, such as the Base Closure and Realignment Commission,[58] while reporting to Congress, nonetheless ultimately impact the organization and management of the executive branch.

Keep Commission (1905-1909)

Context.

As the new century dawned, the United States was fully involved in the age of industrial and technological growth. The Spanish American War had established the United States as an international power with the responsibilities of empire. What had historically been a tax system resulting in surpluses was now producing recurrent deficits. Calls were heard from "reformers" to revamp the federal government to permit growth in the capacity of government to perform its basic functions and those functions being added each year.

As Governor of New York, Theodore Roosevelt had been engaged in a number of reorganization projects, such as reorganization of the state canal system and its correctional institutions. At the national level, he supported Elihu Root's campaign to professionalize the military. Upon becoming President after William McKinley's death, Roosevelt set about to bring his Progressive values to play in reorganizing the executive branch. He believed that problem areas should be first studied by an advisory commission that would provide recommendations to the President. In his view, the advisory commission should be composed of volunteers, typically unpaid interdepartmental committees, drawn from the ranks of career civil servants.

Several advisory commissions offered recommendations for improvements in specific agencies and programs (e.g., Gifford Pinchot's Committee on the Organization of Government Scientific Work) during 1903 and 1904. The President was convinced that a similar advisory commission should be established to examine the organization and operations of all executive branch departments and agencies.[59] A preliminary outline for what such a commission should do was written by Gifford Pinchot and James R. Garfield, Commissioner of the Bureau of Corporations.

[57] This inattention to congressionally created advisory committee has been recently remedied by (name redacted)'s *Discharging Congress: Government by Commission* (Westport, CT: Praeger, 2002).

[58] Christopher J. Deering, "Congress, the President, and Automatic Government: The Case of Military Base Closures," in James A. Thurber, ed., *Divided Democracy: Cooperation and Conflict Between the President and Congress*, 2nd ed. (Washington: CQ Press, 1996).

[59] Gifford Pinchot, *Breaking New Ground* (New York: Harcourt, Brace, 1947), p. 296.

Authority.

In 1905, on his own initiative, President Theodore Roosevelt appointed by letter a Commission on Department Methods, and named Charles Hallem Keep, Assistant Secretary of the Treasury, as chairman.[60] The commission (committee) became known as the Keep Commission. The President's practice of appointing commissions to study and recommend changes in administrative practices without consulting Congress or receiving its approval upset many in the legislative branch. They believed that such oversight and management recommendations properly belonged to Congress, as it had been in the 19th century.[61]

The commission, although its principal work was completed in 1907, remained in operation until the close of the Roosevelt Administration in 1909.[62]

Membership .

The Keep Commission consisted of five government executives of sub-cabinet rank: Charles Hallem Keep, Assistant Secretary of the Treasury; Lawrence O. Murray, Assistant Secretary of Commerce and Labor; James R. Garfield, Commissioner of the Bureau of Corporations in the Department of Commerce and Labor; Gifford Pinchot, Chief of the Forest Service in the Department of Agriculture; and Frank H. Hitchcock, First Assistant Postmaster General.

The selection of sub-cabinet officers to the commission understandably upset some cabinet secretaries since the commission's analyses and recommendations would tend to highlight deficiencies in the administration of departments and agencies, thus presenting departmental secretaries in an unfavorable light. This problem, for the most part, was never fully resolved but was mitigated by restraint practiced by all parties.

Administrative Philosophy.

President Roosevelt, in his 1905 Message to Congress, made clear the philosophy on administrative management he wished to see come to fruition.

> There is every reason why our executive governmental machinery should be at least as well planned, economical, and efficient as the best machinery of the

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[60] During his presidency, Theodore Roosevelt appointed six advisory commissions to provide him with a broadened view on the problems of administration. The first of the six commissions was the Commission of Government Scientific Work, at suggestion of Gifford Pinchot, head of the Forest Service, Progressive, and friend of the President. The second advisory commission was the Commission on Department Methods (Keep Commission). Theodore Roosevelt was not only the "father" of executive reorganization, but of advisory commissions as well. Wolanin, *Presidential Advisory Commissions*, p. 5.

[61] For a general history of the evolution of the executive branch through 1922, see: Lloyd M. Short, *The Development of National Administrative Organization in the United States* (Baltimore, MD: Johns Hopkins Press, 1923).

[62] Oscar Kraines, "The President Versus Congress: The Keep Commission, 1905-1909," *Western Political Quarterly*, vol.23, March 1970, pp. 5-54.

> great business organizations, which at present is not the case. To make it so is a task of complex detail and essentially executive in nature; probably no legislative body, no matter how wise and able, could undertake it with reasonable prospect of success. I recommend that the Congress consider this subject with a view to provide by legislation for the transfer, distribution, consolidation, and assignment of duties and executive organizations or parts of organizations, for the changes in business methods, within or between the several Departments, that will best promote the economy, efficiency, and high character of the Government's work.[63]

Organization, Support Staff, and Financing.

In performing its work, the Keep Commission in 1906 was aided by a group of 12 subcommittees (e.g., Subcommittee on Accounting and Personnel) composed of approximately 70 persons from among full-time employees in the various executive departments. In addition to longer range studies of cross-cutting administrative issues, the commission was also used by the President to investigate specific management problems that were actual or potential scandals.

In a message to Congress in 1906, Roosevelt requested an appropriations for $25,000 "for the employment of specialists and experts to assist the special Committee on Department Methods." Congress, however, was not persuaded and granted the President only $5,000 to be used for hiring private experts. (34 Stat. 635). As a consequence, few outside consultants were hired and the work was performed almost completely by federal officers and employees on their own time, in addition to their regular duties.

Congress was sufficiently upset at the Rooseveltian use of commissions, which they correctly viewed as a tactic to bypass Congress, that it passed the Tawney amendment to the 1909 supplemental appropriations act (32 Stat. 1027). The Amendment prohibited the expenditure of public funds to support presidentially created commissions unless appropriated for that express purpose.

Reports and Recommendations.

By December 1907, the major inquiries of the Keep Commission had been completed; nonetheless the commission continued its work until the end of President Roosevelt's term on March 3, 1909. In all, it issued 19 formal reports to the President, although they were never compiled and issued as a single report. Gustavus Weber states: "It is much to be regretted that ... these reports of the Keep Commission were never published as public documents. The result is that they are exceedingly difficult to obtain. The set possessed by the Institute of Governmental research [later to become The Brookings Institution] is, in fact, the only complete set of which the author of the present volume has knowledge."[64]

While there were hundreds of recommendations ranging from agency specific to government-wide proposals, the "success" of the exercise was difficult to measure. Most of the Keep Commission's recommendations were not incorporated in

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[63] "Business Methods in Departments," *Congressional Record,* vol. 40, Dec. 5, 1905, p. 96.

[64] Weber, *Organized Efforts for Improvement,* p. 81.

executive orders or legislation. Implementation varied from one department to the next, dependent in large measure on the support of department secretaries.

The commission recommended many housekeeping changes in the fields of accounting, purchasing and contracting, records management, coordination of statistics, and government printing and publications. Recommendations were forthcoming on ways and means to improve inter-departmental relations and coordination. It was in the area of personnel management that the Keep Commission probably made its innovative recommendations, calling for competitive pay and a retirement system for federal workers.

Results and Assessment.

The Keep Commission was generally accorded high marks, then and now, for the quality of its research and the insight of its recommendations.[65] Writing in 1970, Herbert Emmerich concluded:

> The work of the Keep Commission ... was a landmark of executive introspection. It stimulated management improvement in bureau after bureau and in such varied fields as accounting and costing, archives and records administration, simplification of paper work, use of office machinery, personnel administration, procurement and supply, and contracting procedures.... Congress, however, resented its activities because it threatened many vested interests and jobs and because it had only presidential sanction.[66]

No major structural reorganizations can be attributed to the work of the Keep Commission. The reports dealt with specific aspects of administrative methods and procedures, yet relatively little change in these practices can be credited directly to the commission. What, then, was the contribution of the Keep Commission? First, it produced a quality set of reports that reflected the initial effort by the executive branch to study itself in a comprehensive fashion. Second, it was a commission that broke with the congressional definition of efficiency, a term associated almost exclusively with "economy," or the spending of less monies, and concentrated instead upon expanding the capacity of agency heads to manage their agencies. Third, the commission was responsible for creating a whole new vocabulary of terms and concepts to be applied to public administration. Finally, in Oscar Kraines' opinion, the major contribution of the commission lay in "the assertion for the first time of the Presidential responsibility for administration."[67]

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[65] Carl Marcy, *Presidential Commissions* (New York: King's Crown Press, 1945), p. 19.

[66] Herbert Emmerich, *Federal Organization and Administrative Management* (University, AL: University of Alabama Press, 1971), pp. 39-40.

[67] Kraines, "The President Versus Congress: The Keep Commission," p. 53.

President's Commission on Economy and Efficiency (1910-1913)

Context.

When William Howard Taft assumed the presidency in 1909, it was generally agreed that the budgetary and fiscal practices of the executive branch were no longer adequate and that the situation was rapidly deteriorating. Deficits were becoming chronic and Congress found the ministerial *Book of Estimates* submitted each year by the Treasury Department an inadequate tool for comprehending the financial status of the entire government and for making informed decisions among competing claims for limited resources.

Authority.

In 1909, Congress specified that the President and the Secretary of the Treasury were to compare expected revenues and the appropriations requested by the agencies and then make recommendations as to both the priority of appropriations and where expenditures might be reduced (35 Stat. 1027). In effect, Congress was calling for an executive budget to be submitted by the President, a practice in use in many states. President Taft and his Treasury Secretary, Franklin MacVeigh, quickly found that they did not have the resources to meet this requirement. As a result of the Tawney Amendment passed during the Keep Commission days, Taft was not able to establish and fund a commission by presidential directive. Also, Taft, unlike his predecessor, had a less expansive view of presidential prerogatives and was more deferential to congressional sensibilities: he requested funds so that he might determine how best to establish a commission to address the executive budget issue. Taft requested that Congress appropriate $100,000 for this preliminary exercise, and Congress appropriated the funds (36 Stat. 703).

The project was conducted in two phases; phase one, from October 1910 through March 1911, consisted of making preliminary studies, largely under the direction of the President's Secretary, Charles Norton, to determine the scope of the issue areas. Phase two comprised the establishment of a commission to study the data and make recommendations to the President, and the Commission on Economy and Efficiency.

Membership.

In 1911, President Taft named Frederick Cleveland as chairman of the President's Commission on Economy and Efficiency, and physically provided space and support in the White House. Four other members were appointed, William F. Willoughby, a public administration scholar, who was at the time was assistant director of the Bureau of the Census; Walter Warwick, one-time auditor of the Isthmian Canal Commission; Frank J. Goodnow, professor of administrative law; Harvey S. Chase, a certified public accountant; and Merritt O. Chance, then Auditor for the Post Office Department, was made secretary and later a member of the commission.

Later on, in an economy measure intended to appease a hostile Congress, Taft reduced the commission in 1912 to three members, Cleveland, Warwick and Chance. Former members Goodnow and Willoughby maintained close ties to the commission nonetheless.

Administrative Philosophy.

There was, at least initially, a division of opinion regarding the appropriate direction for the proposed commission to take. For the most part, Congress wished to have the commission reassert its values, meaning congressional dominance over agency management and funding. Efficiency, defined simply as spending less monies, was the congressional leitmotif and they expected any reorganization proposal and any executive budget proposal to promote this overall objective. Taft, however, rejected this narrow approach and determined instead to align himself with the newly emergent field of public administration. In consultation with the New York Bureau of Municipal Research, he determined to make this definitely a presidential exercise by having the study based in the White House. Frederick Cleveland, the director selected by Taft for the initial study was also director of the New York Bureau. By placing the study physically in the White House, Taft was not only concerned with protecting the commission from congressional pressures, but from pressures by cabinet members as well. The study was to be comprehensive in scope, concerned with organization as well as budgetary matters and management practices.

In President Taft's message to Congress of January 17, 1912 (H. Doc. 458), he reviewed the status of the executive branch as he found it in 1909:

> This vast organization has never been studied in detail as one piece of administrative mechanism. Never have the foundations been laid for a through consideration of the relations of all its parts. No comprehensive effort has been made to list its multifarious activities or to group them in such a way as to present a clear picture of what the Government is doing. Never has a complete description been given of the agencies through which these activities are performed. At no time has the attempt been made to study all of these activities and agencies with a view to the assignment of each activity to the agency best fitted for its performance, to the avoidance of duplication of plant and work, to the integration of all administrative agencies of the Government, so far as may be practicable, into a unified organization for the most effective and economical dispatch of public business.[68]

By the comprehensive vision President Taft brought to the project, he significantly redefined the debate over organizational management and established the President as the key player for future organizational management. As Peri Arnold notes:

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[68] President Taft's statement to Congress as printed in: U.S. Congress, House, Committee on Appropriations, *Message of the President of the United States Transmitting the Reports of the Commission on Economy and Efficiency*, H.Doc. 1252, 62nd Cong., 3rd sess. (Washington: GPO, 1913), p. 2.

> From a modern perspective, it is difficult to appreciate how innovative was Cleveland's model of the organization of the executive branch. No longer were these agencies to be understood as single units tied to Congress by an imbilical cord of statute and appropriations. Rather, they would be seen as part of a whole that had hierarchy and ordered authority—a bureaucracy. When seen through this new conception, the traditional picture of the dominant tie of agency to legislature is an intrusive element—a pathology.[69]

Organization, Staff Support, and Funding.

Pursuant to its statutory authority, a preliminary investigation was begun under Charles Norton, Secretary to the President. At the close of the preliminary studies President Taft, as noted earlier, requested an appropriation of $100,000 which Congress granted in a sundry civil appropriation act for 1911. This appropriation was supplemented by one for $75,000 contained in the sundry civil appropriation act for 1912. Another appropriation for $10,000 passed to meet the expenses of a special investigation of the Patent Office, which Congress, by joint resolution, directed the President to make. Finally, Congress appropriated $75,000 in the sundry civil appropriation act for 1913. The total funding for the commission was thus $260,000 from fiscal years July 1, 1910, to June 30, 1913.[70]

Reports and Recommendations.

The commission, complaining of meagre funding and inadequate congressional support, nonetheless produced many reports, some of which were sent to Congress, others not. The forms of publications included a Message of the President, accompanied by the official reports to Congress; circulars printed by the commission; and miscellaneous documents (e.g., Treasury circulars). The great majority of reports and recommendations were agency-specific (e.g., consolidation of the Bureau of Lighthouses with the Life-Saving Service) or process-based (e.g., principles for handling correspondence) and thus constituted what today might be referred to as micro-management issues. Most of the recommendations were concerned with personnel, financial practices, and business type activities performed by agencies.[71] The running thread of the various recommendations was that agencies should be grouped together by purpose and that they should follow similar procedures in the conduct of their affairs.

One of the recommendations of the commission proved, however, to be of government-wide and political importance. President Taft forwarded a Message to Congress, attached to the commission's 568 page supporting report (*The Need for a*

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[69] Arnold, *Making the Managerial Presidency*, 2nd ed., p. 33.

[70] Weber, *Organized Efforts*, p. 84.

[71] *Ibid*., pp. 94-103. One important, noncontroversial report of the commission and its staff was the inventory of all agencies of the executive branch. The inventory was published as: U.S. Commission on Economy and Efficiency, *Report to the President on the Organization of the United States as It Existed on July 1, 1911.* The report was published in H. Doc. 458, 2 vol. 62nd Cong., 2nd sess., (Washington: GPO, 1912).

National Budget), calling for a national executive budget.[72] In the meantime, Taft directed that agencies simultaneously assemble an estimate of expenditures using the traditional congressional method and an executive budget according to a presidentially directed format. In 1913, just prior to his leaving Office, Taft proposed that his successor be given a presidential staff agency to support the President in his new budgetary responsibilities.

Understandably, a major political debate ensued over which institution, the President or Congress, had principal authority and responsibility to oversee the agencies. Opposition to the proposal was not confined to certain Members of Congress, but included some cabinet secretaries as well, secretaries with well developed lines of communications and support from their committees. In the immediate term, Congress, and more particularly the two appropriations committees, prevailed over President Taft, the latter being politically weakened by the congressional elections of 1910 and the divisive 1912 presidential elections, in which the Democrats swept not only the White House but both houses of Congress as well. Some voluntary actions at the agency level were forthcoming, but generally speaking, little action proceeded directly from the commission report or its leadership. In a post-election gesture, Taft proposed that his successor be given a presidential staff agency to support the President in meeting his responsibilities as part of the larger executive budget reforms.[73]

Results and Assessment.

Subsequent assessments of the commission and of President Taft's leadership in the development of executive branch budgetary and management methods have generally been favorable.[74] "That the Commission's life ended with none of its major recommendations implemented," Peri Arnold concluded, "ought not be taken as a measure of failure. In hindsight the Commission was strikingly successful, even if that success was longer in coming than any of its members would have preferred. Its work formed the template of modern comprehensive reorganization planning."[75]

Taft had made a plea to Woodrow Wilson, his successor, to keep the commission alive, but to no avail. Wilson, although considered a successful

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[72] U.S. Commission on Economy and Efficiency, *The Need for a National Budget.* Transmitted with presidential Message to Congress on June 27, 1912, H. Doc. 854, 62nd Cong., 2nd sess. (Washington: GPO, 1912).

[73] Message of the President, February 26, 1913 (62nd Cong., 3rd sess., S. Doc. 113).

[74] Frederick C. Mosher assigns credit to President William Howard Taft in his promotion of a national budget. "There may have been some discussion of a national budget in the late nineteenth and early twentieth centuries. But basic credit for initiating the idea should probably go to President William Howard Taft. Unlike virtually all Presidents before him, Taft busied himself soon after his inauguration with superintendence of the preparation of estimates in the departments." *A Tale of Two Agencies: A Comparative Analysis of the General Accounting Office and the Office of Management and Budget* (Baton Rouge: Louisiana State University Press, 1984), p. 24.

[75] Arnold, *Executive Reorganization*, 2nd ed., pp. 49-50.

Progressive in many respects, was not interested in continuing the life or the work of the commission.

The major contribution made by the commission was more in the theoretical or conceptual realm than in the contribution of specific recommendations. With the commission's studies, the case was made for presidential authority and resources to manage the federal bureaucracy. Congress itself gradually became persuaded by this argument and also by the experience of World War I, with its massive demands upon the administrative system of the nation.

Congress, early in the Wilson administration, passed a bill, signed by the President (March 25, 1913) (38 Stat.1007), establishing the Bureau of Efficiency as a branch of the Civil Service Commission. In a sense, Congress looked upon this Bureau as a successor of the President's Commission on Economy and Efficiency. The Bureau was plagued by the absence of adequate funding. Nonetheless, the mandate of the Bureau was expanded by act of March 4, 1915, to include the "investigation of duplication of statistical and other work and method of business in the various branches of government service." In 1916, the Bureau was made an independent agency (39 Stat.15). Although the Bureau was authorized to investigate the need for administrative reorganization, it never undertook such a project.[76] The Bureau of Efficiency had an ambiguous status. As Gustavus Weber noted at the time: "[T]he Bureau, notwithstanding that its legal status is that of a part of the administrative branch of the government, is functioning largely as a direct agent of the legislative branch."[77] The Bureau was abolished in 1933 (97 Stat. 1519).

Joint Committee on Reorganization (1921-1924)

Context.

The First World War provided extensive evidence of the need for an integrated executive branch with the President as chief manager. President Taft's call for a national budget and administrative reorganization, first heard in 1912, now fell on more receptive ears. The new Republican majority in both chambers saw this as an opportunity to regain the initiative in the field of executive branch organization

Following the War, the House took the initiative in promoting the national budget concept by passing a bill in October 1919 requiring the President to be responsible for estimates of the agencies. To this end, the bill provided for the establishment of a Bureau of the Budget in the Office of the President. President Wilson announced his support, belatedly in the view of supporters, for the executive budget concept. The Senate passed a revised version of the bill on May 1, 1920. This revised bill provided not only for a Bureau of the Budget but for a General Accounting Office in the legislative branch as well.[78]

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[76] Weber, *Organized Efforts*, pp. 104-113.

[77] *Ibid*., p. 111.

[78] U.S. Congress, *A National Budget System: A Compilation of Hearings, Reports, Acts,* (continued...)

While the bill had some recognized flaws, supporters were nonetheless surprised when President Wilson invoked his veto power, citing constitutional grounds. The President objected to procedures for removing the Comptroller General.[79] Frantic efforts to refashion the bill before adjournment were unsuccessful, thus ending the opportunity for President Wilson to take some credit for establishing a national budget and a national budget agency.

The Republican sweep of 1920 enhanced already strong sentiment for budget reform. Congress altered the Budget bill slightly, hoping to overcome objections. First, the new Budget Bureau was to be "in but not of" the Department of the Treasury, with a separate director to be appointed by the President and *not* subject to Senate confirmation. Second, Congress would continue to be the initiatory agent for removing the Comptroller General, but removal would require a joint resolution, a procedure with the effect of law, thereby requiring a presidential signature. The new President, Warren Harding, did not challenge this removal procedure (it has never been employed), and thus the Budget and Accounting Act of 1921 became law (42 Stat. 20). Herbert Emmerich, succumbing to hyperbole, described the Budget and Accounting Act as "probably the greatest landmark of our administrative history except for the Constitution itself."[80]

Authority.

In the waning days of the Wilson Administration, Congress, by joint resolution of December 29, 1920 (41 Stat. 1083), created a Joint Committee on Reorganization, to be composed of three members of each house of Congress, appointed by the President of the Senate and the Speaker of the House. The mission of the commission was "to make a survey of the administrative services of the government for the purpose of securing all pertinent facts concerning their powers and duties, their distribution among the several executive departments and their overlapping and duplication of authority...."[81]

At the suggestion of the new President, Warren Harding, Congress passed a supplementary joint resolution, approved May 5, 1921 (42 Stat. 3), authorizing the President to appoint a representative of the executive branch to cooperate with the Joint Committee on Reorganization, whose salary should be paid in equal parts from the contingent funds of the Senate and House.[82] President Harding's personal

[78] (...continued)
Bills, Tracing the Legislative Development of the Budget and Accounting Act. 2v. (Washington: GPO, 1918-1921).

[79] President Woodrow Wilson's veto message of H.R. 9783 is to be found in: U.S. *Congressional Record,* House, 66th Cong., 2nd sess., June 4, 1920, pp. 8609-10.

[80] Emmerich, *Federal Organization and Administrative Management*, pp. 40-41.

[81] Lloyd M. Short, *The Development of National Administrative Organization in the United States* (Baltimore: Johns Hopkins Press, 1923), pp. 462-70.

[82] "Walter F. Brown Will Probably Be Named by President Harding to Head of Joint Congressional Committee to Reorganize Executive Departments," *New York Times*, April 16, 1921, p. 16. In 1921, Congress passed, after a Democratic filibuster, a resolution
(continued...)

representative on the committee, Walter F. Brown, was subsequently voted the chairman of the congressional committee, an unprecedented action.[83]

President Harding, suspected of subscribing to congressional dominance of organizational method, surprised Congress by reasserting presidential prerogatives over matters of executive organization and management.[84] As a matter of high priority, Harding successfully pushed for passage of legislation to establish both a General Accounting Office and a Bureau of the Budget. (42 Stat. 20). Next, Harding sought to not only have executive participation on the Joint Committee, but for the executive branch to take the lead. He was committed to submit to Congress a comprehensive executive reorganization proposal, which occurred in the early months of Harding's successor, President Calvin Coolidge.[85]

Membership.

The joint committee was composed of three members from each house of Congress, one of whom was to be a member of the minority party (Democratic at that period). The initial makeup of the joint committee was Senators Reed Smoot (R-UT), James Wadsworth (R-NY), and Pat Harrison (D-MS). House members were Representatives C. Frank Reavis (R-NE), Henry Temple (R-PA), and Robert W. Moore (D-VA).

At the request of the President, Walter F. Brown was elected chairman of the joint committee. No apparent concern was expressed at the time about this extraordinary apparent breaching of the separation of powers doctrine.

Administrative Philosophy.

The principal philosophical underpinning of the joint committee exercise was to reorganize the executive branch according to "major purpose." In President Harding's letter of June 13, 1921 to the joint committee, he stated:

> Since it is extremely difficult to administer efficiently departments which include wholly dissimilar and unrelated services, and quite impossible to administer economically identical or similar services which are scattered throughout several departments, it would seem necessary at the outset of the work of reorganization to provide a statutory regrouping of governmental activities to the end, as far as practice, that each department be made up of agencies having

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[82] (...continued)
providing Brown be paid $7,500 per year. "Filibuster by House Democrats," *New York Times*, July 27, 1921, p. 2.

[83] Walter F. Brown was an attorney in Toledo, Ohio, leader in Republican Party activities, and friend of President Harding. "Interview with W.F. Brown," *New York Times*, August 28, 1921, sec. VII, p. 2. Brown was later Postmaster General under President Hoover.

[84] Warren G. Harding, "Business in Government and the Problem of Governmental Reorganization for Greater Efficiency," Academy of Political Science, *Proceedings*, 9(July 1921): 430-31.

[85] *Message of the President of the United States*, S.Doc. 128, 68th Cong., 1st sess., June 23, 1924.

> substantially the same major purpose and, further, that identical or similar services shall be grouped together.[86]

The joint committee, especially its chairman, Walter F. Brown, was receptive to the concept of reorganizing by major purpose, although this term was as likely to raise questions as to be the answer.

The chief player in developing and sustaining an administrative philosophy for the Administration was a member of Harding's Cabinet, Herbert Hoover, Secretary of Commerce. Hoover enthusiastically embraced the Brown effort as his own and set about to reassert the Progressive ideal of an efficient, but also effective, executive branch.[87] Peri Arnold provides a graphic description of the dynamic quality that Herbert Hoover brought to the Harding Cabinet:

> The major intellectual thrust in this reorganization effort came not from the President or Brown, but from the Secretary of Commerce, Herbert Hoover. Hoover was vitally interested in reorganization, and to this day stands out as perhaps the most prominent theoretician-practitioner in American public administration. Beyond this, Hoover was the pillar of the Harding cabinet. The President trusted his Secretary of Commerce and tended to rely on Hoover for advice on a wide range of policy matters. While President Harding used his position to support the reorganization planning effort, and Walter Brown offered the legitimizing aegis of the joint committee and served as coordinator, Herbert Hoover provided the intellectual thrust for the endeavor.[88]

As Secretary of Commerce, Herbert Hoover set out to reorganize much of the executive branch. His immediate objective was to alter and expand the functions of the Department of Commerce. During the course of the discussion in 1921 within the executive branch, he proposed three great divisions for the Department; one for industry, one for trade, and one for transportation and commerce. A variety of agencies would then be shifted to the Commerce Department. Ellis Hawley observed of Hoover's early reorganization effort: "In essence, the Commerce Department was to become a department of economic development and management; other agencies would still be responsible for special sectors of the economy, but Commerce would serve as a general coordinator...."[89]

Not surprisingly, Secretary Hoover's grand scheme, while enjoying some implicit support from the White House, was viewed by the other departments and

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[86] "Harding Urges Joint Congressional Committee to Act Quickly," *New York Times*, June 14, 1921, p. 14.

[87] Although largely forgotten by latter-day political analysts, Herbert Hoover was a Progressive in his philosophy toward government. Joan Hoff Wilson, *Herbert Hoover: Forgotten Progressive* (Boston: Little Brown and Co., 1975).

[88] Peri E. Arnold, "Executive Reorganization and Administrative Theory: The Origins of the Managerial Presidency." Paper delivered at the 1976 Annual Meeting of the American Political Science Association, p. 12.

[89] Ellis Hawley, "Herbert Hoover, The Commerce Secretariat, and the Vision of the 'Associative State,' 1921-1928," *The Journal of American History*, vol. 61, June 1974, p. 121.

agencies as a "power grab." Opposition within the cabinet to the Hoover proposal was immediate and intense.[90] Congress, although it had been waiting for the comprehensive executive reorganization report from the joint committee it had created in cooperation with the White House, was less than enthusiastic with its final recommendations and chose to take a pass on this first opportunity to perform major surgery on the executive branch.[91]

Organization, Staff Support, and Funding.

Unable to establish its own staff, the joint committee, in the form of Walter F. Brown, requested the assistance of the Bureau of Efficiency under Herbert Brown (no relation). Like the joint committee, the Bureau tried to straddle the branches. It worked with congressional committees on budgetary matters and worked with the executive branch to promote central managerial interests. The Bureau was very cognizant of the institutional weakness of the presidential office.

> Under the Constitution, the President is responsible for the management of the executive branch of the government, but up to the present, Congress has not seen fit to give to the Chief Executive any machinery with which he can effectively discharge this responsibility. The President's staff consists wholly of a small number of personal secretaries and clerks. The time of this staff is taken up with the consideration of legislative business, the preparation of commissions, appointment matters, and so on. Under these conditions the President is... unable to function as an administrative officer.[92]

The Bureau of Efficiency did provide clerical and other support to the Joint Committee. Herbert Hoover's staff at the Commerce Department was also used to develop and promote his views on the proper direction for the executive branch to take. Hoover, as we will learn, tended to be simultaneously of two minds with regard to executive branch organization. First, he sought to build up the capacity of the executive branch to meet its responsibilities under a President holding sufficient authority and institutional support to be the activist Chief Manager. Second, and somewhat paradoxically to his critics, he believed that government should be limited in its functions and seek the least claim (economy and efficiency) upon the resources of the taxpayers.

Reports and Recommendations.

When the joint committee received the reports and recommendations from the Harding-Coolidge administration, it reviewed the studies without benefit of staff. Nonetheless, the joint committee held hearings in 1924, but several factors

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[90] Edward L. and Frederick H. Schapsmeier, "Disharmony in the Harding Cabinet," *Ohio History*, vol. 75, Spring/Summer 1966, p. 135.

[91] U.S. Joint Committee on Reorganization of the Administrative Branch of the Government, *Reorganization of the Executive Departments*, Hearings on S.J. Res. 282, 68th Cong., 1st sess. (Washington: GPO, 1924).

[92] Memorandum, Herbert Brown to the Postmaster General, April 25, 1921, Bureau of Efficiency, 1.02, RG 51, National Archives. As quoted in Arnold, *Making the Managerial Presidency*, 2nd ed., p. 63.

discouraged the committee from pursuing legislation on recommendations of the report. First, a new President, Calvin Coolidge, had replaced the recently deceased Harding, and had exhibited little interest in executive branch reorganization or the development of a White House staff capacity. Second, administration witnesses illustrated in their remarks the strong divisions of opinion on reorganization proposals, especially the proposal to merge the Departments of War and Navy. Third, there was little discussion of how the reorganizations would eventually "save" money.

The plan submitted by the joint committee to the full Congress was essentially the Harding plan minus the provision to merge War and Navy. Neither Harding's plan or the specific proposals provided firm statistics on "savings" to be achieved by the reorganization. As it turned out, the attractiveness of reorganization was waning and "none of the Joint Committee's large-scale recommendations were given serious consideration."[93]

The methodology for developing an overall executive branch reorganization plan was to have the departments themselves take the first shot. Each was to submit a plan to Walter Brown. In Brown's view, such an approach, which was the opposite of the arms-length approach of Taft's Commission on Economy and Efficiency, was more likely to produce informed analysis by those most clearly affected. This approach, however, left most of the department secretaries nonplused or highly defensive.

Unlike his cabinet colleagues, Secretary Herbert Hoover saw this approach as an opportunity to recast his Department as the centerpiece of a completely redesigned government. Under his reorganization plan, submitted to Brown (and also the President) in 1921, the Commerce Department would become a "super department" responsible for government's activities in industry, trade, and transportation. To achieve this objective, many agencies would be taken from their current departments and placed in whole or in part in the new Department of Commerce. A typical transfer proposed by Hoover was to move the Bureau of Public Roads from the Agriculture Department to Commerce. Not surprisingly, Hoover's proposals and those of other departmental secretaries, provided the grist for controversy within the Administration. Rather than presiding over a rational, scientific debate on the alternatives of organizational design, Brown found that he was a referee in an amazingly intense political struggle. As if the individual reports of departmental secretaries were not enough, Brown was the recipient of two major reports from outside organizations, the National Budget Committee and the Brookings Institution.[94]

The plans submitted by the departments generally called for the aggrandizement of their functions. In no instance did a department propose to limit or shed one of its functions. Brown worked diligently to make a single plan from the many submitted to present to the President for his review. Finally, a single reorganization plan was put in front of the President, who was immediately faced with strong

[93] Arnold, *Making the Managerial Presidency*, p. 79.

[94] Short, *The Development of National Administrative Organization*, pp. 462-66.

opposition from cabinet members. Conflict was intense on certain proposals, especially the proposal to transfer the Forest Service from the Agriculture Department to the Interior Department. For months, the cabinet debated the provisions of the plan, and there was little progress.

Finally, under pressure from Congress, Harding had Brown produce a single plan, one presumably representing the President's views, and sent it to the joint committee. The Administration's proposals were bold and expansive, but politically unacceptable and no action was forthcoming.

Results and Assessment.

None of the specific recommendations of the joint committee was directly adopted, but they influenced executive organization and management nonetheless. The 1920s were years of transition, with the President gradually emerging as the dominant force in supervising administrative agencies.[95] A number of agency-specific reorganization studies were published during the decade, and definite steps were taken to enhance the managerial capacities of departmental secretaries as well as those of the President.[96] In that sense, therefore, the work of the joint committee and other reorganization efforts of the 1920s were precursors of the President's Committee on Administrative Management (Brownlow Committee) appointed in 1936.

Reorganization Authority (1930-1933)

As previously discussed, Hoover had been the principal driving force in promoting the departmental reorganization by general purpose and shifting authority and responsibility for such reorganizations from Congress to the President. Speaking as Secretary of Commerce in 1924, Hoover had recommended that Congress give the President authority, within specified limits, to reorganize executive departments and agencies.[97] No action was forthcoming on his proposal. In his first year as President, 1929, Hoover included in his Annual Message to Congress, a request for authority to submit proposals for reorganization, subject to some form of congressional disapproval. He said that he saw "no hope for the development of a sound reorganization of the Government unless Congress be willing to delegate its authority over the problem (subject to defined principles) to the Executive, who should act upon approval of a joint committee of Congress or with the reservation

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[95] Peri E. Arnold, "Executive Reorganization and Administrative Theory," (1976).

[96] E.H. Hobbs, *Executive Reorganization in the National Government* (Oxford, MS: University of Mississippi Press, 1953, pp. 21-35.

[97] U.S. Congress, Joint Committee on Reorganization of the Administrative Branch of the Government, *Reorganization of Executive Departments*, Hearings, 68th Cong., 1st sess. (Washington: GPO, 1924), p. 353. "To Herbert Hoover," noted Herbert Emmerich, "belongs the undoubted credit for the invention and espousal of the important peacetime reorganization device — presidential initiative subject to the legislative veto." *Federal Organization and Administrative Management*, p. 43.

of power of revision by Congress within some limited period adequate for its consideration."[98]

During 1930, Hoover was able to secure from Congress approval of two agency consolidations. On May 27, 1930, he signed a bill authorizing him to consolidate all the Prohibition enforcement agencies into the Department of Justice, which he did. On July 8, 1930, under authority of Congress, he issued an Executive order creating the Veterans' Administration out of some five agencies scattered among the departments. The new Administrator of Veterans' Affairs claimed that the reorganization and consolidation saved $10,000,000 a year, thus reasserting the standard rationale for reorganization, the saving of money, and only secondarily the improvement of managerial capacity.[99]

President Hoover returned to the subject of executive reorganization in his Annual Message for 1931, although this time not specifying a method of congressional disapproval.[100] In a major address of February 17, 1931, Hoover asked for authority consolidate various executive and administrative organizations and activities. The form of congressional control was left indefinite. He recommended that Congress provide that:

> Authority under proper safeguards is to be lodged in the President to effect these transfers and consolidations and authority to redistribute executive groups in the 10 executive departments of the Government or in the independent establishments, as the President may determine, by Executive order, such Executive order to lie before the Congress for 60 days during the sessions thereof becoming effective, but becoming effective at the end of such period unless the Congress shall request suspension of action.[101]

During 1932, a year in which Hoover campaigned for reelection, the subject of reorganization appeared two dozen times in executive messages.[102] Both political parties called for drastic reductions in government spending. On February 24, 1932, the House of Representatives created a seven-member Select Committee on Economy to investigate the possibilities of agency consolidation. The temper in Congress favored some grant of authority to the President as a means of avoiding the delays created in the legislative branch, delay attributed to the power of interest groups. Senator David Reed expressed his disillusionment with the existing system:

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[98] U.S. *Public Papers of the Presidents: Herbert Hoover* (1929). (Washington: GPO, 1974), p. 432.

[99] Ray Lyman Wilbur and Arthur Mastick Hyde, *The Hoover Policies* (New York: Charles Scribner's Sons, 1937), pp. 568-69.

[100] U.S., *Public Papers of the Presidents: Hoover* (1931) (Washington: GPO, 1974), pp. 594-95.

[101] U.S., *Public Papers of the Presidents: Hoover* (1932-1933) (Washington: GPO, 1974), p. 58.

[102] U.S. Congress, House, Committee on Rules, "Delegating With Ambivalence: The Legislative Veto and the Reorganization Authority," by (name redacted) and (name redacted), in *Studies on the Legislative Veto*, Committee print, 96th Cong., 2nd sess. (Washington: GPO, 1980), p. 173.

> Mr. President, I do not often envy other countries their governments, but I say that if this country every needed a Mussolini it needs one now. I am not proposing that we make Mr. Hoover our Mussolini, I am not proposing that we should abdicate the authority that is in us, but if we are to get economies made they have to be made by some one who has the power to make the order and stand by it. Leave it to Congress and we will fiddle around here all summer trying to satisfy very lobbyist, and we will get nowhere. The country does not want that. The country wants stern action, and action quickly.... [103]

Hoover received reorganization authority in the form of an amendment (Part II) to the Legislative Branch Appropriations Act for fiscal 1933. Title IV of Part II (known as the Economy Act of 1932) authorized the President to reorganize the executive branch. The President could transfer the whole or any part of any independent executive agency, or the functions thereof, to an executive department or to another independent executive agency. Functions within a department could be consolidated. This power was conferred upon the President without a time limit (47 Stat. 413).

Reorganization proposals were subject to a one-house veto. The legislation provided that the President could propose a reorganization by an executive order, which would be transmitted to Congress while in session, but not become effective until 60 days after its transmittal. Congress could shorten the period by passing a concurrent resolution of approval. Any executive order or part thereof would become null and void if either house, within the 60-day period, passed a resolution of disapproval. The bill therefore allowed not only for disapproval in whole but also selective disapproval.

Hoover signed the bill on June 30, 1932. Shortly thereafter Congress adjourned. When it reconvened on December 3rd, President Hoover issued 11 executive orders consolidating some 58 governmental activities.[104] By that time, however, Hoover had been overwhelmingly defeated in the general election, and it was evident that Members of Congress, in the closing hours of a lame-duck session, intended to leave reorganizations changes to Franklin D. Roosevelt. Hoover, aware of sentiments in the House, announced on January 3, 1933, that either Congress "must keep its hands off now, or they must give to my successor much larger powers of independent action than given to any President if there is [*sic*] ever to be reorganizations." He further stated that such authority, to be effective, should be free of the legislative veto. Otherwise the reorganization authority would, "as is now being demonstrated in the present law, again be merely make-believe politics."[105]

The House Committee on Expenditures in the executive departments recommended disapproval of all the executive orders and the full house, after some

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[103] U.S. *Congressional Record*, vol. 75, May 5, 1932, p. 9644.

[104] U.S. *Congressional Record*, vol. 76, Dec. 9, 1932, pp. 233-54. .

[105] U.S., *Public Papers of the President: Hoover (1932-33),* (Washington: GPO, 1974), p. 920.

parliamentary maneuvers, proceeded to pass the resolution of disapproval by voice vote.[106]

However, Congress decided to follow Hoover's advice and provide the President with reorganization authority free of the legislative veto process to avoid "merely make-believe politics." One day prior to Roosevelt's inauguration, Congress passed the Economy Act of 1933 (47 Stat. 1519). The delegation of power in that act was extraordinary. The statute did more than allow the President to transfer functions. It authorized him, for a two-year period, to "abolish the whole or any part of any executive agency and/or the functions thereof." Moreover, it eliminated the check of a one-house veto.[107]

President's Committee on Administrative Management (Brownlow Committee), 1936-1937

Context.

Franklin Roosevelt did not exhibit any overall interest in executive organization during his first years in office. Indeed, Roosevelt preferred a loose approach to organizational management, creating new agencies under the aegis of his emergency powers rather than by statute, reorganization plan authority, or by reorienting existing agencies to perform new missions.[108] One consequence of this approach was that a relatively high percent of the new government growth in agencies, personnel, and programs took place outside the executive departmental structure.

The use of emergency legislation as the vehicle for executive reorganization reached its peak in 1935, and also encountered its first real challenge, when the Supreme Court struck down two delegations of legislative power to the President, both involving the National Industrial Recovery Act (NIRA).[109] The Court concluded that the NIRA failed to provide adequate standards and guidelines for administrative action.

A more serious challenge to Roosevelt's authority came on May 27, 1935, the same day the Supreme Court handed down the second of the NIRA decision. The Court agreed unanimously that Roosevelt did not have unlimited authority to remove

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[106] U.S. *Congressional Record*, vol. 76, Jan. 19, 1933, p. 2103.

[107] U.S. Congress, House, Committee on Rules, *Delegating With Ambivalence*, pp. 164-247.

[108] Typical of Roosevelt's method of establishing or reorganizing agencies was that of the establishment of the Resettlement Administration by Executive order 7027, May 1, 1935. "By virtue of and pursuant to the authority vested in me under the Emergency Relief Appropriation Act of 1935, I hereby establish an agency within the Government to be known as the 'Resettlement Administration,' and appoint Rexford G. Tugwell, Undersecretary of Agriculture, as Administrator thereof, to serve without additional compensation."

[109] *Panama Refining Co., v. Ryan*, 293 U.S. 388 (1935); *Schecter Corp. V. United States*, 295 U.S. 495 (1935).

members of independent regulatory commissions.[110] Roosevelt viewed this decision as severely restricting his administrative capacities and now turned to administrative reorganization "as a possible means of trying to integrate all of the separate independent agencies into major executive departments where they would clearly be subject to the President's administrative supervision."[111] Roosevelt was apparently convinced that he would henceforth have to reorganize the executive branch in a straightforward statutory manner and also provide institutional capacity to the President to manage the departments and agencies.

With respect to the reorganization plan authority in the 1933 Economy Act, he issued only a few Executive orders transferring various agencies and functions, none of which was controversial or far-reaching.[112]

Authority.

On March 22, 1936, President Roosevelt announced by a White House statement the formation of the President's Committee on Administrative Management.[113] This committee's primary purpose was to consider the problem of overall management of the entire executive establishment. Technically, the committee was to serve as an adjunct of the National Emergency Council.

Membership.

The President's Committee on Administrative Management consisted of three persons; Louis Brownlow as chairman, Charles E. Merriam, and Luther Gulick as members. The committee soon became known popularly as the Brownlow Committee. Brownlow had been an eminent city manager with additional national and international experience. Charles E. Merriam, one-time Chicago city councilman, held a professorship with special interest in American political theory, and Luther Gulick was head of the Institute of Public Administration (IPA) in New York City. In preparation for staff work on the Committee's report, the IPA had published a volume titled: *Papers on the Science of Administration*, (eds. Luther Gulick and L. Urwick, 1937). The membership remained constant through the committee's life.

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[110] *Humphrey's Executor v. United States*, 295 U.S. 602 (1935).

[111] Wann, *The President as Chief Administrator*, p. 193.

[112] See Lewis Meriam and Laurence F. Schmeckebier, *Reorganization of the National Government* (Washington: The Brookings Institution, 1939), pp. 200-12. Also, A.J. Wann, *The President as Chief Administrator: A Study of Franklin D. Roosevelt* (Washington: Public Affairs Press, 1968), p. 193.

[113] "White House Statement on the Appointment of a Committee to Formulate a Plan for the Reorganization of the Executive Branch of Government," March 22, 1936. U.S. *Public Papers of the President, Franklin D. Roosevelt* (1936) (New York: Random House, 1938), vol. V, p. 144.

Administrative Philosophy.

With the approach of the 1936 presidential election, Roosevelt determined that it was both possible and desirable to reorganize much of the executive branch during the early months of his second term. The President was further persuaded by Brownlow and Merriam that what was needed was an academic theory and treatise to buttress a comprehensive reorganization strategy. Such a report was intended to raise issues in a way that they would appear to be based on neutral principles, not partisan advantage. Brownlow and Merriam were able to assure President Roosevelt that a report could be written to his liking.[114]

The underlying administrative philosophy of the Brownlow Committee was that of the ascendent public administration discipline. The committee and its staff built on the intellectual developments of the Progressive era and the 1920s in government management, national, state and local. Political accountability to the President for implementing the laws was the highest value to the committee. Its immediate goal was to strengthen the President as chief manager of the executive branch.

The essence of the committee's distinctive approach to reorganization was the view that the President must be made the central actor in the vast reorganization project. The concept of the presidency as a uniquely American institution was their touchstone. Everything seemed to follow from this basic premise. The problems affecting contemporary government were, to their minds, largely administrative in character. The solution lay in the provision of tools to the President so he could manage the entire executive branch through well-conceived, consistent laws, an institutional arm in the Executive Office to promote government-wide procedures and practices, and the reassignment of most "independent agencies" into the departments.

Organization, Support Staff, and Financing.

The committee, which held its first meeting on April 1, 1936, was to work without presidential involvement until after the November election. Joseph P. Harris was selected Director of Research, and a research staff was quickly recruited. The group consisted of some 26 experts, for the most part being young, political science Ph.Ds. They worked on their respective papers during the summer and returned to their homes by September.[115] Committee members reassembled in September (Brownlow and Merriam had been in Europe) and began to put the Report together. The draft Report was ready before the November election.

As for funding, Herbert Emmerich reported that no funds were granted for the President's Committee until June, 1936, when the President was authorized to allocate not more than $100,000 from emergency funds for the study it was to

[114] Polenberg, *Reorganizing Roosevelt's Government*, pp. 14-15.

[115] James W. Fesler, "The Brownlow Committee Fifty Years Later," *Public Administration Review*, vol. 47, July/August 1987, pp. 291-96.

undertake.[116] It needs to be recognized that the House and Senate, especially the latter, were involved in reorganization studies themselves, and political considerations arguably entered into the appropriations equation[117]. The President's committee gave $10,000 to the House committee and assumed expenses of the Senate select subcommittee headed by Senator Harry Byrd, to the extent of another $40,000. This left $50,000 for the use of the President's Committee of which its spent $45,000.

Reports and Recommendations.

The Brownlow Committee submitted its report to the President on January 1, 1937. It was a 55 page general report accompanied by supporting studies.[118] At the end of the Report, the Committee summarized their findings and recommendations.

1. Expand the White House staff to include assistants to the president who are "possessed of high competence, great physical vigor, and a passion for anonymity."

2. Develop and strengthen the central management agencies of government, especially those responsible for budget, management ("efficiency research") and planning.

3. Extend the merit system upward, outward, and downward to cover all non-policy-determining posts.

4. Overhaul the 100 independent agencies, administrations, authorities, boards and commissions and place them by executive order within one or another of the major departments. Two major new departments (Public Works and Social Welfare) were proposed. The Department of the Interior to be changed to the Department of Conservation.

5. An auditor general within the executive branch should be provided to perform post-audits of all transactions. Intended to perform some of the functions of the Comptroller General, who reports to Congress.

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[116] Emmerich, *Federal Organization*, p. 49. A provision in the First Deficiency Appropriations Act for the fiscal year 1936 authorized the President to allocate not more than $100,000 from appropriations under the 1935 Emergency Relief Act for a committee "to make a study of the emergency and regular agencies of the executive branch of the government for the purpose of making recommendations to secure the most efficient organization and management of that branch of the public service." (49 Stat. 1600).

[117] U.S. Congress, Senate, Committee to Investigate the Executive Agencies of the Government, Investigation of Executive Agencies of the Government (Preliminary Report), S. Rept. 1289, 75th Cong., lst sess., 1937. A subsidiary product of the Brookings Institution study, supported by Senator Harry Byrd, Sr., was: Lewis Meriam and Laurence F. Schmeckebier, *Reorganization of the National Government: What Does It Involve?* (Washington: The Brookings Institution, 1939).

[118] U.S. President's Committee on Administrative Management, *Report with Special Studies* (Washington: GPO, 1937).

Additionally, certain other recommendations were found in the body of the report. The presidential assistants were suggested to be six in number and without portfolio. This was in addition to the existing three assistants. The Bureau of the Budget would be responsible for designing new agencies and programs and approving reorganization proposals. The administrative functions of the independent regulatory commissions ("A headless fourth branch of government") should be assigned to the executive departments under single administrators. Congress should delegate to the President continuing authority to transfer, consolidate, and abolish functions within the executive departments. Government corporations should be placed under departments acting as "supervisory agencies," with semi-autonomous status.

Results and Assessment.

The President received the Report as the new year and his second term began. He was pleased with the administrative philosophy of the Report and with most of the specific recommendations. He introduced a bill in 1937 embodying many of the recommendations of the Committee. The bill was debated in 1938, but was under consideration at the same time as the presidentially inspired legislation to enlarge the Supreme Court. Indeed, the reorganization bill was seen by some to be part of an effort to establish a "presidential dictatorship," a perception persuasive enough to sink the reorganization bill.[119]

In 1939, still smarting from the defeat suffered the previous year, President Roosevelt submitted another, more modest, reorganization bill. The 1939 bill contained only two of the major proposals recommended by the Brownlow Committee. It authorized the President to appoint six administrative assistants and to submit reorganization plans to alter executive branch organization, such Plans being subject to a veto by concurrent resolution of Congress.[120] While there was considerable concern expressed regarding the constitutionality of the procedures outlined for approving reorganization plans,[121] the House and Senate passed the bill, and it was signed by the President on April 3, 1939 (53 Stat. 561).

The report of the Brownlow Committee has been characterized as the "high noon of orthodoxy" because of its advocacy of clear lines of accountability, departmentalism, and the doctrine that responsibility for making policy and setting

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[119] For a discussion of the fate of the Brownlow Committee recommendations, consult: Arnold, *Making the Managerial Presidency*, 2nd ed., chapter 4. Also: Harvey C. Mansfield, "Reorganizing the Federal Executive Branch: The Limits of Institutionalization," in *The Institutionalized Presidency*, eds. Normal C. Thomas and Hans W. Baade (Dobbs Ferry, NY: Oceana Publications, 1972). (name redacted), "The Brownlow Report: A Timeless Message," *The Bureaucrat*, vol. 16, Fall 1987, pp. 45-48.

[120] John D. Millett and Lindsay Rogers, "The Legislative Veto and the Reorganization Act of 1939," *Public Administration Review,* vol. 1, Winter 1941, pp. 176-89.

[121] For a discussion of the history and use of the President's Reorganization Authority, see: Harvey C. Mansfield, "Federal Executive Reorganization: Thirty Years of Experience," *Public Administration Review*, 20(July/August 1969): 332-45. (name redacted) and (name red acted), "Presidential Reorganization Authority: Is It Worth the Cost?" *Political Science Quarterly*, vol. 96, Summer 1981, pp. 301-18.

standards ought to reside in the President and departmental secretaries, rather than being devolved to the agency level.[122]

In a study of Roosevelt's efforts to reorganize the executive branch, Richard Polenberg observed: "What distinguished Roosevelt's conception of reorganization from that of his predecessors was his objective rather than the means he employed. Other Presidents had considered reorganization an Executive responsibility, but their aim had consistently been the reduction of expenditures. Roosevelt disagreed. He believed that the true purpose of reorganization was improved management.... In this appraisal of reorganization the New Deal marks a sharp break with tradition."[123]

Reorganization Authority: 1939, 1945 Acts

The preamble to the Reorganization Act of 1939 contained a statement of the Scientific Management ideal and the invocation of economy, the latter point having been added to the bill by Senator Harry Byrd.[124] President Roosevelt had not highlighted "economy" as a purpose of executive reorganization because he was skeptical of this objective. In 1936, the President told Louis Brownlow and Luther Gulick: "We have got to get over the notion that the purpose of reorganization is economy. I had that out with Al Smith in New York.... The reason for reorganization is good management."[125] Extensive economy, he told Congress in 1938, "depends upon a change of policy, the abandonment of functions, and the demobilization of the staff involved," all of which were outside the scope of his request for reorganization authority.[126] Roosevelt's skepticism notwithstanding, the objective of reducing expenditures would appear prominently in the preamble of all subsequent reorganization acts.

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[122] Wallace Sayre, "Premises of Public Administration: Past and Emerging," *Public Administration Review*, vol. 50, March/April 1990, p. 103.

[123] Richard Polenberg, *Reorganizing Roosevelt's Government: The Controversy Over Executive Reorganization, 1936-1939* (Cambridge: Harvard University Press, 1966), p. 7. The notion that the New Deal made "a sharp break with tradition on executive reorganization is not accepted by all. Barry Karl, for one, concludes: "As far as executive reorganization was concerned, the New Deal from 1932 to 1936 differed in no way from the major lines of a tradition of attitudes stretching back to the Civil War. The basic premises of that tradition were retained: that government was excessively large and sprawling hence excessively expensive; that the rationalization of its structure would ultimately produce less government more economically and efficiency run. This was good business and good business was good government." *Executive Reorganization and Reform in the New Deal: The Genesis of Administrative Management, 1900-1939* (Cambridge, MA: Harvard University Press, 1963), p. 191.

[124] Richard Polenberg, "Roosevelt, Carter, and Executive Reorganization: Lessons of the 1930s," *Presidential Studies Quarterly*, vol. 9, Winter 1979, p. 43.

[125] Louis Brownlow, *A Passion for Anonymity* (Chicago, IL: University of Chicago Press, 1958), II, p. 382.

[126] *The Public Papers and Addresses of Franklin D. Roosevelt* (1936) (New York: Random House, 1938), vol. V, p. 676.

While Congress was sympathetic toward economy in expenditures, it was also protective of favored agencies and programs. Congress prohibited the President from using this procedure to create or abolish executive departments, and exempted a number of agencies, commissions, boards, and government corporations from the reorganization process. A reorganization plan submitted by the President would lay before Congress for 60 days, during which time it could be disapproved by a concurrent resolution of both Houses (two-house veto). After the 60 day time limit, the reorganization plan became law. From the outset, the legislative veto procedure prompted controversy within Congress, in part because the procedure gave the President a tremendous advantage when compared to normal legislative procedures.[127]

Under the Reorganization Act of 1939 (53 Stat. 561), Reorganization Plan No. 1 established the Executive Office of the President, the Federal Security Agency, and several lesser transfers of agencies from one department to another. Only four more reorganization plans were submitted before the authority expired in 1941, all of which were relatively minor shifting of agencies and authorities.

The death of President Roosevelt and the close of World War II came within months during the year 1945. The new President, Harry S. Truman, assumed the office with the definite opinion that his predecessor, whatever his strengths otherwise, had not been a particularly good manager.[128] Truman's first concern was to achieve an orderly reconversion of the economy from a war to a peacetime basis. He believed, at least initially, that substantial reorganization would be necessary.

The President requested, and Congress approved, the Reorganization Act of 1945 (59 Stat. 613) which authorized the President to submit reorganization plans subject to fewer restrictions than had been present in the 1939 Act. The President, once again, could not abolish or create an executive department, and only 11 agencies were partially or wholly exempted form the provisions of the Act. The legislative veto procedures were the same as in the 1939 Act. The reorganization authority would expire in 1948. President Truman used the authority infrequently and on minor issues.

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[127] Reorganization Plan No. 4 of 1939 (April 11, 1940) provided for miscellaneous organizational changes in the executive branch, one change being the transference of the Civil Aeronautics Authority from independent status to the Department of Commerce. This provision generated opposition, and the House adopted a resolution of disapproval by a vote of 232 to 153. The Senate, on the other hand, rejected the resolution of disapproval by a vote of 46-34. Thus, Reorganization Plan No. 4 became law without the approval of both chambers.

[128] Harry S. Truman, *Years of Decision* (Garden City, NY: Doubleday and Co., 1955), I, p. 12.

First Hoover Commission (1947-1949)

Context.

In the immediate aftermath of World War II, there was a fairly broad consensus favoring governmental "retrenchment." Such sentiment had its origins in the obvious need to re-evaluate the administration of numerous organizations and programs left in the wake of the Depression, War, and demobilization. Congress began the task by reorganizing itself under provisions of the Legislative Reorganization Act of 1946.[129] In November 1946, control of Congress shifted to the Republicans and they were in the mood to tackle the unprecedented peace time federal budget and what they viewed as an unwise long-term shift of power to the President.[130]

Between the years 1947 and 1955, two major studies of the organization and functions of the executive branch were undertaken. Congress established by statute a Commission on Organization of the Executive Branch of the Government, popularly known by the name of its chairman, former President Herbert Hoover, as the first Hoover Commission. This Commission submitted its report with recommendations in 1949. In 1953, Congress again established a study commission with the same title, also chaired by Mr. Hoover, that is referred to as the second Hoover Commission. This Commission submitted its recommendations to the President and Congress in 1955.[131] These two related commissions will be discussed separately.

Authority.

Throughout 1946, Representative Clarence Brown (R-OH) studied previous efforts to reorganize the executive branch. Incremental proposals had yielded, in his opinion, disappointing results and he concluded that what was needed was a "blue ribbon" commission to review the entire government and to make recommendations for reorganization.[132] The opportunity to realize his objective followed the 1946 congressional elections, in which Republicans displaced the Democratic majority in both the House and Senate. Brown introduced a bill in the House to establish a "mixed commission" consisting of Members of Congress, appointees from the executive branch, and representatives from the private sector, to study the organization of the executive branch and to submit recommendations to both the

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[129] Roger Davidson, "The Advent of the Modern Congress: The Legislative Reorganization Act of 1946," *Legislative Studies Quarterly*, vol. 15, August 1990, pp. 357-73.

[130] David Rosenbloom, *Building a Legislative-Centered Public Administration: Congress and the Administrative State, 1946-1999* (Tuscaloosa, AL: University of Alabama Press, 2000).

[131] For a summary account of both commissions, consult: U.S. Congress, House, Committee on Government Operations, *Summary of the Objectives, Operations, and Results of the Commission on Organization of the Executive Branch of the Government (First and Second Hoover Commissions)*. committee print, 88th Cong., 1st sess. (Washington: GPO, 1963).

[132] William E. Pemberton, *Bureaucratic Politics: Executive Reorganization During the Truman Administration* (Columbia, MO: University of Missouri Press, 1979), p. 12.

President and Congress. Senator Henry Cabot Lodge, Jr., (R-MA) introduced an identical bill in the Senate.

The bills were referred to the Committee on Expenditures in the Executive Departments of the respective chambers and both Committees held hearings and voted unanimously to favorably report the bills. One June 26, 1947, the House considered the bill briefly and passed it by a voice vote without dissent. On the day following, the Senate acted on the House bill and voted its approval unanimously. As Ferrel Heady observed: "The proposal had a singularly easy journey through the legislative mill. No alteration of the language of the bill as originally introduced occurred at any stage; nor was a single vote recorded against the proposal, either in committee or on the floor."[133] The President signed the bill into law on July 7, 1947 (62 Stat. 246).

Membership.

The commission was to consist of 12 members: four appointed by the President, two from the executive branch and two from private life; four appointed by the President *pro tempore* of the Senate, two from the Senate and two from private life; and four appointed by the Speaker of the House of Representatives, two from the House and two from private life. Of each class of two members, one had to be from each of the "two major political parties." The commission was to elect its own chairman and vice chairman.

In order to accomplish the purposes set forth in the legislation, the Commission was empowered to hold hearings, administer oaths to witnesses, and every executive agency was directed to furnish such information, suggestions, estimate, and statistics as might be properly requested by the chairman and vice chairman. Compensation for members was stipulated in the Act.[134]

The three appointing officers lost little time in announcing their choices. Republican Arthur Vandenburg (R-MI), President *pro tempore* of the Senate, appointed Senators George Aiken (R-VT) and John L. McClellan (D-AR), chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the committee with jurisdication over reorganization matters. Vandenburg's two appointees from the private sector were James K. Pollack, professor of political science at the University of Michigan, a Republican, and Joseph P. Kennedy, formerly chairman of the Securities and Exchange Commission and Ambassador to Great Britain, a Democrat.

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[133] Ferrel Heady, "A New Approach to Federal Reorganization," *American Political Science Review*, vol.41, December 1947, p. 1120.

[134] Compensation varied for members who were from Congress, the executive banch, and from private life. Senators and Representatives received no additional compensation beyond that received from their services as Members of Congress. A member from the executive branch received his regular salary, plus such additional compensation, if any, as necessary to make his aggregate salary equal to the congressional salary of $12,500. Private members received $50 per diem when engaged in the performance of duties vested in the commission. In addition, provisions were made to reimburse all members for travel, subsistence, and other necessary expenses incurred by them in the performance of Commission duties.

Speaker of the House, Joseph Martin, (R-MA) named as representatives of the House, Congressman Clarence Brown, (R-OH), and Carter Manasco, (D-AL).[135] Both gentlemen were senior members of the House Committee on Expenditures in the Executive Departments. From the private sector, Martin named former President Herbert Hoover[136] and James Rowe, Democrat, the latter known principally for his service in staff positions under President Franklin Roosevelt.

President Truman announced his appointments on July 17, 1947. His Democratic appointee from within the executive branch was James A. Forrestal, head of what was then called the National Military Establishment.[137] For the Republican member, President Truman selected Arthur Fleming, a member of the Civil Service Commission. From private life, he selected Republican George Mead, the owner and chief executive office of the Mead Corporation, a large paper and pulp manufacturing corporation in Ohio. Dean Acheson was President Truman's Democratic choice from private life. Acheson had served in both the Treasury and State Departments, and was then in private law practice.

A few words on Herbert Hoover are appropriate. The two Hoover Commissions cannot be understood without first recognizing the crucial role played in their deliberations and recommendations by their chairman, former President Hoover. Mr. Hoover's concept of governmental administration, as Secretary of Commerce, as President, and later as chairman of the Commissions, was strongly influenced by Progressivism and the tenets of Scientific Management. He believed in fact-finding, research and planning, and, like the first Roosevelt, he favored "blue ribbon" study committees.[138] His experience, first as an international business executive, then as administrator of a massive food distribution system under wartime and revolutionary conditions, gave him two tools indispensable to his later political career. He acquired a cadre of devoted younger colleagues as well as a comprehensive

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[135] Representative Carter Manasco (D-AL) lost in his 1948 re-election bid, but remained a member of the Commission.

[136] Speaker Martin recalled his decision process for selecting Mr. Hoover: "I thought at once of Hoover, knowing that if a former President became a member, he would almost automatically be elected chairman." *My First Fifty Years in Politics* (New York: McGraw-Hill Company Book Company, 1960), p. 191.

[137] Although Forrestal was able to serve throughout the entire period of the Commission, his attendance and interest became increasingly sporadic due to a mental breakdown. He died in 1949.

[138] Proof of Mr. Hoover's commitment to public administration research is to be found in one of the most extraordinary, and largely ignored, research projects in American history. As President, he promoted a three year project, the President's Research Committee on Social Trends, to study all major aspects of American society; (e.g., "Political, Economic, and Social Activities of Women," "The Growth of the Federal Government, 1915-1932"), with the objective being to "supply the basis for the formulation of large national policies looking to the next phase of the nation's development." The products of this effort were two stout volumes and 13 substantial monographs.

Recent Social Trends in the United States: Report of the President's Research Committee on Social Trends, 2v, (New York: McGraw-Hill, 1933). See: Arthur N. Holcombe, "Report on Recent Social Trends in the United States," *American Political Science Review*, vol. 27, April 1933, pp. 222-27.

philosophy of administration that stressed the necessity of strong leadership emanating from a single executive. Hoover, prior to his presidency, was widely viewed as the quintessence of the new, 20th century man, the public manager.[139] He had been personally hurt by the treatment accorded him by his successor, the media, and even the academy during his service as President, and viewed this appointment as chairman of the Commission as a chance to vindicate his reputation.

Administrative Philosophy.

Considerable publicity attended the establishment of the Hoover Commission. Within the commission, however, divergent attitudes threatened the success of the venture. There were clashes over interpretations of the intent of the enabling legislation. The congressional grant of authority covered the entire executive branch, yet it was vague regarding what direction the commission was expected to follow and the type of product to be submitted to Congress.

According to the statute, the commission might recommend reducing government expenditures "to the lowest amount consistent with the efficient performance of essential services," and was authorized to recommend "abolishing services, activities, and functions not necessary to the efficient conduct of government." To those who interpreted these words broadly, the commission's mandate was to go to the heart of the federal government and review, restructure, and reduce the scope of government activities.[140]

Defenders of the status quo, as it was at that time, considered that while recommendations could be made in the name of "efficiency," the law did not authorize recommending the abolition of substantive functions. They feared the commission might venture into the fields of social security, foreign aid, and veterans' benefits.

For defenders of the Administration, the mandate assigned in the law was interpreted narrowly. They wanted the government to continue what it was doing,

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[139] In describing Herbert Hoover as an administrator, Peri Arnold states: "He was a remarkably talented, modern administrator who understood the breadth of possibilities present in an expansive public bureaucracy.... His disagreement with the New Deal's use of the State was a disagreement over policy and not an attack on modern state bureaucracy itself, which Hoover had used brilliantly during the 1920s." "The 'Great Engineer' as Administrator: Herbert Hoover and Modern Bureaucracy," *Review of Politics*, vol. 42, July 1980, p. 347.

[140] The commission adopted a policy statement on October 20, 1947, which stated, in part, that it was the task of the commission to review the necessity and desirability of programs and functions as well as the organization and management of same.

> Thus, it is clear that the Commission is not confined to recommending management or structural changes which improve the efficiency of performance of the executive branch but is clearly directed to exploring the boundaries of government functions in the light of their cost, their usefulness, their limitations, and their curtailment or elimination.

Policy statement adopted at Commission Meeting on October 20, 1947. Miscellaneous folder, Frederick A. Middlebush Papers. Quoted in: Pemberton, *Bureaucratic Politics,* p. 88.

but were willing to concede that it might be reorganized to perform these functions better. Commissioners critical of the Truman and earlier Roosevelt Administrations, however, tended to see the "mandate" of the commission as the retrenchment and reorientation of the federal government.

The terms of this philosophical debate progressively changed and were ultimately influenced by the results of the 1948 presidential elections. Mr. Hoover's concerns and emphases, however, had begun to change even prior to the election. As time passed, his primary goal had shifted from retrenchments to the enhancement of the managerial authority of the President and his departmental secretaries. This shift in emphasis, evident before the election, was reinforced by the results of the election.

President Truman, although protective of the residuals of the New Deal, was also sympathetic to the Scientific Management ideals of traditional public administration. Therefore, he and Herbert Hoover were not far apart in philosophical terms regarding the "best" organization of the executive branch. According to Harold Seidman:

> President Truman had an organizational strategy, but it was that supplied to him by the first Hoover Commission. The Hoover commission reports provided a conceptual framework for the organizational philosophy developed by Herbert Hoover during his years as President and secretary of commerce, and did not stem from Truman's own thinking. There is no evidence, however, that the return to orthodoxy symbolized by many of the Commission's recommendations was in conflict with Truman's views.[141]

Despite occasional lapses into partisan manuevering, Truman and Hoover developed a close personal relationship that grew with time and turned out to be a critical element in whatever success may be attributed to the commission.[142]

Organization, Staff Support, and Finances.

The first meeting of the commission was held at the White House on September 29, 1947. Commissioner Brown moved to have Mr. Hoover elected chairman, a decision approved unanimously. Dean Acheson, a Democrat was selected as vice chairman. One the early decisions made by the commission was that the basic work unit would be a "task force." Twenty-four task forces (*e.g.,* Presidency and Departmental Management; Federal Personnel Management; Federal-State Relationships) were established. There was no master plan guiding the mandate, operations or timing of the reports of the several task forces. In most instances a task force was headed by a project director, an individual usually selected by Hoover and accepted by the commission, a staff and a task force advisory committee. These

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[141] Seidman, *Politics, Position and Power*, 3rd ed. (1980), p. 103.

[142] Pemberton, *Bureaucratic Politics*, pp. 92-93. At least a portion of the friendship that evolved between Hoover and Truman may be traced to the fact that both men shared the fate of living in the shadow of Franklin D. Roosevelt.

advisory committees varied in membership from two to more than thirty, and were composed of prominent citizens.[143]

The commission listed 74 persons on its own staff. The staff personnel were divided into four groups: (1) 18 commissioners' assistants; (2) a 13-member central staff, including an executive director, a public relations director and an editorial director; (3) a four-member administrative staff; and (4) a 39-member secretarial staff. Also, the commission called on more than 300 outside specialists from universities, institutions, and businesses. These experts made up 24 separate teams or task forces, each having a specific field of inquiry. The task forces submitted technical findings and recommendations to the commission. Eighteen of the task force reports were published. The concluding report (No. 19) contains a summary of the recommendations and detailed index to commission reports and published task force reports. When the commission finished its work in 1949 after 18 months of investigation, it had spent about $2 million.[144]

Reports and Recommendations.

As discussed above, the commission decided to divide its job among task forces, each with its own staff. This decision was crucial as it influenced—if not predetermined—the thrust of the analyses and recommendations the commission would have before it to consider. The task force submitted their reports to the full commission with recommendations. The commission, although it could have written its reports and recommendations without reference to the task force reports, felt constrained to use the task force reports as "working documents." Deviation from these working documents tended to require initiative on the part of individual commissioners. To some degree, therefore, the commission was constrained in what it could consider or conclude by its own organization and procedures. A "single" commission report was never completed and forwarded to Congress; rather, 19 separate reports were submitted over three months, the final report being forwarded in May 1949. These reports were later compiled into a single document and published by a private firm.[145]

For the purposes of this study, the commission document titled "General Management of the Executive Branch" is of special interest. The philosophy of the commission with respect to the organization of the executive branch was stated at the outset: "[We] must reorganize the Executive Branch to give it simplicity of structure,

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[143] The most complete discussion of the Hoover Commission task force system is to be found in: Charles Aiken, "Task Force: Methodology," *Public Administration Review*, vol. 19, Autumn 1949, pp. 241-51.

[144] U.S. Congress, House, Committee on Government Operations, *Summary of the Objectives, Operations, and Results of the Commissions on Organization of the Executive Branch of the Government*, 88th Cong., 1st sess. (Washington: GPO, 1963), p. 5.

[145] U.S. Commission on Organization of the Executive Branch of the Government, *Hoover Commission Report* (New York: Macmillan, 1949).

the unity of purpose, and the clear line of executive authority originally intended."[146] The commission, and in this instance the influence of Mr. Hoover is readily apparent, continued by stating that it was their objective to:

> Establish a clear line of control from the President to those department and agency heads and from them to their subordinates with correlative responsibility from these officials to the President, cutting through the barriers which have in many cases made bureaus and agencies partially independent of the chief executive.
>
> Permit the operating departments and agencies to administer for themselves a larger share of the routine administrative services, under strict supervision and in conformity with high standards.[147]

The doctrine underlying most of the recommendations was that responsibility for making policy and setting standards ought to be centralized in the President, central management agencies, and department secretaries, rather than being devolved to the agency level. The commission criticized the tendency towards dispersing functions to independent agencies and called for a renewed, hierarchical administrative structure.

The section titled "Departmental Management" was short. The commission believed that the departmental system had deteriorated because Congress, and sometimes the President, had departed from the norm of the integrated administrative system they believed was intended by the Constitution.

> The Congress, and sometimes the President, have set up a maze of independent agencies reporting directly to the President; and the Congress frequently has fixed by statute the internal organization of departments and agencies and has given authority directly to subordinate officers. As a result, instead of being a unified organization, responsible to the executive direction of the President and accountable to the Congress for use of the power and funds granted by law, the executive branch is a chaos of bureaus and subdivisions.
>
> The responsibility, the vigor of executive leadership, and the unity of administration of the executive as planned by the Constitution must be restored.[148]

The recommendations were for grouping agencies into departments "as nearly as possible by major purposes." Department secretaries should be given full responsibility and authority for the conduct of their department. There should be

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[146] U.S. Commission on Organization of the Executive Branch of the Government, *General Management of the Executive Branch* (Washington: GPO, 1949), p. viii.

[147] Ibid., pp. 7-8. In retrospect, a decision made early in the Commission's life proved critical to the direction finally taken in the several reports. Herbert Hoover decided to be his own "task force" for the treatment of the Presidency in the report on "General Management of the Executive Branch." In discussing this decision with Herbert Emmerich at the time, Hoover stated: "I guess I'll take that one myself. Who is there who ought to know more about it?" (Emmerich, *Federal Organization*, p. 98.) The decision was crucial because it provided a "model" for the several reports in terms of content and style.

[148] *Hoover Commission Report*, p. 21.

decentralization into the operating agencies of such functions as accounting, budgeting, recruiting and managing the personnel. And finally, department heads should be given increased staff support. The commission concluded, in a rather off-handed manner: "We recommend that these various agencies be consolidated into about one-third of the present number."[149]

The commission was generally pleased with the development of the Executive Office of the President (EOP) although they called for a new Office of Personnel to be headed by a director who would also serve as chairman of the Civil Service Commission. It is interesting that the commission did not make any recommendations designed to convert the cabinet into a more cohesive policy developing unit with a degree of collective responsibility, a favored proposal of reformers. The commission recommended that the President be given permanent authority to submit reorganization plans to effectuate changes in structure and that such plans should not be restricted by limitations or exemptions. In short, the report on "General Management of the Executive Branch" constituted a clear, concise, statement of many of the orthodox principles of public administration as applied in a practical sense to the executive branch.

Results and Assessment.

"The record of results," Herbert Emmerich concluded, "achieved after the Commission submitted its recommendations was extraordinary."[150] A number of commission recommendations provided crucial impetus for the passage of major legislation such as the Federal Property and Administrative Services Act creating the General Services Administration. A large number of Reorganization Plans were submitted in 1949 and 1950 which enjoyed a high percentage of success.[151] Six of the plans provided that responsibilities for performance of all functions within these departments be vested in the secretary for delegation, not assigned directly to subordinate officers.

Not all commission recommendations were accepted. Among the rejected were those to create a Water Development Use Service in the Interior Department to consist of a merger of the Army Corps of Engineers and the Bureau of Reclamation, and the creation of a United Medical Administration outside the departmental structure. The latter recommendation failed, in part, because it violated the

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[149] First Hoover Commission, *General Management of the Executive Branch*, p. 56.

[150] Emmerich, *Federal Organization and Administrative Management*, p. 95. There was an effort, mostly for media purposes in generating support, to keep track of the number of recommendations which were effected by congressional or presidential action. While the utility of such a listing is open to question, the Citizens' Committee for the Hoover Report, a lobbying organization, stated in its final report that the Commission had made some 273 recommendations, of which 196, or 72 percent, had been adopted. The total number of legislative enactments, including Reorganization Plans, attributable to the first Hoover Commission, was seventy-seven.

[151] Pemberton, *Bureaucratic Politics,* p. 123. For an analysis of the work and the contributions of the two Hoover Commissions, consult: (name redacted), *The Hoover Commissions Revisited* (Boulder, CO: Westview Press, 1982).

principles of organization set out by former President Hoover in his opening remarks of the Report.

Former President Hoover was to prove innovative with respect to gaining public support for the commission and its recommendations. He believed that prior commissions had enjoyed little success largely because they had not developed and nurtured a constituency and had been ineffective in public relations. He set about to remedy these failings with respect to his commission.[152] Under Hoover's guidance, the commission created its own interest group, the Citizens Committee for the Hoover Report (CCHR).

The CCHR moved in stages, first with more than 700 prominent citizens listed as supporters. Next, Citizens Committees were formed in 45 states with 300 county and local affiliates. Even allowing for organizational hyperbole, this was an impressive effort. Funding for the commission came from foundations, corporations, and individuals. The central office prepared vast quantities of materials for distribution and for other national organizations to distribute to their own memberships. Finally, the Citizens Committee drafted many legislative proposals and submitted them to the relevant committees of Congress.

The principal message of the Citizens Committee, and its tireless leaders, was that savings of billions, the most common figure cited was $4 billion, was possible if all the recommendations of the commission were adopted. Even Mr. Hoover made this claim.[153]

Claims of savings had been a source of contention throughout the deliberations of the commission, as well as afterward. To critics, all these figures were sheer "guesswork" that misled the public. Objections to the use of "savings estimates" in no substantial way reduced their appeal or utility to the Citizens Committee. Compromise was not considered a virtue by the CCHR in this instance. Like many successor commissions, supporters relied on "horror stories" of alleged government incompetence and downplayed serious recommendations to increase the capacity of government to perform its statutory missions. The CCHR even refused a White House request that the committee drum up support for better pay for government executives.

The public relations effort, although prone to simplistic interpretations of crude statistics, was nonetheless considered effective, as Herbert Emmerich later observed: "The public relations of Hoover I was a serious professional job, a job which the

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[152] Hoover, contrary to conventional wisdom, had a long history of working well with the press and with publicity agents. Craig Lloyd, *Aggressive Introvert: Study of Herbert Hoover and Public Relations Management, 1912-1932* (Columbus, OH: Ohio State University Press, 1973).

[153] "How to Save $4 Billions a Year: Interview with Herbert Hoover," *U.S. News and World Report*, June 3, 1949, p. 24.

Brownlow Committee had neglected, and which supporters of Hoover II pushed beyond the limits of credibility...."[154]

The relationship between the CCHR and the White House was correct, if not cordial, with both sides seeking to avoid confrontation. Generally speaking, the White House and supporters of a strong managerial presidency were pleased that the CCHR had chosen "savings" as their theme because this meant, in their opinion, that most of the significant aspects of the Hoover Report would be missed by the press and the public, and thereby engender little opposition.

A concentration on the reorganization of departments, agencies, and certain functions, while important, tends to obscure what to many was the principal achievement of the first Hoover Commission, namely the enhancement of the presidential office as manager of the government. Peri Arnold observes: "It was the supreme political accomplishment of the first Hoover Commission that it masked the managerial Presidency with the older values of administrative orthodoxy and, to a significant degree, undercut the conservative and congressional opposition to the expansive executive.... In the end, Mr. Hoover and his Commission provided the bridge over which the congressional opponents of the Brownlow Committee recommendations and the old political enemies of Franklin Roosevelt could embrace the managerial Presidency."[155]

As the work of the commission was coming to a close, President Truman, in 1949, created his own Advisory Committee on Management (Executive order 10072) to study management problems in the federal government from a presidential perspective. This committee was also to advise him with respect to recommendations submitted by the Hoover Commission. The final report of this committee to the President emphasized the need for a continuing, rather than episodic, program of management improvement for all agencies under the guidance of the Bureau of the Budget's Office of Management and Organization.[156]

Reorganization Act of 1949

The Reorganization Act of 1945 expired on March 31, 1948. President Harry Truman, on January 17, 1949, some two months before the first Hoover Commission submitted its report, sent legislation to Congress to renew the President's reorganization authority.[157] The Administration's bill was much broader in scope than the 1945 Act. The bill contained no termination date, no agency exemptions,

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[154] Emmerich, *Federal Organization and Administrative Management*, p. 97.

[155] Peri Arnold, "The First Hoover Commission and the Managerial Presidency," *Journal of Politics,* vol. 38, Feb. 1976, pp. 49-50.

[156] The final report of President Truman's Advisory Committee on Management was reprinted: "Improvement of Management in the Federal Government," *Public Administration Review*, vol. 13, Winter 1953, pp. 38-49.

[157] U.S. Congress, House, Committee on Expenditures of Executive Departments, *Hearings on Reorganization of Government Agencies*, 87th Cong., 1st sess. (Washington: GPO, 1949), pp. 7-9.

eliminated the clause calling for a cost saving of 25%, permitted the creation of new executive departments (although no new functions) and required both houses of Congress to approve a resolution (concurrent resolution) of disapproval before a plan could become effective.

In the House hearings, the perennial issue as to the constitutionality of the legislative veto process was raised. Rep. Clair Hoffman (R-MI), a critic, used the hearings to argue that the provision requiring a concurrent resolution to disapprove a reorganization plan was unconstitutional.

> We all know that, under the Constitution, to become effective as a law a bill must receive a majority vote of each House and that, then, and only then, as provided in Section 7 of Article I of the Constitution, it must go to the President for his approval or disapproval.[158]

Hoffman's interpretation of the Constitution, while supported by some other Members, was not shared by any of the witnesses, including the Comptroller General, Lindsay Warren. Most witnesses before the House and Senate committees requested exemptions from the legislation for their favorite agencies, a move vigorously resisted by the Administration. Senator John McClellan, chairman of the Senate Committee on Expenditures in the Executive Departments, and also one of the 12 commissioners on the then Hoover Commission, opposed the transfer of civilian Army Corps of Engineers functions to the Department of the Interior. The majority of the committee decided that the only way to eliminate agency exemptions, while retaining congressional protection for certain favored agencies, was to institute a single-house veto procedure.

> In order that the President might include essential Government reorganizations in conformity with the recommendations of the Committee on Organization of the Executive Branch [Hoover Commission], the committee was reluctant to include exemptions for specified agencies or to retain the House amendments placing certain of them in a restricted category, in the belief that such exemptions might interfere with realignments that would be desirable and in the public interest....[159]

The Committee was satisfied that the one-house veto was not only constitutional, but represented a sound political decision as well.[160] When the bill reached conference committee, a time limit was set upon the authority, expiring on April 1, 1953. The President signed the measure on June 20, 1949 (63 Stat. 203).

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[158] U.S. Congress, House, Committee on Expenditures in Executive Departments, *Hearings on Reorganization of Government Agencies*, 81st Cong., 1st sess. (Washington: GPO, 1949), p. 178.

[159] U.S. Congress, Senate, Committee on Expenditures in the Executive Departments, *Report No. 232*, 81st Cong., 1st sess. (Washington: GPO, 1949), p. 15

[160] The principal agency under the protective wing of influential Senators was the Army Corps of Engineers. In answer to the question of why the Senators insisted upon their view that a one-house veto be incorporated in the legislation, Arthur Maass observed: "Because the Congressional supporters of the Corps of Engineers announced they would forego outright exemption for the Corps <u>only</u> if Congress would agree to a one-House veto." *Muddy Waters* (Cambridge, MA: Harvard University Press, 1951), p. 116.

Supporters of a strong managerial presidency were initially disappointed by the one-house veto. Ferrel Heady divined unpleasant consequences resulting from the shift from a two-house to a one-house veto over reorganization plans.

> "[T]he real objective in inserting the one-house veto requirement was not just to get rid of exemptions, but to stiffen congressional powers of resistance to presidential reorganization plans. The success of this effort in the Senate to shift from the two-house veto to the one-house veto marks a definite withdrawal by Congress of effective reorganization powers which it had been willing to delegate in the 1939 and 1945 Acts.[161]

The results of the first years of the 1949 Reorganization Act were to prove the pessimists wrong. More reorganization plans were submitted and approved in 1949 and 1950 than in any year before or since.

In 1949, President Truman submitted several reorganization plans to Congress. The press gave a favorable response to the plans. All were significant in their impact, and in previous years would have generated considerable controversy. The Administration, as well as the CCHR, encountered some difficulties, however, as the plans did not provide for any substantial savings. Indeed, Plan No. 1 ran into opposition because it would clearly have expanded the federal government's role in the health field.[162] The remaining six plans became effective, although there was considerable controversy over several of them. "Truman could regard congressional treatment of his 1949 plans," William Pemberton concluded, "with a good deal of satisfaction."[163]

In 1950, the President submitted 27 reorganization plans. The plans fell into groups. Plans One through Six provided that responsibilities for the performance of all functions within six departments be vested in the secretary of those departments. Previously, the authority to perform functions had been dispersed by Congress. The purpose of these plans was to establish clear lines of responsibility from the President on down through the lowest level of the department.

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[161] Ferrel Heady, "Reorganization Act of 1949," *Public Administration Review*, vol. 9, Summer 1949, p. 174.

[162] Reorganization Plan No. 1 of 1949 deviated from the Hoover Commission proposal to create an independent United Medical Administration by keeping the Federal Security Agency's (FSA) health functions within a new Department of Welfare. Also the plan decreased the authority of constituent units by placing all the legal authority to operate programs in the secretary of the new department. Adding to the controversy was the presidential decision to make the existing head of the FSA, Oscar Ewing, the first secretary. Ewing, long an outspoken proponent of a mandatory health insurance program for all Americans, was a red flag to the organized medical community. The President decided to stick with Ewing and Reorganization Plan No. 1 even at the risk of defeat. The debate was long and vigorous. On August 16, the Senate defeated the plan by a vote of 60 to 32 in favor of a resolution of disapproval. Frank R. Kennedy, "The American Medical Association: Power, Purpose, and Politics in Organized Medicine," *Yale Law Journal*, vol. 63, May 1954, pp. 938-1022.

[163] Pemberton, *Bureaucratic Politics*, p. 123.

A second group of plans was submitted to improve the internal administration of the regulatory commissions. These plans were designed to enhance the managerial authority of the chairmen. Three plans were proposed to assist the new General Services Administration as the central service agency. In an attempt to meet the objections of those opposed to the defeated 1949 reorganization plan to create a Department of Welfare, Truman submitted a plan to create a new Department of Health, Education and Security, but left the independent statutory authorities of the Surgeon General and Commissioner of Education intact. Overall, in 1950, the President fared reasonably well in having 22 of his 27 plans approved.

The years 1951 and 1952 were difficult ones for President Truman in a political sense. His administration was burdened by the Korean War and distracted by a number of scandals involving key agencies, including the Bureau of Internal Revenue. Truman's interest in reorganization steadily waned as his administration progressed.

Second Hoover Commission (1953-1955)

Context.

With a Republican victory in sight for 1952, the supporters of the "citizens commission" concept saw a second chance to achieve what they thought had been missing in the first Hoover Commission exercise. The results of the first commission, somewhat to their dismay, had strengthened the institutional leadership of the President and agency heads, but had essentially ignored the policy issues that underlay the growth of "big government."

Robert Johnson, chairman of the Citizens Committee (CCHC) and President of Temple University, initially took a leading role in promoting a new Commission. He raised $100,000 to sponsor and publish a Temple University Survey of Federal Reorganization. The survey, begun in October 1952, during the presidential campaign, consisted of contributions from 102 persons, many of whom had served in some capacity on the first Hoover Commission. President-elect Dwight Eisenhower was notified that this survey was underway in December and received a copy in October 1953.

The Temple Survey itself proved unimportant, but the fact that it was being compiled inspired others to action. The movement for a second Hoover Commission gained momentum among the recently ascendent Republican leadership in both chambers.

The newly elected President, Dwight Eisenhower, although a Republican, did not share this enthusiasm for a new Commission, particularly one outside the presidential orbit.[164] The President, as was his style, followed an oblique

[164] Robert Ferrell, ed., *The Eisenhower Diaries* (New York: W.,W. Norton, 1981), pp. 247-48.

counterstrategy[165] to this congressional initiative by creating on his own authority a President's Advisory Committee on Government Organization (PACGO), a three-member permanent panel to be discussed shortly. Notwithstanding the President's lukewarm attitude, the idea gained momentum in Congress.

Authority.

Early in the 83rd Congress, similar bills were introduced in both Houses to create a new "citizens commission" to study the executive branch. As with the legislation creating the first Hoover Commission in 1947, floor debate on the proposed new commission was perfunctory with no evident opposition. Both Houses unanimously approved the establishment of the commission and the President signed the bill on July 10, 1953 (67 Stat. 184).

Membership.

The Commission consisted of 12 members; four appointed by the President, two from the executive branch and two from private life; four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and four appointed by the Speaker of the House of Representatives, two from the House and two from private life. Unlike the law creating the first commission, the legislation creating what rapidly became known as the second Hoover Commission did not impose a partisan parity requirement upon the selection process. The commission at its initial meeting, held in the White House with President Eisenhower in attendance, unanimously elected Herbert Hoover as chairman, although the commission did not elect a vice chairman, as authorized in the legislation. The Senate Committee on Government Operations suggested that "appointing authorities might well consider the inclusion of former members of the Commission who may be available, so as to give the new Commission the full benefit of their experience and qualifications."[166]

As it turned out, the members of the commission were former President Hoover, chairman, Arthur S. Fleming, Senator John McClellan (D-AR), Representative Clarence Brown (R-OH), and Joseph P. Kennedy, all carry-overs from the first Commission. The new members were James A. Farley, Herbert Brownell (newly appointed Attorney General), Representative Chet Holifield (D-CA), Dean Robert G. Storey, Solomon C. Hollister, and Sidney A. Mitchell, the latter being the former executive director of the first commission. The partisan breakdown of the membership was 7 Republicans and 5 Democrats. This membership reflected the intention to have considerable continuity between the commissions. This continuity did not result, however, in harmony on the commission, as the issues they addressed were more contentious than those that preoccupied the first commission.

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[165] Fred I. Greenstein, *The Hidden-Hand Presidency: Eisenhower as Leader* (New York: Basic Books, 1982).

[166] U.S. Congress, Senate, Committee on Government Operations, *Commission on Organization of the Executive Branch of the Government,* S. Rept. 216, 83rd Cong., 1st sess. (Washington: GPO, 1953), p. 6.

Administrative Philosophy.

The sponsors of the legislation had been forthright in stating their intentions for the commission. Senator Homer Ferguson pointed out in his testimony before a Senate Committee:

> The most important difference between this bill and the Hoover Commission statute [1947] is found in the declaration-of-policy section. These paragraphs are intended to make certain that this Commission has full power to look into the activities of the Federal Government from the standpoint of policy and to inquire, 'Should the Government be performing this activity or service, and if so, to what extent?' This Commission must ask questions of this nature which the original Hoover Commission did not ask.[167]

Although a broad interpretation of the commission's mandate was held by its sponsors and a majority of its members, it is not surprising that this view generated controversy. Chet Holifield, commission member and chairman of the House Government Operations Committee, disputed the idea that the commission could delve deeply into policy matters. Indeed, he questioned the wisdom of the whole concept of creating unelected commissions to second-guess, in effect, elected assemblies. He concluded that the creation of policy-oriented commissions, such as the second Hoover Commission, was "an unwise departure from representative government."[168] The "mandate battle" continued throughout the life of the Commission and indeed remains an issue confronting all "citizen commission" proposals to this day.

Organization, Staff Support, and Finances.

The second commission, like the first, apportioned its job to 19 task forces. These task forces varied considerably in size, from five members on the Paperwork Management task force to 26 members on the Water Resources and Power task force. Similarly, the size of the staffs working for task forces varied. There is some disagreement as to the total number of person involved with the commission. MacNeil and Metz estimated that close to 200 persons served on the task forces and committees of the commission[169] while James Fesler states that the commission "was assisted by 513 persons at the peak of employment."[170] Regardless of which figure is accepted, there were a large number of persons involved, particularly if agency detailees, consultants, and Bureau of the Budget personnel are included.

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[167] Ibid*.*, p. 4.

[168] U.S. Commission on Organization of the Executive Branch of the Government, *Final Report to Congress* (Washington: GPO, 1955), pp. 27-28.

[169] Neil MacNeil and Harold D. Metz, *The Hoover Report, 1953-1955; What it Means to You as Citizen and Taxpayer* (New York: Macmillan, 1956), p. 17.

[170] James W. Fesler, "Administrative Literature and the Second Hoover Commission," *American Political Science Review*, vol. 51, March 1957, p. 143.

The central staff of the second Hoover Commission was relatively small (77 persons) and highly supportive of the chairman. They generally viewed their task as ministerial and clerical, and left the great bulk of the investigation, research, and writing to the staffs of the several task forces and the consulting organizations. In most respects, the central staff was similar to that of the first commission except that they were not responsible for developing a set of summary reports in a common format for submission to Congress.[171]

Once the task force reports were received, the chairman typically appointed three commissioners as a committee to study the report and draft a working paper for full commission consideration. The draft would be circulated among the members and staff for comment. The working paper generally omitted or modified a number of task force recommendations.

The deliberative process followed by the Commission was limited, for the most part, to the working papers placed in front of the members. Much time was spent on textual questions with little time spent on discussing the assumptions underlying the recommendations or the possible impact of the recommendations upon the administrative system as a whole. The Commission took up the recommendations one at a time in a sequential fashion rather than viewing the recommendations comprehensively. No distinction was made between major and minor recommendations, nor were they integrated into a single report. Nineteen separate reports were sent to Congress (the legislation had not provided that the President receive the reports) followed by a relatively short *Final Report to the Congress* submitted in June 1955. In this final report the Commission made an "official estimate" of savings possible from implementation of its recommendations, a figure of $8 billion.[172]

The second Hoover Commission was granted appropriations totaling $2,848,534. It expended $2,768,562 and returned $83,527 to the Treasury.[173]

Reports and Recommendations.

Twenty commission reports, including the *Final Report*, were submitted to Congress over a several month period. The reports did not fall into systematic

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[171] It is not entirely correct to state that no summary account of the commission's work was assembled by the central staff. Such a study was compiled but was written as a private venture by the Editorial Director, Neil MacNeil, and the Research Director, Harold W. Metz. The volume, *The Hoover Report, 1953-1955; What It Means to You as Citizen and Taxpayer*, cited above, was highly sympathetic to the commission.

[172] U.S. Commission on Organization of the Executive Branch of the Government, *Final Report to Congress* (Washington: GPO, 1955), pp. 19-20.

[173] U.S. Congress, House, Committee on Government Operations, *Summary of the Objectives, Operations, and Results of the Commissions on Organization of the Executive Branch of the Government (First and Second Hoover Commissions)*, Comm. Print, 88th Cong., 1st sess. (Washington: GPO, 1963), p. 13.

categories with respect to subject matter.[174] There was an emphasis, however, on functions and managerial problems that cut across the departments and agencies.

Unlike the first commission, where an administrative model was offered in the first report submitted to Congress, the second commission simply examined the several task force reports as they were received, wrote a report of its own and submitted them individually to Congress. Little philosophical consistency was discernible. Indeed, there were instances where the recommendations of the second commission ran counter to the philosophical thrust of the first commission.

The reports were of widely varying importance and quality. Several reports represented major efforts and proposed substantial changes. Included in the category of major commission reports were: *Personnel and Civil Service; Budget and Accounting; Legal Services and Procedure; Business Enterprises; Lending Agencies;* and *Water Resources and Power.* The remaining reports tended to cover subjects of minor contemporary interest with commission's recommendations being for minimal changes in agency structure and operations.

The 20 reports of the second commission contained some 314 numbered recommendations.[175] By 1958, the Citizens Committee reported that 200½ of the recommendations had been fully or partially implemented for a "success" rate of 63.9%. Assigning full or partial implementation rates, however, is not an exact science. When Mr. Hoover was asked which one of the recommendations he thought the most important, he was reported to have replied without hesitation: "I would pick the recommendation for setting up a senior civil service."[176]

Results and Assessment.

The assessments of the second Hoover Commission vary considerably. MacNeil and Metz claimed: "[T]he Hoover Commission met all its goals. It made a frontal attack on Big Government and all that it means, but did not recommend the

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[174] There were two post-hoc attempts to categorize the Commission's reports. MacNeil and Metz "found the reports made a pattern" and they organized their book under four subject headings; The Tools of Government; Big Government; The Big Spender; and Overseas Economic Development. MacNeil and Metz, *The Hoover Report: 1953-1955*, p. 24. Fesler offered a somewhat more academic typology: Government as Government; Government as Business; and Government as Policy. Fesler, "Administrative Literature and the Second Hoover Commission," pp. 149-150.

[175] Citizens Committee for the Hoover Report, *Final Report*, October 1958, p. 5

The Senate Committee on Government Operations in its 1958 summary implementation report found the figure of 314 recommendations too general in coverage and determined that there were actually 519 separate recommendations. "This includes the numbered recommendations, letter subdivisions of recommendations, such as recommendation 1(a) and 1(b), etc.; task force recommendations which the Commission specifically endorsed, and certain textual recommendations which the Commission did not number." U.S. Congress, Senate, Committee on Government Operations, *Action by the Congress and the Executive Branch of the Government on the Second Hoover Commission Reports, 1955-1957,* S. Rept. 1289, 85th Cong., 2nd sess. (Washington: GPO, 1958), p. 1.

[176] MacNeil and Metz, *The Hoover Report: 1953-1955*, p. 29.

elimination of any one activity required for the security or welfare of the American people. All its recommendations stood firmly on American principles of Government."[177]

Citing the numbers of recommendations accepted, wholly or in part, is a rather crude measure of the substantive impact of the commission because there is no distinction made between major and minor recommendations or between hortatory pleas and specific organizational or programmatic changes. Also, ascribing credit, or degrees of credit, to the commission for a particular legislative or administrative decision may be misleading because of a variety of factors that may have contributed to the ultimate decision.

These qualifications noted, certain changes may be reasonably credited to the commission. The Department of Defense was further reorganized to reinforce civilian control and to unify combat commands. There was a reduction in the amount of government competition with firms in the private sector. Veterans' laws were codified. A number of specific improvements were also adopted for the federal career service.

Critics saw the second Hoover Commission in a very different light. While the first commission had an administrative model in mind of what the executive branch ought to look like, the second commission, critics argued, had no such model. This deficiency, as James Fesler argued, proved crucial:

> The [second] Commission provides no administrative model; the Brownlow Committee and the first Hoover Commission did provide such a model and one could decide whether he liked it or not. The vacuum is not adequately filled by the Commission's effort to state its objectives. The principal explicit statement provides a mixture of *goals* (national security, fundamental research, private enterprise, common welfare, and strengthening of 'the economic, social and governmental structure which has brought us, now for 166 years, constant blessings and progress') and *means* (efficiency, elimination of waste, elimination or reduction of government competition with private enterprise), but the means are actually treated as ends valuable in themselves so long as they do not war with other ends....[178]

The second Hoover Commission found that the standard terms of discourse since the Progressive Era; "economy and efficiency," "overlap and duplication," "streamline," were instrumental in content and of little utility in designing, managing, and evaluating a modern government. According to one observer, they had become clichés, part of a general attack on the competency and integrity of government.[179] While the second commission did contribute to some worthwhile changes in government operations, *e.g.*, civil service improvements, it appeared to be adrift without general organization or managerial principles for guidance, and outside the centers of political decision-making.

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[177] *Ibid*., p. 310

[178] Fesler, "Administrative Literature and the Second Hoover Commission," p. 150.

[179] William Divine, "The Second Hoover Commission Reports: An Analysis," *Public Administration Review*, vol.15, Autumn 1955, pp. 263-69.

What the second commission seemed to prove, if nothing else, was that in an open clash between the canons of administrative orthodoxy and the dominant political values of the moment, the latter is likely to prevail. Hoover, personally, had been able to avoid this confrontation in his own mind for many years. "Herbert Hoover's perception of the principles of good administration," according to Peri Arnold, "allowed him to skirt effectively the tension between his political values [anti-statism] and his attraction to the apparent efficacy of the positive state."[180] This separation was fragile, however, and broke down when the second commission decided to make overt policy judgments.

In retrospect, the executive branch appears to have been reasonably well managed during the 1940s and 1950s. The managerial agencies, *e.g.,* Bureau of the Budget, were at the zenith of their strength. While a number of factors may be cited as contributing to this felicitous situation, it would be unfair and inaccurate to ignore the contribution of the two Hoover Commissions. The first commission, in particular, argued from first principles stressing the need for political and managerial accountability and clear lines of responsibility. All proposals for change, in its view, should be measured by whether or not they enhance these values. The influence of the two Hoover Commissions and their administrative philosophy lasted about two decades.

Study Task Forces on Executive Reorganization (1953-1968)

President Eisenhower, as discussed earlier, did not like to be tied into any one source for advice and recommendations. He also preferred structured advice designed for the President, not for outside constituencies. It is not surprising, therefore, that he established a competing advisory panel reporting solely to him to counterweight the second Hoover Commission. The President's Advisory Committee on Government Organization (PACGO) was chaired by Nelson Rockefeller in the years 1953 through 1958.[181] During these years, 14 reorganization plans were drafted by the committee, presented to the President, and accepted by Congress. Although the committee functioned with little publicity, its work and results have generally been accorded high marks.[182]

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[180] Peri E. Arnold, "Leviathan Domesticated: An Exploration Into the Relationship Between Administrative Theory and the Positive State." Paper delivered at the National Conference of the American Society for Public Administration, April 13-16, 1981, San Francisco, California, p. 28.

[181] When Mr. Rockefeller resigned in 1958 to assume the governorship of New York, he was succeeded by Don K. Price, Dean of the Graduate School of Public Administration at Harvard, and the Committee continued in existence until 1961.

[182] With respect to the work of the President's Advisory Committee on Government Organization, Herbert Emmerich concluded:

> When the full record of PACGO becomes available to administrative analysts and historians, I predict that this small, close-knit, knowledgeable, continuous, diligent presidential commission will prove to have made more

(continued...)

Other commissions, committees and task forces would be established over this 15-year period, and in many instances their recommendations carried organizational impact. Some of the reports of these bodies would be made public, others were never published. Some of the groups had broad mandates while others were directed toward rather narrow subject fields.

During the Kennedy and Johnson years, there were no "mixed commissions" to review the organization of the executive branch. Numerous policy and managerially oriented task forces were, however, appointed.[183] Before he was inaugurated, President Kennedy commissioned some 29 informal task forces in various foreign and domestic fields to provide him papers and recommendations.[184] President Johnson was to rely even more heavily upon the formal and informal task force approach to develop policy positions.[185] Some of the task forces were directed at immediate legislative needs while others were given a longer range perspective.

In the field of executive reorganization, two such task forces, to use the generic name popular at the time, were created during the Kennedy and Johnson Administrations. The first was named by President Kennedy and chaired by Don K. Price. According to Peri Arnold: "The task force's mode of operation was contemplative. It instituted no major studies, relying on the Bureau of the Budget for information. The Bureau might be likened to a memory bank into which the task force was plugged."[186] It submitted its 116 page report privately to President Johnson in 1964.[187] The recommendations included, among other things, the creation of five new executive departments: Transportation; Education; National Resources; Economic Development; Housing and Community Development.[188] There were recommendations respecting the establishment of institutional capacity for policy planning and evaluation, and for making the executive officers in the departments

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[182] (...continued)

> constructive and durable contributions to federal organization and administrative management than was produced by all the massive forays of the task force and flying squadrons of the second Hoover Commission put together. (*Federal Organization and Administrative Management*, p. 176.)

[183] Thomas R. Wolanin, *Presidential Advisory Commissions: Truman to Nixon* (Madison: University of Wisconsin Press, 1975).

[184] Arthur Schlesinger, Jr., *A Thousand Days: John F. Kennedy in the White House* (New York: Fawcett World Library, 1967), pp. 148-155.

[185] In 1967, a total of 50 separate task forces operated in the various domestic policy areas. Norman C. Thomas and Harold L. Wolman, "Policy Formulation in the Institutionalized Presidency; The Johnson Task Force." In Thomas E. Cronin and Sanford D. Greenberg, eds., *The Presidential Advisory System* (New York: Harper and Row, 1969), p. 129.

[186] Arnold, *Making the Managerial Presidency,* 2nd rev. ed., p. 240.

[187] President's Task Force on Government Reorganization, "Report," November 6, 1964, container 1, Task Force Reports, Lyndon Baines Johnson Library, Austin, Texas.

[188] U.S. Congress, House, Committee on Government Operations, *Executive Reorganization: A Summary Analysis,* H. Rept. 922, 92nd Cong., 2nd sess. (Washington: GPO, 1972), p. 16.

and agencies more responsive to presidential direction. The close philosophical ties between the task force and the Budget Bureau were evident.[189]

With the management of the Great Society programs under attack and the growing salience of international issues, related principally to the Vietnam War, President Johnson created a second reorganization group, the Task Force on Government Organization, an 11-member group appointed in October 1966 and chaired by industrialist Ben Heineman. President Johnson indicated he wanted both some systemic recommendations and quick administrative "fixes," particularly with respect to the poverty programs run by the Office of Economic Opportunity (OEO). Numerous staff reports were written and debated. Proposals were considered for reorganizing the Bureau of the Budget to emphasize program administration, and additional proposals for "super-departments." The principal theme, however, was that the President must resist pressures to create more departments and agencies, and pressures to create programs outside regular hierarchical systems of accountability.

Few of the Heineman Task Force recommendations were immediately adopted, in part because the timing of the reports coincided with the height of the Vietnam War and President Johnson's decision to not seek re-election. While Mr. Johnson was sympathetic to most of the recommendations, even the most far-reaching, his commitment to organizational management was more instrumental than substantive. He saw reorganization as an instrument to increase presidential power, not for achieving more efficient management of agencies and program. Thus, when his tenure was effectively ended in March 1968, he withdrew from the fray and embargoed the reports. When the Heineman report was requested by a Nixon transition official, President Johnson's response was: "Hell no. And tell him I'm not going to publish my wife's love letters either."[190]

The Heineman Report did not, however, remain hidden for long. When Roy Ash, named by President Nixon in 1969 to head the President's Advisory Council on Executive Organization (Ash Council), later requested of Heineman a copy of the Report, Heineman made the Report available.[191]

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[189] The most complete discussion of the organizational management efforts between 1953 and 1969 is to be found in Arnold, *Making the Managerial Presidency*, chapter 6 through 8. See also: Marver Bernstein, "The President and Management Improvement," *Law and Contemporary Problems*, vol. 35, Summer 1970, pp. 505-18.

[190] Memorandum, Charles S. Murphy to the President, 22 November 1968, EX FGU-18, WHCF, Lyndon Baines Johnson Presidential Library. As cited in Emmette S. Redford and Marlan Blisett, *Organizing the Executive Branch: The Johnson Presidency* (Chicago: University of Chicago Press, 1981), p. 214.

President Johnson favored "secret" task force reports because, in his opinion, they encouraged more candid and critical analysis than is likely when the task force members know their report is to be made public at the time they submit it to the President. Lyndon B. Johnson, *The Vantage Point: Perspectives of the Presidency, 1963-1969* (New York: Holt Rinehart and Winston, 1971), p. 328.

[191] In 1976, the Lyndon Baines Johnson Presidential Library made available to the public the final report of the President's Task Force on Government Organization titled: *The Organization and Management of the Great Society Programs* (June 15, 1967).

President's Advisory Council on Executive Organization (Ash Council) (1969-1970)

Context.

Richard Nixon was elected in 1968, at least in part, as a reaction to the apparent failure of Lyndon Johnson's Great Society. The cities and universities had undergone sieges by the very persons whom the Great Society programs had been intended to benefit. Literally hundreds of programs had been initiated and run from Washington with little apparent concern for their impact upon state and local governments. Indeed, the poverty programs had funded organizations intentionally insulated from accountability to state and local governments.[192] Some expressed fear that the political and administrative system was unraveling. Writing about his 1968 victory, after his years as President, Richard Nixon noted:

> As I saw it, America in the 1960s had undergone a misguided crash program aimed at using the power of the presidency and the federal government to right past wrongs by trying to legislate social progress.... The problems were real and the intentions worthy, but the method was foredoomed. By the end of the decade its costs had become prohibitively high in terms of the way it had undermined fundamental relationships within our federal system....[193]

President Nixon had considerable faith that structures could condition behavior, and that it was worth expending the political capital necessary to reorganize the government to achieve his goal of policy centralization and administrative decentralization. As President-elect, Nixon created a number of task forces to give him advice. Tops on his priority list was reorganizing the White House-Executive Office complex to have it more responsive to presidential direction.[194] Reorganizing the cabinet and departments came next on his priority list. It was Nixon's intention to eventually rely more on his cabinet team for domestic policy leadership leaving the President to focus more attention on foreign affairs.

One of the first advisors he selected was Roy Ash, president of Litton Industries, whom he asked to head a task force on government management. Ash was a Washington outsider who pridefully avoided the professional public administration leaders, like Don Price, and believed that government should be organized and run in large measure like a private corporation. In April 1969, the President announced the formation of an Advisory Council on Executive Organization with Ash as chairman.

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[192] Daniel P. Moynihan, *Maximum Feasible Misunderstanding: Community Action in the War on Poverty* (New York: Free Press, 1969).

[193] Richard M. Nixon, *Memoirs* (New York: Grosset and Dunlop, 1978), p. 352.

[194] Larry Berman, *The Office of Management and Budget* (Princeton, NJ: Princeton University Press, 1979).

Authority.

President Richard Nixon established an Advisory Council on Executive Organization through a "Presidential Announcement" issued April 5, 1969.[195]

Membership.

In addition to Ash, as chairman, the Council consisted of four others, George Baker, dean of the Harvard School of Business; John Connally, former governor of Texas and Secretary of the Navy in the Kennedy Administration; Frederick Kappel, chairman of AT&T's executive committee; and Richard Paget, partner in the management consulting firm of Cresap, McCormick and Paget. The Council was to have a close relationship with the President through its chairman. Later, due to Ash's other commitments, an additional member, Walter Thayer, president of Whitney Communications, was added and also designated a special consultant to the President. Murray Comarow was the executive director of the Council.

Administrative Philosophy.

Richard Nixon came into office convinced that many of the problems facing government could be solved by reorganizing the federal establishment along sound political management principles. He did not view the purpose of reorganization as being the implementation of neutral principles of economy and efficiency. Rather, the principal purpose of reorganization, to his mind, was to alter the terms of political power. In Nixon's case, the objective was to reorganize to enhance the power and capacity of the President. Paradoxically, his goals was not to make the President powerful for the institution's sake, but to create the leverage to ultimately decentralize the government. He believed you had to centralize before you could decentralize. Nixon's overall long-range goal was to move much of the power away from Washington and towards the states and localities, or what he called the "New Federalism."[196]

The mission of the Ash Council was to suggest ways and means to the President on how policymaking could be centralized while administration was decentralized.

From the outset, the Ash Council relied heavily upon the work and philosophy of the earlier PACGO and the Heineman Task Force. The memorandums and reports of these earlier bodies emphasized, among other points, the need for "super departments" and additional institutional support for the President. Secondly, there was a belief that the President and the departments would be benefitted by a regional executive structure in which the vertical program oriented structure reaching to Washington would be altered by having program officers report to a regional agency/program representative. These regional officials would be appointed by the Secretary thereby, presumably, breaking the "stovepipe" to Washington. Regional

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[195] U.S. *Weekly Compilation of Presidential Documents*, vol. 5, April 14, 1969, pp. 530-31.

[196] For a discussion of President Nixon's philosophy of management, see: Richard P. Nathan, *The Administrative Presidency* (New York: John Wiley, 1983), chapters 1-4.

officials, who tended to be generalists selected politically, would be more likely to move the management of the agencies and programs along Administration lines than was the case with narrowly focused, programmatic officers located at headquarters.[197]

Nixon was following in the path of earlier Presidents, but he was more open about his objectives, and he was prepared to do battle. His goal was to refashion the government so that the President could concentrate more on foreign affairs while letting his cabinet officers take the lead in domestic affairs.[198] Nixon also had considerable faith that structures condition behavior. He decided to begin reorganizing while the Ash Council was meeting. In his first message to Congress, he requested that the President's reorganization plan authority, having lapsed on December 31, 1968, be renewed for a two year period.[199] Congress granted Nixon reorganization authority to expire on April 1, 1971, and later extended to April 1, 1973. Very early on, Nixon proposed, and Congress accepted, a change in the status of the Post Office Department to that of an independent government corporation, the United States Postal Service (39 U.S.C. 101). Frederick Kappel had headed a task force in the Johnson Administration that had made that recommendation.[200] Kappel was now a member of the Ash Council.

Organization, Staff Support, and Finances.

The Ash Council was small with a prestigious membership. The audience for its reports and recommendations was the President alone, not Congress and the public. Walter Thayer, the sixth member appointed to the Council and special consultant to the President, was charged with putting together a staff. In fiscal year 1970, the Council received an appropriations of approximately $1 million, which permitted a staff of approximately 35 by the end of 1969. At its peak, in mid-1970, the staff numbered 47 full-time employees. By fall 1970 the total number of staff was under 40.[201] Throughout this period, the staff of the Bureau of the Budget was used, although the relationship was not always harmonious.[202]

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[197] Seidman and Gilmour, *Politics, Position, and Power*, chapter 4.

[198] President Nixon is quoted as saying: "All you need is a competent Cabinet to run the country at home. You need a President for foreign policy; no Secretary of State is really important; the President makes foreign policy." Rowland Evans and Robert Novak, *Nixon in the White House* (New York: Random House, 1971), p. 11.

[199] U.S. *Public Papers of the President, Richard M. Nixon, 1969*, "Special Message to the Congress Requesting New Authority to Reorganize the Executive Branch," January 20, 1969, pp. 32-33.

[200] U.S. President's Commission on Postal Organization, *Towards Postal Excellence* (Washington: GPO, 1968).

[201] Data presented to congressional hearing by Roy Ash. U.S. Congress, House, Committee on Government Operations, *Reorganization of Executive Departments,* Hearings, 92nd Cong., 1st sess. (Washington: GPO, 1971), p. 184. Reported in Arnold, *Making the Managerial Presidency*, 2nd ed., p. 279.

[202] Larry Berman, "The Office of Management and Budget That Almost Wasn't," *Political Science Quarterly,* vol. 92, Summer 1977, pp. 281-303.

After discussion between Council members and staff, six working groups were assembled. From the very beginning, however, the first item on the agenda was the organization of the Executive Office for management. The Council met monthly for two-day meetings. "One element of the Ash Council's operating style which particularly requires notice is its aggressive out-reach to large numbers of individuals in the agencies under study, knowledgeable about them or politically salient to the fate of a recommendation."[203]

Reports and Recommendations.

The President received some 13 memoranda from the Council.[204] He did not wait, however, for receipt of all the recommendations before proceeding with reorganization.

On March 12, 1970, President Nixon forwarded Reorganization Plan no. 2 of 1970 implementing one the Council's recommendations. The plan included two major changes; the reorganization of the Bureau of the Budget into the Office of Management and Budget (OMB)[205] and the creation of a separate Domestic Policy Council.[206] With respect to the new OMB, the heads of operating divisions were to be made subject to presidential appointment, reversing the traditional practice of career officers serving as assistant directors. This "politicization" of OMB was, and remains today, controversial.[207] After a spirited debate within the House, the plan was approved.[208]

The council set about to present to the President a comprehensive executive branch reorganization proposal that would at once improve the President's capacity to manage, even control, the executive branch, and also rationalize the structure of

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[203] Arnold, *Making the Managerial Presidency,* 2nd ed., p. 280.

[204] Of the 13 memoranda submitted by the council to the President in 1970, three would be made public. The council printed the memoranda titled: "Establishment of a Department of Natural Resources" and "Organization for Social and Economic Programs." Later the Council published: *A New Regulatory Framework: Report on Selected Independent Regulatory Agencies* (Washington: GPO, 1971).

[205] Allen Schick, "The Budget Bureau That Was: Thoughts on the Rise, Decline and Future of a Presidential Agency," in *The Institutionalized Presidency*, Norman C. Thomas and Hans W. Baade, eds. (Dobbs Ferry, NY: Oceana Pubs., 1972): 93-113.

[206] (name redacted), "The Domestic Council in Perspective,"*The Bureaucrat*, vol.5, Oct. 1976, pp. 251-72.

[207] Hugh Heclo, "OMB and the Presidency – The Problem of 'Neutral Competence,'" *Public Interest*, vol. 38, Winter 1975, pp. 80-98.

[208] U.S. Congress, House, Committee on Government Operations, *Report Recommending Approval of Resolution of Disapproval of Reorganization Plan No. 2* (H. Res. 960), H. Rept. 90-1066 (Washington: GPO, 1970). The principal objection to the reorganization plan was that by transferring all the existing functions of the Bureau of the Budget to the President with authority to him to redelegate, Congress, in effect, lost its authority to approve or disapprove later delegations of such authorities. The full House Committee on Government Operations voted 20-9 to disapprove the reorganization plan.

the executive branch to reflect contemporary service demands being placed upon government.

The council concluded that the executive branch had become too fragmented resulting in a lack of effective coordination in meeting public problems. To address this problem of fragmentation, the council proposed more centralized and politically responsible lines of authority within the executive branch. The council advocated a "package" approach to reorganization combining the various elements of the "new Federalism," such as revenue sharing, with executive branch reorganization. As to restructuring the executive branch, the objective was to move away from the narrow, constituency-oriented, traditional departments towards broader, general purpose departments.[209] It is interesting to note that the Council, although tilted heavily toward business executives, rapidly adopted the more traditional public administration theory of organizational management, rather than attempting to reorganize the executive branch according to some model of the private firm.

In March 1971, President Nixon sent four bills to Congress which had as their intent the reorganization of seven existing departments and several independent agencies into four new, large "super departments" (*i.e.,* Human Resources; Community Development; Natural Resources; and Economic Affairs).[210] As proposed, each department would be headed by a secretary assisted by a small number of staff officers having department-wide responsibilities. To provide means for a rational grouping of the large bureaus and programs to be inherited by the new departments, the concept of the "Administration" was introduced as a first-tier device for program direction. These organizations, patterned after the operating administration in the then-new Department of Transportation (1966), were envisioned as management centers—each with a major segment of the department's administrative program. Administrators would head these basic units within the departments and would report directly to the secretary.

The combined use of cross-cutting staff officers with functions affecting all elements of the department, and program administrators charged with directing important segments of the department's operating responsibilities, was expected to facilitate decentralized management while simultaneously providing for more effective secretarial control and department cohesion. The field structure was to be strengthened with common regional boundaries established.

It was a dramatic proposal, and in many respects the logical conclusion of the orthodox public administration values embodied in the earlier Brownlow and Hoover Commission reports. Policy directions and lines of accountability to the department secretaries would be strengthened while administrative functions, *e.g.,* personnel, would be decentralized, often to the standardized regional offices. The council's recommendations took the form of four pieces of legislation proposing four new departments. One might disagree with the proposals, but they did constitute a

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209 Alan Dean, "The Goals of Departmental Reorganization," *The Bureaucrat*, 1(Spring 1972): 23-30.

210 U.S. Executive Office of the President, Office of Management and Budget, *Papers Relating to the President's Departmental Reorganization Program* (Washington: GPO, 1971).

comprehensive and theoretically consistent view of how the executive branch ought to be organized.

Results and Assessment.

The legislation submitted to Congress was aimed at putting into place an overarching set of public management principles. There was nothing small in the proposals. It was almost too much, however, for Congress to fully digest. For one thing, the proposals, if enacted, would have played havoc with the existing congressional committee structure and jurisdictions, the latter fact alone being sufficient to raise major opposition.[211] Finally, both houses of Congress were heavily dominated by Democrats little inclined to give President Nixon more power and a major political victory, during a time characterized by bitter partisanship.

As it turned out, the only organizational proposal of the Ash Council to be accepted by Congress was the previously discussed reorganization plan that established the Domestic Council and renamed the Bureau of the Budget to the Office of Management and Budget. Otherwise, except for three hearings,[212] Congress did not consider any of the other proposals of the President.

With the failure of President Nixon's comprehensive strategy to reorganize the executive branch, the commission and report approach to organizational management was abandoned. President Nixon, influenced by the defeat of his legislatively based reorganization strategy, became receptive to the arguments that he should follow a strategy based more on Richard Neustadt's view of the presidency.

In 1960, Richard Neustadt had argued in his influential book, *Presidential Power*, that Presidents ought to seek personal power, a power based on political skills, and rely less on Constitutional and statutory authority. "Laws and customs," Neustadt averred, "tell us little about leadership in fact."[213] The message for Presidents was to study the techniques of influence and persuasion, rather than public administration principles if they wanted to "move" government. In the Neustadian scheme, the personalized presidency largely replaced the institutionalized presidency. President should move away from managing the executive branch,

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[211] A comprehensive congressional review of the Ash Council proposals, including an assessment on the impact of the reorganization upon congressional committee jurisdictions, is to be found in: U.S. Congress, House, Committee on Government Operations, *Executive Reorganization: A Summary Analysis,* H. Rept. 922, 92nd Cong., 2nd sess. (Washington: GPO, 1972).

[212] U.S. Congress, House, Committee on Government Operations, Subcommittee on Legislation and Military Operations, *Reorganization of Executive Departments (Part I—Overview)*, hearings, 92nd Cong., 1st sess. (Washington: GPO, 1971). U.S. Congress, House, Committee on Government Operations, Subcommittee on Legislation and Military Operations, *Reorganization of Executive Departments (Part II—Department of Community Development)*, hearings, 92nd Cong., 1st and 2nd sessions (Washington: GPO, 1972). U.S. Congress, Senate, Committee on Interior and Insular Affairs, *Establish a Department of Natural Resources*, hearings, 92nd Cong., 2nd sess. (Washington: GPO, 1972).

[213] Richard E. Neustadt, *Presidential Power: The Politics of Leadership* (New York: John Wiley and Sons, 1960), p. 6.

because in so doing they are performing mere clerkship functions and miss their opportunity for heroic destiny.

Heeding the personalized presidency theme of Neustadt, Mr. Nixon determined that the most effective route for reorganization was to rely on "administrative action —that is," in Richard Nathan's words, "by using the discretion permitted in the implementation of existing laws rather than advancing these policy aims through enactment of new legislation."[214]

President Nixon attempted to implement as much of the Ash Council recommendations as possible through administrative orders, *e.g.,* creation of a "super-cabinet," bypassing in the process the requirement of congressional approval. The "administrative presidency strategy" included such tactics as impounding appropriated funds and the use of the appointments process to thwart the implementation of legislatively mandated programs, tactics calculated to upset Congress. Congress responded, not surprisingly, by following a legislative (public law) strategy of its own. The strategy included passing laws such as the War Powers Act of 1973 and the Congressional Budget and Impoundment Act of 1974, inserting numerous legislative veto requirements to additional new and existing laws, and extending Senate confirmation requirements to additional appointees, all actions intended to combat the administrative presidency strategy and to decrease presidential discretion in administrative matters.[215]

The organizational legacy of the Nixon presidency, which began as a testament to traditional organizational management doctrine, albeit with some political updating, turned out to be a legacy of institutional diminution. With the second term of Richard Nixon, Presidents began a long-term movement away from institutional capacity building management and toward a management philosophy more reliant upon political control from the White House.[216] The central management agencies began to be downsized and assigned reduced missions. Executive reorganization was just as likely to be viewed as a tool to diminish the capacity of government as enhance it.[217] Presidents increasingly shied away form their role as chief manager of the executive branch and distanced themselves from the bureaucracy they presumptively led. Indeed, President often assigned themselves the role of chief

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[214] Nathan, *The Administrative Presidency*, p. 7. Nathan, it should be noted, approved of "the administrative presidency strategy" followed by President Nixon. He believed that political executives and appointees should seek to exert greater managerial influence over the bureaucracy and that this "administrative presidency strategy is appropriate and desirable for both liberals and conservatives." (p. 1)

[215] (name redacted), "Congress and the President in the Administrative Process: An Uneasy Alliance," in Hugh Heclo and Lester M. Salamon, eds., *The Illusion of Presidential Government* (Boulder, CO: Westview Press, 1981), pp. 21-43.

[216] Terry M. Moe, "The Politicized Presidency," in *The New Direction in American Politics,* eds., John E. Chubb and Paul E. Peterson (Washington: The Brookings Institution, 1985), pp. 235-71. By the same author, see: "The Politics of Bureaucratic Structure," in *Can the Government Govern?* eds., John E. Chubb and Paul E. Peterson (Washington: The Brookings Institution, 1989), pp. 267-327.

[217] Peri E. Arnold, "Reform's Changing Role," *Public Administration Review*, vol. 55, Sept./Oct. 1995, pp. 407-17.

critic of the government. This latter role, not surprisingly, had its impact on how Presidents performed their managerial responsibilities and how organizational management was viewed for the remainder of the century.[218]

President's Reorganization Project (1977-1979)

Context.

As a candidate for President in 1976, Jimmy Carter made it clear from the outset that he was on a crusade to clean up Washington and a broad-scale executive branch reorganization was to be the centerpiece of this crusade. He offered little in the way of specifics but did declare that he would approach executive reorganization comprehensively as he claimed to have done in Georgia state government during his years as governor (1971-75).[219] Mr. Carter stated that his primary goal was to trim the executive branch from some 1900 agencies to 200, figures without clear parentage.[220] Shortly after his election, President-elect Carter instructed his transition team to study how the executive branch was organized. They were to make an "inventory" of these 1900 agencies and tell him which ones to eliminate or reorganize. They were stymied, however, in this exercise by finding that even with the broadest definition, there were only some 597 units (a term broader than agency) in the executive branch.[221]

President Carter personally envisioned reorganization as part of an exercise to cleanse Washington of its corruptions. Structural reform was viewed by the new President not as merely one among many possible instruments for addressing the idiosyncratic problems of individual departments and agencies. Rather, structural reform was characterized as the linchpin of the new Administration's reorganization package and beginning with the transition period the OMB and White House cast about for 'problems' that structural changes could address.[222]

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[218] (name redacted), "At Risk: The President's Role as Chief Manager," in*The* Managerial Presidency, 2nd ed., James Pffifner, ed. (College Station, TX: Texas A&M Press, 1999): 265-84.

[219] As a candidate, Jimmy Carter claimed he had reduced the number of agencies in the Georgia government from 300 to 22. *Why Not the Best?* (Nashville, TN: Broadman Press, 1975), pp. 105-16.

[220] Eliot Marshall, "The Efficiency Expert: Carter's Plan to Shake Up the Bureaucracy," *New Republic,* August 21 and 28, 1976, pp. 15-17. Joel Havemann, "Reorganization – How Clean Can Carter's Broom Sweep? *National Journal*, Jan. 1, 1977, p. 6.

[221] U.S. Executive Office of the President, President's Reorganization Project, *Federal Government Reorganization and Management Improvement Program: Current Inventory of Organizational Units Within the Executive Branch*. (Mimeograph) Apr. 1977, p. 1.

[222] Ronald P. Seyb, "Reform as Reaffirmation: Jimmy Carter's Executive Branch Reorganization Effort," *Presidential Studies Quarterly*, vol. 31, March 2001, pp. 104-21.

Authority.

During his first month in office, President Carter established a President's Reorganization Project PRP) within the Office of Management and Budget (OMB) under the leadership of OMB Director and presidential confidante, Bert Lance.[223] Harrison Wellford and Richard Pettigrew subsequently played leadership roles.

Membership.

The President decided against the appointment of a board of prominent citizens to make recommendations. The project would be essentially an in-house exercise reporting to the President.

Administrative Philosophy.

The leadership of the PRP rejected the relevance of the orthodox principles of organizational management that had guided earlier reorganization exercises in this century. Indeed, they apparently rejected the utility of theory altogether: Bert Lance openly derided the earlier commission efforts as mere "box-shuffling." In Lance's words describing the PRP's mission:

> [R]eorganizing is more than box-shuffling, its objective will be to make government more efficient. Previous reorganizations have stressed moving agencies among cabinet departments. Ours will take a bottom-up approach, looking first to a program and people's needs and reworking structure and procedures to meet those needs.[224]

The PRP leadership consistently rejected the idea of following overarching theory or concepts in its work and recommendations. When James T. McIntyre was before a Senate Committee in March 1978 for confirmation as Director of OMB, he was asked to prepare in advance the answers to several questions. One question was: "After a year of work with the Government Reorganization Project, what underlying principles or conclusions have you reached regarding executive reorganization?" Mr. McIntyre's response was indicative of the PPR's working philosophy

> After our first year of reorganization activity, we have arrived at three general principles that guide our efforts: (1) to concentrate on solving <u>problems</u>; (2) to look for the least disruptive remedies to identify problems; and (3) to follow a process committed to <u>openness and public and Congressional involvement</u>.[225]

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[223] A Presidential Fact Sheet released the same day the President signed the Reorganization Act of 1977 (P.L. 95-17; April 6, 1977). U.S. *Public Papers of the President, Jimmy Carter, 1977* (Washington: GPO, 1978), pp. 572-73.

[224] U.S. Executive Office of the President, *President's Reorganization Project*, revised, (mimeograph) (Washington: April 1977), p. 3.

[225] U.S. Congress, Senate, Committee on Governmental Affairs, *Nomination of James T. McIntyre, Jr., to be Director of the Office of Management and Budget*, Hearings, 96th Cong., 2nd sess. (Washington: GPO, 1978), p. 39. Emphasis in the original.

As late as 1979, Deputy Director John P. White of OMB made the following point in his confirmation hearings: "Reorganizations should proceed from problems which have been identified towards solutions rather than from preconceived notions of idealized structure."[226] These statements confirmed what others suggested; namely that the Project defined its mission in terms of process, rather than the achievement of some theoretical objective.

In other words, the Carter people were saying that the earlier reorganization efforts had essentially failed to achieve their potential because they started from public administration "principles" of organization and then attempted to apply these principles without proper regard for the "facts." What the Carter Administration would do, they continued, would be to begin with the facts and from these facts would evolve the principles. Wisdom would come from the bottom-up, not the top-down.[227]

In point of fact, there rapidly emerged an apparent disjunction in the PRP's philosophy and actions. Its members continued to publicly disavow the "top-down" philosophy of reorganization while, in practice, following this approach. For example, they made recommendations to restructure four departments, even creating two super departments in the process, without first specifying the problems that warranted such major restructuring. According to one source, the driving administrative philosophy was that there was a solution available (restructuring) and now the job was to find a problem (agency needing restructuring).[228]

Organization, Staff Support, and Finances.

Although the President took some personal interest in the PRP, it was assigned to the Office of Management and Budget and its Director for implementation. The individual directly responsible for the Project was Harrison Wellford, Executive Associate Director of OMB for Reorganization and Management. Facts and figures on the PRP tend to be elusive, as are the work products. John Osborne, a journalist covering the White House, gave as good an estimate of the work force as any when he noted: "What Carter proudly calls 'my Reorganizations' is quite an operation. In early 1977, 129 full-time employees, including 40 people recruited from outside Government for the project, and between 150 and 175 detailees from various department and agencies—the number varies with need from week to week—were at work on 27 projects...."[229]

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[226] U.S. Congress, Senate, Committee on Governmental Affairs, *Nomination of John P. White to be Deputy Director of the Office of Management and Budget,* Hearings, 96th Cong., 1st sess. (Washington: GPO, 1979), p. 28.

[227] Harrison Wellford, the chief reorganization planner after Bert Lance's departure, "forthrightly denied that any overall principles, theory, or view of organization, administration, or the governmental system guided the planning operation." Arnold, *Making the Managerial Presidency,* 2nd ed., p. 330.

[228] Seyb, "Reform as Reaffirmation," pp. 106-07. See also: Arnold, *Making the Managerial Presidency*, 2nd ed., pp. 312-14.

[229] John Osborne, "White House Watch: Happenings," *New Republic*, Dec. 17, 1977, p. 10.

From the outset, the staff was divided into working groups, and by early 1978, the peak of activity, there were some 30 studies underway. Two of the studies emphasizing an organizational objective were those on border management and on the administration of the Employee Retirement Security Act (ERISA), the latter culminated in the President submitting Reorganization Plan No. 4 of 1978. Studies with management objectives included groups reviewing such matters as automatic data processing in the delivery of government services, the collection of statistical data by federal agencies, and workplace safety. By the close of 1978, only 10 groups remained, the others having submitted their reports or having been disbanded.

The project's creation required an immediate supplemental appropriation of $2,172,000, a figure that included 32 new personnel for OMB.[230] Salaries of detailees were not included in this total.

Reports and Recommendations.

The PRP, while large in size and initial mission, did not produce a comprehensive report with recommendations. In fact, printed products of any type by the PRP were few and far between. Almost immediately upon assuming office, President Carter retreated from his statements calling for a dramatic reduction in the number of departments and agencies, adopting in its place an incremental approach. In this mode, Carter requested (February 5, 1977) that Congress renew the President's authority to submit reorganization plans, a request Congress granted.

All reorganization action was not limited to the PRP. Other groups were studying issue areas and eventually made recommendations to the President. Two proposals for new departments, one for a Department of Energy and another for a Department of Education, were developed with PRP assistance, but essentially developed lives of their own. The proposal for a Department of Energy had presidential backing, although it was intentionally separated from larger substantive issues. The bill was promoted as a simple good management exercise which could consolidate most energy activities under one roof.[231]

The proposal for a separate Department of Education had been advanced in various forms for a number of years. The Education bill could not be defended as a consolidation bill, however, as it was intended to break up the Department of Health, Education and Welfare, the one civilian "super department." The consolidation arguments for this separate department tended to be limited in scope since few educational activities (e.g., military dependent schools overseas) were slated to be shifted from other departments. The principal argument favoring the separate department proposal was this action would elevate and highlight the Nation's commitment to education.[232] Critics suggested, on the other hand, that the

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[230] Arnold, *Making the Managerial Presidency*, 2nd ed., p. 311.

[231] Clark Byse, The Department of Energy Organization Act: Structure and Procedure, *Administrative Law Review*, vol. 30, Spring 1978, pp. 196-236.

[232] Rufus E. Miles, *A Cabinet Department of Education* (Washington: American Council on (continued...)

new department was simply a "political pay-off" to the National Education Association.[233]

The single most ambitious reorganization proposal involved making major changes in the federal civil service. A Personnel Management Project was established to be led and staffed, in large part, with civil servants.[234] The personnel project, while technically under the larger PRP, functioned in practice on its own. Unlike the PRP, the personnel project worked with key members of Congress and the relevant interest groups at the initial stages, not simply writing a report with recommendations in isolation. The leaders of the project, and subsequently the PRP, accepted considerable compromise to ensure passage.[235]

Results and Assessment.

The reorganization process itself during the Carter Administration tended to follow two tracks; one for reorganization plans that were considered using the President's reorganization authority, and the second for specific legislative proposals.

Under the authority of the Reorganization Act of 1977, President Carter submitted 10 reorganization plans, all of which Congress permitted to become effective.[236] The first, and most important was Reorganization Plan No. 1, which restructured the Executive Office of the President.[237] The remaining nine reorganization plans tended to be comparatively minor in scope, such as Reorganization Plan No. 1 of 1979 that created a federal inspector for the Alaska natural gas pipeline project. Such proposals, arguably, could have been handled as expeditiously by following the regular statutory process. The White House and OMB staff apparently concluded that once reorganization authority is granted it must be used on a regular basis or Congress may take it away. With respect to statutory

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232 (...continued)
Education, 1976).

233 Beryl Radin and Willis D. Hawley, *The Politics of Federal Reorganization: Creating the Department of Education* (New York: Pergamon Press, 1988), pp. 41-42.

234 Dwight Ink was the executive director of President Carter's Personnel Management Project and he worked closely with the chairman of the Civil Service Commission, Alan ("Scotty") Campbell. See: Ink, "What Was Behind the 1978 Civil Service Reform?" in James P. Pfiffner and Douglas A. Brook, eds., *The Future of Merit: Twenty Years After the Civil Service Reform Act* (Washington: Woodrow Wilson Center Press, 2001), pp. 39-56.

235 Patricia W. Ingraham and Carolyn Ban, eds., *Legislating Bureaucratic Change, the Civil Service Reform Act of 1978* (Albany, NY: State University of New York Press, 1984). James P. Pfiffner and Douglas A. Brook, eds., *The Future of Merit: Twenty Years After the Civil Service Reform Act* (Washington: Woodrow Wilson Center Press, 2000).

236 U.S. Library of Congress, Congressional Research Service, *The Carter Reorganization Effort: A Review and Assessment*, by (name redacted), CRS Rept. 80-172G (Washington: CRS, 1980).

237 U.S. Library of Congress, Congressional Research Service, *Reorganizing the Executive Office of the President: Reorganization Plan No. 1 of 1977*, by (name redacted), CRS Archived Rept. 78-19GOV (Washington: CRS, 1978).

proposals, Carter did have some successes, although the role of the PRP in these successes was limited. Two new departments were established; the Departments of Energy and Education. These Acts followed the regular legislative process, resulting in considerable input by Congress.

On March 2, 1978, President Carter submitted legislation to reorganize the civil service system of the federal government. As originally introduced, the President's bill was largely a product of the recommendations of the President's Federal Personnel Management Project. The most important provision in the Act was the establishment of the Senior Executive Service.[238]

Some observers tended to be critical of the PRP and the Carter reorganization exercise generally. Writing only two years into the Administration, James Sundquist commented: "At the beginning of his presidency it is clear Jimmy Carter did not recognize quite what was wrong. He saw the need as one not of management but of management improvement projects."[239] The reorganizers were overwhelmed by their immersion in facts and details. The problem, they finally realized, was that the facts did not speak for themselves. Facts generally make sense when there is a conceptual framework for reference and where generalizations can be tested against experience. In rejecting the so-called orthodox principles of public administration, their position was weakened because they offered no alternative set of principles upon which to evaluate the relative merits of the proposals being considered.

The alleged absence of principles on how the executive branch, viewed broadly, ought to be organized to perform its various functions, formed the crux of the criticism of the Carter Administration's reorganization effort. Harold Seidman put it thus:

> No unifying theme or set of innovative organizational principles can be discerned from analysis of Carter's proposal for Departments of Energy, and Education, as well as for civil service reform and consumer protection. The same can be said for his reorganization plans for the Executive Office of the President, International Communications Agency, Equal Employment Commission, Federal Emergency Management Agency, and the Employment Retirement Income Security Act (ERISA). Except for civil service reform, none can be related to Carter's goal of energizing and controlling the bureaucracy.
>
> Overall reorganization objectives are described in almost meaningless generalities—streamlining the government making it more competent to serve the people. Specific proposals are justified mainly by reference to orthodox doctrines: Elimination of overlapping duplication, consolidation of related functions, improved economy and efficiency, and more effective planning and coordination.[240]

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[238] U.S. Congress, House, Committee on Post Office and Civil Service, *Legislative History of the Civil Service Reform Act of 1978*, 2 vol., committee print, 96th Cong., 1st sess. (Washington: GPO, 1979).

[239] James Sundquist, "Jimmy Carter as Public Administrator: An Appraisal at Mid-Term," *Public Administration Review,* vol.39 Jan./Feb. 1979, p. 4. Emphasis in the original.

[240] Seidman, *Politics, Position and Power*, 3rd ed., pp. 127-28.

Considering the Carter reorganization exercise overall, man viewed it as a disappointment if not a failure. As Peri Arnold concluded, the Project "... lacked coherence and coordination; as its managers proudly claimed, it followed no overall conception of management. It was a collection of young professionals without significant applied or academic experience with administration, working under a President burdened by a rigid and curiously moralistic conception of administration. These reorganizers generated a large bulk of recommendations, but little that they did enhanced the capacity of President Carter to govern effectively."[241]

Reorganization Act of 1977

President Carter had been convinced during his presidential transition period that renewal of the President's reorganization plan authority was key to success of his larger strategy to restructure the executive branch. Hence, one of his first legislative proposals to Congress, on February 4, 1977, was a bill to renew the President's authority to submit reorganizations plans, an authority which had expired on April 1, 1973, and had not been renewed.[242] A bit of history provides some background on the situation that accompanied the President's proposal.

In the three decades since the passage of the Reorganization Act of 1949, there had been a gradual, yet persistent, erosion in the President's reorganization authority. The erosion reflected the ambivalence felt by Congress regarding its delegation of power to the President, and the ways Presidents in recent years had used this authority.[243]

The original 1949 Act was noteworthy for the broad scope of authority delegated to the President. In this respect, Congress was heeding the recommendation of the first Hoover Commission that few limitations be placed on the President's authority to submit plans, and that no agencies be exempted. "Once the limiting and exempting process is begun," Hoover warned, "it will end the possibility of achieving really substantial results."[244] In subsequent years, however, Congress chose to place limits on this authority and exempted certain agencies from coverage.

Congress is sometimes described as an institution rendered virtually helpless by the presence of "roadblocks" in the normal legislative process and the dispersion of power and authority. One of the justifications traditionally given for the executive reorganization plan process was that it permitted the President and congressional leadership to overcome these hurdles. In 1961, for instance, the Kennedy

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[241] Arnold, *Making the Managerial Presidency*, 2nd ed., p. 336.

[242] U.S. Executive Office of the President. *Weekly Compilation of Presidential Documents,* vol. 13, Feb. 7, 1977, pp. 147-49. Clifford Berg, "Lapse of Reorganization Authority," *Public Administration Review*, vol. 35, Mar./Apr. 1975, pp. 195-99.

[243] (name redacted) and (name redacted), "Presidential Reorganization Authority: Is It Worth the Cost?" *Political Science Quarterly*, vol. 96, Summer 1981, pp. 301-18.

[244] U.S. Commission on Organization of the Executive Branch of the Government, *Hoover Commission Report*, p. xv.

Administration submitted a bill to establish a Department of Urban Affairs and Housing. The Senate and House Government Operations Committees favorably reported the bill, but the House Rules Committee (a major roadblock at the time) declined to clear the measure for floor action. Faced with this opposition, the administration decided to short-circuit the legislative process and submit a reorganization plan to create the department.

The Senate Government Operations Committee held hearings on the plan, but a motion to discharge the committee of its jurisdiction was introduced prior to the expiration of the normal period for consideration. The extraordinary haste in this effort to take the plan from the committee, coupled with political reservations on the substance of the proposal, led the Senate to reject the motion to discharge by a vote of 58 to 42. On the day following the Senate action, the House disapproved the plan, 264 to 150.[245]

Rather than de-emphasize politics, this episode illustrated how the reorganization plan method can escalate politics to high intensity. Details of the departmental structure were relegated to the background. The primary issue became whether the President would be politically embarrassed by Congress. Congress, in this instance, chose to embarrass the President and defeat the plan. When Congress renewed the reorganization authority in 1964, it reacted to what it considered a presidential "end-run" by prohibiting the President from submitting reorganization plans that established an executive department (78 Stat. 240) Other restrictions on the reorganization plan authority followed.

Congress, in 1964, denied the President authority to submit plans proposing new executive departments. When the law was renewed in 1971, there was a provision inserted that a plan must be limited "in effect" to dealing with no more than "one logically consistent subject matter." This limitation had been inspired by an presidential attempt to have a number of subjects covered in one plan thereby increasing the congressional oversight burden.

The Reorganization Act of 1977, as introduced for the President, sought to soften or eliminate five of the restrictions then operative in the reorganization process.

1. The President would be allowed to amend a plan within 30 days after sending it to Congress, unless a Resolution of Disapproval had been ordered reported in either house or the appropriate committee in either house had otherwise reported its recommendations.

2. The requirement that only one plan be submitted within a 30-day period would be eliminated

3. The requirement that each reorganization plan deal with a single logically consistent subject matter be eliminated.

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[245] U.S. Congress, Senate, *Congressional Record*, 87th Cong., 2nd sess., 1962, 108, pt. 2, pp. 2527-44, and 2680.

4. The requirement that, when a plan is submitted, it have attached a statement of projected cost savings, would be eliminated. In its place would be included information on the improvements in management efficiency and the delivery of federal services that the plan would produce.

5. A four year extension of the authority would be authorized in place of the customary two year extension.

The Senate reacted to the President's bill by acceding to several of the provisions but, in turn, added to the list of prohibitions already in the law. The provision prohibiting establishment of an executive department by reorganization was retained and expanded to prohibit also the elimination or merging of independent regulatory agencies. Further, a provision was inserted that permitted the President to submit a reorganization plan abolishing all or part of the functions of an agency, "except that no enforcement function, and no function conferring a substantial programmatic benefit on the public, shall be abolished by the plan." In the House, the debate focused on whether Congress should require an affirmative vote of some sort for approval of a plan. The chairman of the House Operations Committee, Representative Jack Brooks (D-TX), had long opposed the legislative veto approach to approval of plans. He favored passage of a joint resolution within a 60-day period as meeting the constitutional test of approval by Congress for statutory enactment.[246]

Although a majority of the House committee accepted the constitutionality of this process, they agreed to add an action-forcing requirement. When the President submitted a plan to the Congress, a resolution of disapproval had to be introduced at the same time by the chairman of the House Government Operations Committee and the Senate Governmental Affairs Committee. The two committees would also be required to make recommendations to the House or the Senate, respectively, within 45 days, or the committee would be deemed as having been discharged from consideration of the resolution. Since any Member could move for consideration of the resolution, it was believed unlikely that any future plan would go into effect without Congress having a chance to vote on it. With this change, Chairman Brooks withdrew his opposition saying that it was "the best unconstitutional bill you could draw up."[247]

Under the authority of the Reorganization Act of 1977, President Carter submitted 10 reorganization plans, all of which Congress permitted to become effective. The newly authorized process for approval was not, however, without its controversies. In February 1979, President Carter announced he would forward a reorganization plan to establish a Department of Natural Resources that would

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[246] It is worth noting that, at the time Congress favored the legislative veto as a means of overseeing the administration of policies, programs and agencies, yet expressed constitutional uneasiness when using it in the reorganization process. Presidents, on the other hand, opposed the use of the legislative veto with respect to the administration of policies, programs, and agencies, yet favored it with respect to reorganization proposals.

[247] U.S. Congress, House, Committee on Government Operations, *Extension of Reorganization Authority of the President,* House Rept. 95-105, 95th Cong., 1st sess. (Washington: GPO, 1977), p. 43.

absorb the Interior Department and include the Forest Service from the Agriculture Department and National Oceanic and Atmospheric Administration from the Commerce Department. While the use of the reorganization plan process to establish this department was endorsed by Chairman Brooks of the House Government Operations Committee, it ran into stiff opposition from Senator Abraham Ribicoff, who chaired the Governmental Affairs Committee. Ribicoff's objection was based on his interpretation of the Reorganization Act's prohibition against such reorganization plans to create new departments. Administration officials argued that they were not proposing a "new" department. Rather, they were just moving some agencies around and changing some titles. Ribicoff disagreed: "Section 905(a) of the Reorganization Act of 1977 states that no reorganization plan may provide for or 'have the effect of creating a new executive department.' It is my belief—and the belief of a number of other Senators—that this prohibition was written into law to cover just the kind of situation we are facing in this instance."[248]

Administration officials had been quite candid in their belief that the proposal for a new Department of Natural Resources could not be passed using the regular legislative process. The only chance for success, in their view, lay in a reorganization plan.[249] When the White House recognized that the Senate leadership adamantly opposed the use of a reorganization plan to establish a department, it withdrew the proposal. President Carter, however, did pay a price. In response to his request for an extension of the reorganization authority, members of Congress gave him only a one year extension and served notice that they would use the time to review the authority and its procedures. The administration also had to promise that it had no plans to propose the creation of a Department of Natural Resources "or anything resembling it."[250]

What was revealed, especially during the Carter years, was that the reorganization plan authority was of dubious value. Congressional ambivalence over the delegation of reorganization authority to the President resulted in misunderstanding, confusion, and recrimination between the two branches. On the one hand, Congress gave the President authority to skirt the regular legislative process, yet when the President invoked the power, he risked being accused of violating the established system. After each presidential "misuse," Congress responded by adding restrictions and exemptions, gradually circumscribing the power until the reorganization act was but a shadow of the 1949 statute. The original design had been so diluted that recourse to the regular legislative process generally

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[248] U.S .Congress, Senate, *Congressional Record*, 96th Cong., 1st sess., March 7, 1979, 125: S2255 (daily edition).

[249] The political reality was that presidential staffs often saw the reorganization plan process as their only means to achieve a White House objective not likely to be accepted if subjected to the regular legislative process. A White House aide in the Carter administration explained that with a reorganization plan "you don't need passionate supporters. All you need to do is avoid passionate enemies. That's the only way to get any of this through. We could never do it by legislation." Rochelle L. Stanfield, "The Best Laid Reorganization Plans Sometimes Go Astray," *National Journal*, Jan. 20, 1979, p. 86.

[250] U.S. Congress, Senate, Committee on Governmental Affairs, *To Extend the Reorganization Authority of the President*, Hearings, 96th Cong., 2nd sess. (Washington: GPO), p. 6.

made more sense—a conclusion especially compelling in view of the 1977 change allowing Presidents to submit amendments to their plans. Having introduced one more element of the legislative process, the value of the reorganization plan process became, at best, problematic.

Reorganization authority under the 1977 Act was granted to the President for three years and was subsequently extended for an additional year. The authority expired on April 7, 1981, just three months after President Ronald Reagan assumed office.

President's Private Sector Survey on Cost Control (Grace Commission) (1982-1984)

Context.

The Administration of Ronald Reagan entered office in 1981 with a definite policy agenda, and this agenda did not include comprehensive executive reorganization. They discerned that since President Carter had followed the organizational route with less than what they regarded as salutary results, they would follow another course to maximize their political leverage. The budget was viewed as the key to that overall objective, the reduction in the ability of the government to intervene in the economic and social spheres of national life. Good management, then, was to be judged by its contribution toward the achievement of that end.

Although President Reagan and his advisors were not generally in sympathy with the idea of another presidentially oriented commission to undertake a comprehensive review of the organizational management of the executive branch, they were persuaded by a number of business executives that it would not hurt Reagan's political agenda if an "outside" study were made. The principal promoter of this idea was industrialist J. Peter Grace, who argued that he could put together a study by leading business leaders that would result in massive savings. President Reagan eventually concurred and Grace was approved to chair a private commission (President's Private Sector Survey on Cost Control) to submit a report with recommendations on how to make the federal government work better for less money.

Authority.

The legal status of the commission was in question from the outset. Rather than submitting legislation to create the commission, an indirect route was selected. The President issued an executive order 12369 which, in turn, was based on an obscure provision in a law administered by the Department of Commerce (15 U.S.C. 1525), a provision not intended to authorize a commission such as the Grace Commission. This provision, however, was considered sufficient by the Administration to permit hundreds of private citizens to venture into the agencies and review records, interview personnel, and make public policy recommendations.[251]

Membership.

The commission, on paper, was large, composed of 161 chief executive officers of corporations. The full commission never met, however, and was not an active factor in the commission's work. In essence, the commission was Peter Grace and some close associates.

Administrative Philosophy.

Like the earlier Carter Project, the Grace Commission rejected the idea that any general principles of organizational management were unique to the public sector or the federal government. Indeed, the commission went further by rejecting the distinctiveness of the public sector altogether. The opening paragraph of the Grace Commission report, which appeared in a commercial version, read:

> Most reports of presidential commissions begin with a lengthy introduction detailing the origins, premises, and methodologies of their studies before focusing on the results of the study. We are omitting such matters because we do not want to risk losing even one reader who would be turned away by having to wade through such preliminary material.[252]

The operating premise was that the government was poorly organized, incompetently managed, and plagued by waste, fraud and abuse.

Insofar as there was an administrative theory underlying the Commission's work, it was caught in an early line in the report: "it is with private sector management tenets in mind that the Grace Commission findings have been developed."[253] The dominant theme was that the governmental and private sectors were alike in their essentials and should be judged by the same set of economic variables and managerial principles. Government should be organized like a large commercial corporation (IBM was their example of choice), that is, with a structure permitting top-down control. Decisions should be brought to the top where a large, central Office of Federal Management would ensure uniformity.

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[251] There was considerable opposition in Congress to the ways and means followed by the Grace Commission in establishing it task forces and investigating agency and program management. The principal concerns involved conflict of interest issues posed by the participation of corporate executives of firms regulated by government agencies and the applicability of provisions of the Federal Advisory Committee Act to the commission and its task forces. David Burnham, "Questions Rising Over U.S. Study and Role of Company Executives," *New York Times*, Sept. 28, 1982, p. 1.

[252] President's Private Sector Survey on Cost Control, *War on Waste* (New York: Macmillan, 1984), p. 1.

[253] *Ibid*., p. 3.

Organization, Staff Support, and Finances.

The commission assigned its responsibilities to 36 task forces, and was staffed over time by some 2,000 people, generally on loan from their corporations, with a cost to these 859 companies and other organizations of $75 million in cash and services. [254]

Reports and Recommendations.

The commission worked approximately two years and produced 47 volumes (23,000 pages), all of which were produced in mimeographed form. There was no common index. From these reports the commission brought forth two documents. The first was a list of some 2,478 specific recommendations which was not given much public circulation, and a single, commercially available book entitled: *War on Waste*. Unencumbered by the requirement that the full commission meet, debate, and vote on recommendations, Peter Grace was able to shape the report to his liking. The report, as a result, emphasized statistics and money. Figures, correct and otherwise,[255] were featured in highly controversial formats. The commission attacked Congress directly, and originally included the names of Members who allegedly accepted favors and made pleadings for special interests.[256] Congress was viewed, at best, as a nuisance, an impediment to good management, and was to be ignored whenever possible. The Grace Commission claimed that if Congress adopted the Commission proposals totally, the savings would be $424 billion during the first three years[257] and in the trillions of dollars during the 1990s.[258]

The commission did not engage in any comprehensive or systematic review of structures in the government. The principal exception in this regard was its recommendation to establish a new Office of Federal Management which would include the existing Office of Management and Budget, the Office of Personnel

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[254] Charles T. Goodsell, "The Grace Commission: Seeking Efficiency for the Whole People?" *Public Administration Review*, vol. 44, May/June 1984, p. 197.

[255] For a critical discussion of the difficulties encountered in interpreting the financial figures presented by the Grace Commission, see: Steven Kelman, "The Grace Commission: How Much Waste in Government?" *The Public Interest*, Winter 1985, pp. 62-82. Spencer Rich, "Experts Cite Flaws in Grace Panel's Claims for Savings," *Washington Post*, Jan. 29, 1984, p. A-3.

[256] Task Force Report (VIII) on Congress was titled: *The Cost of Congressional Encroachment* (1983). As the report named Members of Congress as recipients of favors and pleaders for special interests, the full commission backed away from this approach and published the report with the names blocked out. Not surprisingly, the "uncensored" report was published privately.

[257] Robert D. Hershey Jr., "Panel Says U.S. Can Trim Costs by $424 Billion," *New York Times*, January 13, 1984, p. 1; ($358 billion from spending cuts and $66 billion from revenue increases, such as user fees and taxes).

[258] J. Peter Grace, "To Save Trillions," *Conservative Digest*, vol. 11, October 1985, pp. 23-24.

Management, and the General Services Administration, and several lesser units.[259]

Results and Assessment.

The reception to the report with its 2,478 specific recommendations was mixed, ranging from warm to hostile. The recommendations were split between those requiring congressional action and those which could be implemented by presidential authority alone. OMB was charged with implementing those recommendations requiring presidential approval and with working with Congress to implement recommendations requiring legislation.

How many of the recommendations were accepted and implemented? The answer to this question is complicated. For one thing, it is always difficult to assign credit and parentage to an idea which is ultimately implemented. A substantial number of the Grace Commission recommendations had been around in one form or another (often in a GAO Report) for a number of years. To whom should credit be assigned? A number of proposals (some old and some new) found their way into legislation or presidential directive. Arguably, the most significant of the laws that could be attributed in large measure to Grace Commission promotion was the Chief Financial Officers Act (P.L. 101-576). While the Act had many sponsors, the critical impetus was provided by the Grace Commission and its interest group constituency in the financial management community.

Under pressure to show results, OMB announced victory in its *Fiscal 1990 Annual Management Report to Congress:*

> The President kept his promise. He accepted 83 percent of the Grace Commission recommendations (1,792 of the 2,160 unduplicated recommendations.... A summary of the current status of the 1,792 recommendations accepted by the President is as follows: 1,607 (90 percent of those accepted by the President) have been agreed to by Congress.... 117 (6 percent of those accepted by the President) have been rejected by Congress and are not being reproposed by the President.... 68 (4 percent of those accepted by the President) are being proposed or reproposed with the fiscal 1990 budget."[260]

While the Administration refined the Grace Commission "savings" projections, the fact was that substantial financial savings were only possible through major

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[259] U.S. Congress, Senate, Committee on Governmental Affairs, *Oversight of the Implementation of the Grace Commission Report*, Hearings, 99th Cong., 1st sess. (Washington: GPO, 1985). "We recommend consolidating responsibility for policy development and direction in the areas of financial management, budgeting and planning, human resources, administration and management improvement. This consolidation of various functions from the GSA, the OPM, and the OMB would be accomplished by establishing an Office of Federal Management." (p. 119)

[260] U.S. Office of Management and Budget, *Management of the U.S. Government, Fiscal Year 1990* (Washington: GPO, 1989), p. 5-1.

changes in public policy. Savings in administrative expenses directly attributable to the Grace Commission were modest.[261]

By and large, Mr. Grace and his commission were disappointed with the reception to their report. What had occurred, in the opinion of many, was that a report had been written with little understanding of the distinctive legal, organizational, and political factors that characterize the activities of the federal government. Peri Arnold summed up criticism of the Grace Commission thus: "[T]he Grace Commission's highly public and very large effort may not be best assessed by what reforms and savings it achieved. It was a populist-administrative passion play, and it demonstrated that given a chance to observe government closely, business people would see the inefficiency and waste they expected to find."[262]

Reorganization Act of 1984

The Reorganization Act of 1977 expired on April 7, 1981. Some in the then-new Reagan Administration called for the renewal of the authority, although the President never made it a major part of his personal agenda. In 1983, during the early days of the Grace Commission exercise, the Administration requested Congress to renew the authority, and hearings were held on H.R. 1314 (97th Congress) by the Subcommittee on Legislation and National Security of the House Government Operations Committee, chaired by Representative Brooks. The bill, which included a number of substantive alterations to the 1977 Reorganization Act, was intended by its sponsors to be a cooperative effort by the President and Congress to expedite reorganizations believed to be needed by the executive branch.

Court decisions during years after 1977, especially the Supreme Court's decision in *INS v. Chadha,*[263] had a significant impact on deliberations in Congress. In *Chadha*, the Supreme Court ruled that legislative vetoes, including those attached to the reorganization authority, were unconstitutional.

In an effort to meet the requirements of the *Chadha* decision, H.R. 1314 required that a joint resolution be introduced in both the House and Senate upon receipt of a reorganization plan. Affirmative action on this resolution was required for the reorganization to become law. If either house failed to vote, such inaction would constitute disapproval of a plan. Also, in the unlikely event that a President vetoed the plan he had previously submitted, a veto override would require a two-thirds vote of both houses.

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[261] The accuracy and relevance of savings estimates was the source of much controversy. To begin with, the Grace Commission began its estimates assuming a 10 percent inflation rate that tended to inflate future savings estimates. U.S. General Accounting Office and U.S. Congressional Budget Office, *Analysis of the Grace Commission's Major Proposals for Cost Control*, Report to the House and Senate Committees on the Budget (Washington: GPO, 1984).

[262] Arnold, *Making the Managerial Presidency*, 2nd ed., p. 376.

[263] *INS v. Chadha*, 462 U.S. 919 (1983).

Expedited procedures established in the 1977 Act were also significantly altered in H.R. 1314. The 1977 Act included a 60-day time period for congressional consideration of each reorganization plan, and also provided that no more than three plans might be pending at any time. Brooks and Representative Frank Horton, as congressional sponsors of the legislation, believed that the time frame was overly burdensome, and therefore extended the period for congressional consideration to 90 days. Within the 90-day period, other time limitations were extended proportionately. The 1977 Act allowed 30 days from the date of submission for the President to amend the proposal. H.R. 1314 extended that allowance to 60 days. The time period in which a President might withdraw a reorganization plan was extended from 60 to 90 days.

Committee action, previously required within 45 calendar days following submission, was extended to 75 calendar days. If the committee failed to report a resolution within that period, it would be deemed to have been discharged and the resolution would be placed on the appropriate calendar.

Another significant innovation in H.R. 1314 was the requirement that an implementation section be included in the President's message accompanying the reorganization plan. Such a provision was recommended by the GAO in its report of March 20, 1981 entitled: *Implementation: The Missing Link in Planning Reorganizations*. The GAO had found that agencies were experiencing considerable problems in implementing reorganization plans:

> Agencies reorganized under the Reorganization Act of 1977 experienced substantial startup problems. These included delays in obtaining key agency officials, inadequate staffing, insufficient funding, inadequate office space, and difficulties in establishing administrative support functions such as payroll and accounting systems.
>
> Solving these startup problems distracted agency officials form concentrating on their new missions during the critical first year of operation. These startup problems could be alleviated by including in future reorganization plans front-end implementation planning objectives.[264]

An "implementation provision" was added to Section 903(b) of Title 5:

> In addition, the President's message shall include an implementation section which shall (1) describe in detail (A) the actions necessary or planned to complete

[264] U.S. General Accounting Office, *Implementation: The Missing Link in Planning Reorganizations*, GGD-81-57 (Washington: GAO, 1981), pp. 5, 13. Reinforcing their concern about implementation, the GAO report cited a conclusion of a recent Carter Administration official with reorganization responsibilities. "For reorganization, as for any other change, implementation is the bottom line. Without it, the whole exercise is show and symbolism. Yet in real-life attempts at reorganization, serious concerns with implementation is typically too little and too late. Enormous attention is devoted to analyzing and deciding what changes should be made. The problem of getting from here to there is addressed only belatedly. To paraphrase Erwin Hargrove, implementation often seems the 'missing link' of reorganization." I.M. Destler, "Implementing Reorganization," in *Federal Reorganization: What Have We Learned?* ed. Peter Szanton (Chatham, NJ: Chatham House Publishers, 1981), p. 155.

> the reorganization, (B) the anticipated nature and substance of any orders, directives, and other administrative and operation actions which are expected to be required for completing or implementing the reorganization, and (C) any preliminary actions which have been taken in the implementation process, and (2) contain a projected timetable for completion of the implementation process. The President shall also submit such further background or other information as the Congress may require for its consideration of the plan.

The President's reorganization authority expired on December 31, 1984. During this period President Reagan did not submit any reorganization plans nor did he subsequently request renewal of the authority.

Why, after all these political maneuvering, did the Reagan Administration not take advantage of this brief (two month) window of opportunity to submit some reorganization plans? The answer appears to be that what little advantage remained in the reorganization plan process, namely an expedited procedure with a guaranteed vote, was more than matched by the disadvantages of following the complex introduction procedures and the submission of an implementation plan. In short, it was easier to simply follow the regular legislative process.

No subsequent President requested the reintroduction of the reorganization plan authority.[265]

National Performance Review (1993-1997) National Partnership for Reinventing Government (1997-2000)[266]

Context.

The last major executive reorganization exercise of the century, the National Performance Review (NPR), or as it was more popularly referred to, "reinventing government," represented an intentional break with earlier reorganization efforts. To be sure, there remained some similarities, but for the most part the NPR was different. To understand these differences, it is necessary to recognize that public sector management was undergoing a major philosophical (or paradigm) shift globally.[267]

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[265] U.S. Library of Congress, Congressional Research Service, *The President's Reorganization Authority: Review and Analysis*, by (name redacted), CRS Rept. RL30876 (Washington: March 8, 2001).

[266] The National Performance Review (1993-1997) was renamed for the second Clinton Administration to become the National Partnership for Reinventing Government. For purposes of this analysis, however, the term National Performance Review (NPR) will be used to cover the activities in both Administrations.

[267] Donald F. Kettl, *The Global Public Management Revolution: A Report on the Transformation of Governance* (Washington: The Brookings Institution, 2000).

In the years following World War II, virtually all nations, developed and less developed, followed a path of creating centrally planned economies with large bureaucracies and varying degrees of state-owned enterprises (SOE). This highly nationalistic approach to managing an economy created rigidities and noncompetitive industries that placed whole economies at risk of bankruptcy. With collapse looming, many nations in rapid succession abandoned their centrally planned economies and privatized their SOEs. In a matter of a decade, the 1980s, the world changed with the emergence of a globalized, technology-driven international economy.[268]

The decision to move away from governmentally controlled economies and towards a more decentralized, competitive, and market economy was striking in its speed, comprehensiveness, and universality. Commonwealth countries,[269] with their parliamentary form of government, in particular seemed to act the quickest in their retreat from state dominated economies. In this transformation, Great Britain and New Zealand stood out, as their actions were based in considerable part on the intellectual foundation of public choice theory. The specific actions were not random but rather tended to be part of a systematic implementation of a broad-based theoretical approach.

The nation that went furthest fastest in the direction of what had become known as the New Public Management (NPM) was New Zealand.[270] Using the language of transaction cost economics, the Labour Party (socialist) government attempted to separate administrative policymaking from service delivery, introduce private sector managerial practices, and reorient government management incentives toward individual manager self-interest. A series of laws set in motion large-scale divestiture, performance contracting, administrative devolution to sub-national governments, and the creation of quasi governmental organizations (sometimes called Quangos) were the highlights not only of the New Zealand exercise, but of many other of the Commonwealth countries, such as Canada, as well.[271] Donald Kettl summarized the management revolution in the Westminster world:

> Together, the British Commonwealth experiments amounted to a 'new public management'.... The new public management stemmed form the basic economic argument that government suffered from defects of monopoly, high

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[268] Charles Wolf, Jr., *Markets or Governments: Choosing Between Imperfect Alternatives* (Cambridge, MA: MIT Press, 1989). Dennis J. Gayle and Jonathan N. Goodrich, eds., *Privatization and Deregulation in Global Perspective* (Westport, CT: Quorum Books, 1990). Ezra N. Suleiman and John Waterbury, eds., *The Political Economy of Public Sector Reform and Privatization* (Boulder, CO: Westview Press, 1990).

[269] "Commonwealth" refers to members of the Commonwealth of Nations, a multi-national organization comprising Great Britain and her former dominions and colonies.

[270] Allen Schick, *The Spirit of Reform: Managing the New Zealand State Sector in a Time of Change* (Wellington: New Zealand State Services Commission, 1996). Graham Scott, Ian Ball and Tony Dale, "New Zealand's Public Sector Management Reform: Implications for the U.S.," *Journal of Policy Analysis and Management*, vol. 16 Summer 1997, pp. 357-81.

[271] Matthew Flinders, *The Politics of Accountability in the Modern State* (London: Ashgate, 2001). Paul Hirst, "Quangos and Democratic Government," *Parliamentary Affairs*, vol.65, April 1995, pp. 341-59.

> transactions costs, and information problems that bred great inefficiencies. By substituting market competition – and market-like incentives – the reformers believed that they could shrink government's size, reduce its costs, and improve its performance. Sometimes the argument came from the left, as in New Zealand. Sometimes the argument came from the right, as in the United Kingdom. However, at its core the movement sought to transform how government performed its most basic functions.[272]

The changes in public management were most evident first in the Commonwealth countries, next in selected OECD nations, and finally in the United States. The situation in the United States, however, was considerably different from that found in most other countries. First, unlike parliamentary systems, where the executive is able to change direction with considerable facility, in large part because their firm control over disciplined parties holding a majority in parliament, the United States operates under a Constitution that intentionally separates powers and brings the executive branch, ultimately, under the control of Congress. The President and Congress are co-managers of the executive branch, thus making dramatic and comprehensive shifts less likely to occur.[273] Second, the United States had never widely accepted the doctrine of government ownership of key industries, thus it had less apparent need to move toward many of the tenets of the New Public Management. And finally, the United States generally followed a constitutional practice of keeping separate and distinct the government and private sectors. Each had developed its own legal precedents and practices, with government being required to meet higher standards of behavior toward citizens than elements of the private sector.[274]

The American variation on the New Public Management theme, with its public choice overtones, was the "reinventing government" exercise led principally by Vice President Al Gore. Describing themselves as "New Democrats," President Bill Clinton and Vice President Gore sought ways and means for Democrats to move away from their traditional sympathies for government planning and economic intervention and toward a government organization guided more by market principles. To make this shift palatable to their partisans, the reinventors largely rejected the language of public choice opting instead for the language of business schools.

The origins of the entrepreneurial management paradigm, as it came to be called, are to be found in David Osborne's and Ted Gaebler's popular account, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*.[275] The authors mixed many of the ideas of market economics, as refined in the voluminous privatization literature of the 1970s and 1980s, with the most popular

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[272] Kettl, *The Global Public Management Revolution*, pp. 13-14.

[273] Robert S. Gilmour and Alexis A. Halley, "Congress and the Executive: Co-Managing Policy Implementation," Paper delivered at the 1991 Meeting of the American Political Science Association.

[274] (name redacted) and Robert S. Gilmour, "Rediscovering Principles of Public Administration," pp. 135-46.

[275] David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, MA: Addison Wesley, 1992).

of the then-current business motivational literature. The result was a call to action to those who favored government economic intervention (e.g., President Clinton's national health care program) but who wished it to be done selectively and at less cost, or at least the appearance of less cost. Osborne and Gaebler convinced Clinton and Gore that "reinventing" government to have agencies resemble large private sector corporations was both doable and politically advantageous.[276]

It was within this context that President Bill Clinton announced the establishment of the National Performance Review in 1993.

Authority.

There was no statutory authority assigned to the National Performance Review. This omission was intentional. The establishment of the NPR was simply announced by the President on March 3, 1993.[277] The whole operation was to remain informal, fluid, and with a moving cast of detailed participants. In 1997, the NPR changed its name to the National Partnership for Reinventing Government, to indicate that reinventing government called for constant change, even in titles.

Membership.

The creation of a blue-ribbon commission to manage the exercise and give its imprimatur to the reports and recommendations was never seriously entertained. The objective was to keep the NPR under the Vice President's Office and for the reports and recommendations to reflect his views and those of his staff. In this regard, several key staff leaders warrant mention. These included Elaine Kamarck of the Vice President's Office, Bob Stone, Project Director, and John Kamensky, formerly of GAO and Assistant to the Deputy Director at OMB.

Administrative Philosophy.

The administrative philosophy of the National Performance Review was intended to address a near universal problem; the public's disenchantment with government. Numerous studies and polls over a period of time indicated increasing frustration by the public with the manner in which executive agencies performed their duties and delivered services. This frustration was directed at all levels of government. In the 1980s, there was considerable interest in promoting "privatization" of services, a term employed broadly to include virtually any action that moved government toward private sector practices.[278] But privatization was not enough for those who wanted an American version of the New Public Management. Vice President Al Gore had assembled in April 1993 a large meeting of political and career executives where he announced that the government was going to be

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[276] Michael E. Norris, *Reinventing the Administrative State* (Lanham, MD: University Press of America, 2000). This book provides an overview and evaluation of the NPR.

[277] U.S. *Public Papers of U.S. Presidents, William Jefferson Clinton,1993,* "Remarks Announcing the National Performance Review," March 3, 1993, pp. 233-35.

[278] E.S. Savas, *Privatization and Public Private Partnerships* (New York: Seven Bridges Press, 2000), p. 3.

"reinvented" to reflect certain objectives, objectives encapsulated on laminated cards distributed to attendees.

We will invent a government that puts people first, by
- serving its customers
- empowering its employees
- fostering excellence

Here's How: We will –
- create a clear sense of mission
- delegate authority and responsibility
- replace regulations with incentives
- develop budget based outcomes
- measure success by customer satisfaction

Six months later, the NPR issued a report, *From Red Tape to Results: Creating a Government That Works Better and Costs Less*.[279] Four premises underlay the Report and the whole NPR exercise.

1. The federal government and the private sectors are similar in their essentials and respond similarly to management incentives and processes.

2. Federal government agencies should be viewed as entrepreneurial bodies which function best in a competitive market environment.

3. The size of the government is a function of the number of civil servants employed fulltime, hence it follows that to decrease the number of civil servants is to decrease the size of government.

4. Federal agency management should be both tied and subordinate to, budgetary priorities and processes.

The constitutional, or administrative management, paradigm that guided the republic since its inception was rejected by the NPR. This "old" paradigm, based on law, was the cause, in their view, of the "red tape" that hampered the introduction of contemporary management practices. In the entrepreneurial management paradigm, the agency manager is central. Congress is viewed as being engaged in micro-management.[280] The central management agencies, such as OMB, are tied to the

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[279] U.S. National Performance Review, *From Red Tape to Results: Creating a Government that Works Better and Costs Less* (Washington: GPO, 1993). See also: (name redacted), "The 'Reinventing Government' Exercise: Misinterpreting the Problem, Misjudging the Consequences," *Public Administration Review*, vol. 54, March/April 1994, pp. 111-22.

[280] Donald F. Kettl noted the anti-congressional bias of the reinventing government exercise: "First, 'reinventing government' seeks the transfer of power from the legislative to the executive branch. In the Vice President's report, Congress is notable principally for its rare appearance. When it does appear, it is usually as an unindicted co-conspirator responsible for undermining effective management. The NPR criticizes Congress for micromanagement
(continued...)

administrative management paradigm and therefore ought to be downgraded. And the executive branch is in need of disaggregation. With respect to the latter, agencies should be given wide latitude over their personnel, compensation, acquisition, and contract policies, as well as the applicability of regulations.

The administrative philosophy of the NPR set out to "melt the rigid boundaries between organizations. The federal government should organize its work according to customers' needs and anticipated outcomes, not bureaucratic turf."[281] The *Report* argued to change the public law basis of an agency's mission and replace it with an "outcomes" mission orientation as defined by the agency's management. The executive branch was to be culturally reorganized, not organizationally reorganized, to reflect the entrepreneurial values of the private sector. Vice President Gore wrote: "We are turning some of today's agencies into smaller, sleeker organizations that won't look like government at all. They will be like private companies, with a real CEO on contract to cut costs, and a free hand when it comes to the remaining government rules."[282]

Entrepreneurial managers view the legal distinctions between the government and private sectors as largely artificial, serving to hinder the implementation of contemporary business management practices. To their mind, the future should be one of government-private partnerships functioning in almost all fields. The partnerships, ideally, will be largely autonomous bodies run by managers under contract to meet negotiated performance standards. Managers of the future will be risk-takers who are willing to ignore the "unnecessary" rules, regulations, and control systems to get the job done right—and less expensively. There will be little need to change the laws, the goal being to change attitudes and behavior. The role of Congress, under the entrepreneurial model, will be reduced.[283] Empirical results, however defined, will be what counts, not legal processes and political accountability. The precedence of economically based values over legally based values is evident throughout the NPR literature.

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[280] (...continued)
and for unpredictable budgetary decisions. Almost all of what the NPR recommends, in fact, requires that Congress give up power." "Beyond the Rhetoric of Reinvention: Driving Themes of the Clinton Administration's Management Reforms," *Governance*, vol. 7, July 1994, p. 309. While it may have been one of the intentions of the NPR to reduce the role of Congress, a number of its decisions and actions, paradoxically, actually work to increase the administrative oversight role and power of Congress. James R. Thompson, "The Clinton Reforms and the Administrative Ascendency of Congress," *American Review of Public Administration*, vol.31, September 2001, pp. 249-72.

[281] National Performance Review, *From Red Tape to Results*, p. 48.

[282] U.S. National Performance Review, *The Best Kept Secrets of Government* (Washington: GPO, 1996), p. 65.

[283] Congress was little consulted by the NPR staff during the critical drafting stage. James D. Carroll and Dahlia Bradshaw Lynn, "The Future of Federal Reinvention: Congressional Perspectives," *Public Administration Review*, vol. 56 May/June 1996, pp. 299-304. Arnold, *Making the Managerial Presidency*, 2nd ed., p. 387.

Organization, Staff Support, and Finances.

When President Clinton announced on March 3, 1993 that the National Performance Review would issue a report with recommendations six months hence, there was no NPR in existence. There was no staff, no funding, and no work plan. The Vice President formed a small team, which in turn developed an interagency task force. As an interagency task force, as opposed to a statutory body, the NPR could not have its own personnel or an independent budget account. Its personnel were to be temporarily detailed from agencies and NPR's funding would, in effect, have to originate in existing agency appropriations. Some consultants (e.g., David Osborne at $10,000 a month) were hired. Space was rented across the street from OMB and the size of the staff, at its height, reached 250 persons, nearly all of whom were career government employees on detail from their agencies. The actual cost for the NPR exercise, although substantial, was included for the most part in agency budgets, but has not been identified or estimated.

Reports and Recommendations.

The President, in announcing the formation of the NPR in March 1993, stated that he expected to receive a report with recommendation in six months. A number of study teams met and drew up recommendations. David Osborne was the leader in the drafting stage. The end result was unveiled at a ceremony held on the White House lawn on September 7, 1993. Titled *From Red Tape to Results: Creating a Government that Works Better and Costs Less*, the report promised changes in government management, not so much programmatically as behaviorally.[284]

The report describes "roughly 100 of our most important recommendations, while hundreds more are listed in the appendices...." These recommendations were expected to produce savings of $108 billion over 5 years with the biggest savings ($40.4 billion) listed under the category of "streamlining the bureaucracy through reengineering." The NPR report recommended eliminating one half of the executive branch middle management (252,000 persons) over 5 years. "The report was vividly anecdotal."[285] The remaining recommendations were a mixture of the significant and insignificant. There was a call for biennial budgeting, a line item veto, and major restructuring of the Inspectors General role, all requiring statutory action at some point. On the other hand, minor items such as establishing a Customer Service Bureau in the Executive Office of the President and reducing the number of Marine guards at U.S. embassies, received equal billing.

Much more important than the specific recommendations, and much more subtle, was the implicit recommendation in the report to redefine the role and

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[284] The NPR, over time, would produce a number of reports, such as: *Common Sense Government: Third Report of the National Performance Review* (1995); *The Best Kept Secrets of Government* (1996); and *Businesslike Government: Lessons Learned from America's **Best** Companies* (1997). Reports such as these, plus additional commercially published books, were intended to rally the partisans of "reinventing government." David Osborne and Peter Plastrik, *Banishing Bureaucracy: The Five Strategies for Reinventing Government* (Reading, MA: Addison-Wesley, 1997).

[285] Arnold, *Making the Managerial Presidency*, 2nd ed., p. 389.

authorities of the institutional President and the central management agencies. The "M" ("management") side of OMB was to be downgraded or eliminated and replaced by interagency committees,[286] principally a new President's Management Council.[287] The entrepreneurial management paradigm underlying the NPR called for a highly pluralistic organizational and management structure for the executive branch. Agencies were to be viewed as competitive enterprises in charge of their own personnel and financing systems. They were to be substantially reliant upon a contractor workforce. Throughout the report, the implicit argument appeared to be that greater faith should be placed in the abilities and motivations of politically appointed leadership in the departments and agencies. Together with a re-culturated federal and contract workforce, the new management team would insure that performance, however defined, would become the pre-eminent value. Performance would replace political accountability as the primary objective for federal organization and management.[288]

Results and Assessment.

Enumerating and evaluating the results of the NPR is not an easy task, as James Thompson indicates:

> Assessing the NPR is in many ways problematic; the scope of the reform program is broad, the rhetorical element is substantial, the underlying 'theory' elusive. Some objectives are so broad and ambiguous as to deter other than tentative conclusions about outcomes. Also, given the size of the government, a major commitment of time and resources would be required to make any kind of comprehensive assessment of outcomes.[289]

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[286] There was a successful effort in 1994 to virtually eliminate the management side of OMB altogether and subordinate management to the budget side with its priorities and personnel. In defending the 1994 reorganization, then-OMB Director Leon Panetta, stated: "Critics of these recommendations may say the effort to 'integrate' management and budget will end in merely bigger budget divisions, whose management responsibilities will be driven out by daily fire-fighting on budget issues.... We believe this criticism is based on a false premise that 'management' and 'budget' issues can be thought of separately." Leon Panetta, quoted in "Executive Memo: OMB Management Merger," *Government Executive*, vol. 26, April 1994, p. 8.

U.S. Office of Management and Budget, *Making OMB More Effective in Serving the Presidency: Changes in OMB as a Result of the OMB 2000 Review*, OMB Memorandum 94-16 (Washington: OMB, Mar. 1, 1994). Alan Dean, Dwight Ink, and Harold Seidman, "OMB's 'M' Fading Away," pp. 62-64. U.S., General Accounting Office, *Office of Management and Budget, Changes Resulting From the OMB 2000 Reorganization*, GGD/AIMD-96-50 (Washington: GAO, 1995). Paul Light, "The Incredible Shrinking Budget Office," *Government Executive*, vol. 43, Jan. 2002, p. 66.

[287] For a supportive description of the President's Management Council and its work from 1993-2000, see: Margaret L. Yao, *The President's Management Council: An Important Management Innovation* (Washington: PricewaterhouseCoopers Endowment, 2000).

[288] Dall W. Forsythe, *Quicker, Better, Cheaper? Managing Performance in American Government* (Albany, NY: Rockefeller Institute, 2001).

[289] James R. Thompson, "Reinventing as Reform: Assessing the National Performance Review," *Public Administration Review*, vol. 60, Nov./Dec., 2000, pp. 508-09.

The thrust of the NPR, as noted previously, was different than earlier reorganization exercises.[290] It was not so much interested in altering institutions and lines of accountability as in changing behavior at the line agency level and below. The pertinent concepts were to be found more in the generic behavior literature of business schools than in public administration literature.[291] "Change" became the operative word. Managers were referred to as "change agents" and expected to adopt generic management practices.

Legislatively, not much can be credited directly to the NPR. The most important piece of legislation reflecting the shift of values from political accountability to performance was the Government Performance and Results Act (GPRA), passed by Congress in 1993 (107 Stat. 285). The development of the bill and the concepts it represents, however, came principally from Congress and organizations outside the executive branch and NPR. Think-tanks, both conservative and liberal, actively promoted the legislation in Congress, with a vigorous assist from GAO. Unlike previous budgetary/management process exercises, such as the program performance budgeting system (PPBS) and zero-based budgeting (ZBB), GPRA had a statutory basis and mandate making it more difficult for agencies to ignore altogether. NPR leaders, plus a number of outside organizations (e.g., Reason Foundation, National Academy of Public Administration), pushed hard to integrate GPRA thinking into agency management, and to a limited degree succeeded. Finally, a government-wide set of GPRA goals was published for FY 2001.[292] Like much of the rest of the NPR, evaluations of GPRA are presently mixed,[293] but GPRA is still a story in the making.

Just prior to the 2000 election, the NPR evaluated itself and returned to its earlier populist themes. Its most important self-proclaimed accomplishment was the "ending of the era of big government." The NPR "reduced the size of the federal civilian workforce by 426,200 positions between January 1993 and September 2001," more than the 252,000 they originally promised. "Action [was taken] on more than two-thirds of NPR recommendations resulting in savings of more than $136 billion," once again more than the $108 billion promised. The NPR made its cuts and savings "the right way by eliminating what wasn't needed—bloated headquarters, layers of managers, outdated field offices, obsolete red tape and rules." They cut 78,000 managers, cut 640,000 pages of internal agency rules and closed nearly 2000 obsolete field offices and eliminated 250 programs and agencies, like the Tea-Tasters Board, the Bureau of Mines, and the wool and mohair subsidies. Similar statistical claims were offered under other headings, such as "Serving People Better."

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290 John Kamensky, "Role of the 'Reinventing Government' Movement in Federal Management Reform," *Public Administration Review*, vol. 56, May/June 1996, pp. 247-55.

291 Arnold, *Making the Managerial Presidency*, 2nd ed., p. 418.

292 U.S. Office of Management and Budget, *Government-Wide Performance Plan* (Washington: GPO, 2000).

293 Beryl A. Radin, "The Government Performance and Results Act (GPRA): Hydra-Headed Monster or Flexible Management Tool?" *Public Administration Review*, vol. 58, July/Aug. 1998, pp. 307-315.

On the other hand, critics disputed whether these statistics and claims constituted steps toward a better managed government, or were even true.[294]

Second-level objectives, such as "employee empowerment" and increased discretion to managers, were declared successful in a number of agencies. Personnel practices were indeed loosened in some instances and agencies went out on their own initiative to create "quasi" entities.[295] Managers were encouraged to be entrepreneurs with financial objectives and standards.[296] There was substantial evidence of changes in behavior patterns (presumably better) in agencies dealing with the public. Whether all this action was "successful" depends upon the values and evidence used by the reviewer. Thus, there are reviews warm in their praise.

> The federal government has become a business incubator, nurturing a dazzling variety of small businesses within its own agencies. Entrepreneurial

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[294] Typical of the difficulties encountered when attempting to assign "savings" to NPR management claims is President Clinton's announcement in 1994 that he was going to use the "downsizing savings" to pay for putting 100,000 more police officers on the streets, a sum calculated within the Omnibus Crime Control Act.

[295] In 1995, OPM Director James King created, without specific statutory authority, a private corporation, U.S. Investigations Service (USIS), as an employee stock-owned plan (ESOP) entity. To USIS were transferred some 700 U.S. employees that were formerly in the OPM's Federal Investigations Division. The rationale was that this new corporate entity would "save" the jobs of the downsized Federal Investigations Division's employees. OPM awarded USIS a noncompetitive three-year contract to "jump-start" the operation. As might be expected, this bit of entrepreneurship by the OPM Director has proved controversial from both a constitutional rights and an economic policy perspective. (name redacted), "The Emerging Federal Quasi Government: Issues of Management and Accountability," *Public Administration Review*, vol. 61, May/June 2001, pp. 304-05.

For a full case study of the lack of political accountability allegedly built into the process of having executive agencies create, without explicit statutory authority, private, nonprofit organizations to perform functions normally reserved to federal executive agencies, see: A. Michael Froomkin, "Wrong Turn in Cyberspace: Using ICANN to Route Around the APA [Administrative Procedure Act] and the Constitution." *Duke Law Journal*, vol.50, 2000, pp. 17-143.

[296] A typical example of the "business mindset" encouraged by the NPR involved the naval command at Patuxent Naval Air Station. In the name of "profit," the command contracted out its high tech planes and personnel to the state of Maine to hunt for healthy blueberry patches. "With defense budgets shrinking and more cuts threatened, military research labs and testing bases in the Washington area are aggressively seeking such business deals to help pay the bills and keep expensive facilities and equipment operating. Consultants are even training government program managers and engineers to think like copier salesmen and 'sell' their products." Steve Vogel, "Pentagon Recruits New Business: Military Turns to Private Enterprise to Help Pay Bills," *Washington Post*, Aug. 8, 1998, p. B-1.

There was, and remains, a legitimate clash of opinion over whether it is wise, creative, or even legal for Patuxent to go entrepreneurial. Whether this initiative, like so many others, results, if not immediately then soon, in a perversion of the mission and character of government remains of concern. What may appear initially as a rather simple operational decision may, in fact, be a decision of considerable policy and legal implications.

> organizations have flourished since the Clinton administration came to power in the early 1990s with its goal of remaking government in the image of business.[297]

Other reviewers hold mixed opinions[298] or conclude that, on balance, government management has suffered from the experiment to remodel the executive branch along private corporate lines. Critics generally see an erosion in the legal basis for administrative management, a weakening of the central management agencies and authorities, and a general process of disaggregation overtaking the executive branch. Most seriously, they tend to see in entrepreneurial management generally, and the NPR specifically, an unhealthy retreat from democratic values.[299]

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[297] Anne Laurent, *Entrepreneurial Government: Bureaucrats as Businesspeople*, (Washington: PricewaterhouseCoopers, 2000), p. 1.

[298] See testimony of Paul Light (pp. 8-10) and Donald F. Kettl (pp. 59-69) at U.S. Congress, Senate, Committee on Governmental Affairs, Subcommittee on Oversight of Government Management, and the District of Columbia, *Has Government Been 'Reinvented'?* Hearings, 106th Cong., 2nd sess. (Washington: GPO, 2000). James R. Thompson, "Reinvention as Reform: Assessing the National Performance Review," Public Administration Review, vol.60, Nov./Dec. 2000, pp. 508-21.

[299] Larry Terry, "Administrative Leadership, Neo-Managerialism, and the Public Management Movement," *Public Administration Review*, vol. 58, May/June 1998, pp. 194-200.

The Future of Reorganization Commissions

It is one of the givens of government that executive organization undergoes constant change. These changes may be comprehensive and visible, or incremental and of low visibility. They may reflect a variety of values, some emphasizing universality, and others particularity. Changes may be designed and intended to enhance agency accountability, or encourage managerial autonomy. One reorganization may be inconsistent, or even contradictory, with another. Reorganizations may reflect a new agreement among previously conflicting parties, or reinforce their irreconcilable differences. The point is that reorganizing the executive branch of government is a natural and continuous activity.

Reorganization, while it may be natural and continuous, is not a neutral activity. There are winners and losers when reorganizations occur. Not all reorganization proposals are of equal value and utility. Reorganizations are instrumental in character and have no value except as they assist in achieving an agreed upon political or policy objective. Reorganizations cannot make workable and successful programs that are conceptually unsound. There are distinct limitations and management costs associated with reorganization. Reorganizations are not self-executing exercises. Implementation may be costly and result in unanticipated and undesired consequences. Even if one assumes that the motives of the reorganizers are worthy, how is one to know a "good" from a "bad" reorganization? Is there any theory or set of principles available to use as guideposts in evaluation? Is there some tribal wisdom available that expresses the collective experience of those who have wrestled with executive management issues before? Or, are we intentionally to avoid this collective wisdom of the past and single-mindedly seek out new truths and new organizations?

Reflecting upon the organizational state of the executive branch during the 20th century, it is evident that the motivating force for comprehensive reorganization commissions has changed. From the turn of the century to the mid-1970s, comprehensive commissions were viewed as instruments to promote executive branch political accountability to the President, and through the President to Congress. The proposal for a Bureau of the Budget, for instance, was strongly favored by Congress as a means to hold the President responsible for agency budget submissions and for subsequent agency oversight. To be sure, the Budget Bureau strengthened the institutional presidency, but this strengthening was not part of a zero sum game where one institution's gain must necessarily be at the expense of another institution. Rather, the centralizing element inherent in the establishment of the Budget Bureau worked to the benefit of both the President and the Congress in their relations with the departments and agencies of the executive branch.

Beginning in the 1970s, and reaching its peak at the end of the century, a different motivating force for reorganization emerged. The entrepreneurial values of the National Performance Review (NPR), for instance, were arguably not congenial to central management of the executive branch, or to the political accountability associated with central management. Indeed, managerial autonomy at the agency level became one of the highest values of the NPR. Political accountability, in the NPR view, was to be largely supplanted by management processes intended to provide better results and performance, however those terms might be defined and measured.

There was nothing modest in the claims of the NPR. The rhetoric tended to be hortatory and the evidence cited anecdotal. Entrepreneurs prefer to avoid theory and rely instead on "success stories" to teach government managers how to perform better. Congress rarely appears in their writings or motivational seminars, and their attitude is more likely to be one of confrontation than conciliation. Vice President Gore's reinventing government exercise measured its success in "vanquishing big government" at least in part by the number of civil service positions it eliminated. By and large, the entrepreneurs abjure theory with its requirements of precision, predictability, replicability, and acceptance of disproof,[300] preferring instead the enlightenment of success indicators, such as customer polling ("We will ... measure our success by customer satisfaction").[301] All of this is important in assessing the future of landmark commissions in the coming century, even if the New Public Management "paradigm" itself proves to be of passing persuasiveness.

A distinction needs to be drawn between commissions established to study specific issue areas with recommendations forwarded to the President, Congress, appointing authority, the public, or any combination of the above. These commissions, such as the current Social Security Commission, remain popular, and the number appointed annually is likely to remain high. The so-called landmark commission, however, constitutes a very different situation. Of necessity, a comprehensive review of the organization of the executive branch requires a coherency of objectives and evaluations that are difficult to develop without some overarching theory or set of principles.

Has the day of the landmark commission passed? Has the loss in appeal of the so-called "orthodox theory" of organizational management made the comprehensive study approach obsolete? Can the entrepreneurial management paradigm be offered as a viable, comprehensible theory to which a commission may repair in organizing its studies and recommendations? Or, would a commission naturally gravitate back toward the earlier values of, say, the Hoover Commissions? Can a new set of organizational doctrines be developed to accommodate the traditional constitutionalist values with the entrepreneurial values? Or, is there a "new" new public management waiting somewhere to be discovered?[302] Even if some agreement on organizational theory can be reached, at a more practical level has the executive branch simply become too complex for a single commission to study and make appropriate recommendations? What about the burgeoning quasi-government;

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[300] Karl Popper, *The Logic of Scientific Discovery* (New York: Basic Books, 1959).

[301] National Performance Review, *From Red Tape to Results*, p. 7.

[302] The first of the 21st century "new" management paradigms intended to replace the New Public Management of the 1990s is to be found in the "tools of government" approach advocated by Lester Salamon as the "new governance" paradigm. Lester M. Salamon, ed., *The Tools of Government: A Guide to the New Governance* (New York: Oxford University Press, 2002).

should it be included within the purview of any future landmark commission?[303] Finally, should the President and his central management agencies seek to reassert their prior role over matters of organizational management?[304]

Doubts regarding the utility of landmark-type commissions notwithstanding, they retain much of their appeal to lawmakers. It is a rare Congress indeed in which there is not some effort to establish a "new Hoover Commission." As mentioned previously, such a bill (S. 2306) was introduced in the 106th Congress by Senator Fred Thompson, then-chairman of the Senate Governmental Affairs Committee. The charge to the nine-member commission was to make structural recommendations respecting the entire executive branch and incorporate them in a single bill. This bill would then have to be considered by Congress and voted up or down following expedited procedures. Among its supporters was Paul Light of the Brookings Institution who announced at a hearings in 2000:

> I believe, too, that there has been a lack of attention to structural reform.... I think you should pass S. 2306. I think you should attach it to every bill leaving this Committee and every bill leaving the Senate. I have referred to the Federal organization chart as rather like the mouth of the Ulonga-Bora River where the African Queen and Humphrey Bogart got bogged down. I think that S. 2306 could be that gentle rain that lifts the Federal Government out of the mouth of that swamp and gets it back on track. I think it is time for a very detailed look at the structure of the Federal Government, and that has to be done through legislation. I don't see anyway you can do it otherwise.[305]

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[303] (name redacted), "The Emerging Federal Quasi Government," pp. 290-312.

[304] There is a considerable literature describing the decline of both the President's and OMB's managerial capacity and interest. This literature is critical of the trend and generally supports the establishment of an Office of Federal Management separate from the budget office with a director reporting directly to the President. National Academy of Public Administration, *Revitalizing Federal Management: Managers and Their Overburdened Systems* (Washington: NAPA, 1983), pp. 11-13; statement of Dwight Ink: U.S. Congress, Senate, Committee on Governmental Affairs, *OMB's Response to Government Management Failures*, 101st Cong., 2nd sess. (Washington: GPO, 1991), p. 29; statement of Representative Stephen Horn: U.S. Congress, House, Committee on Government Reorganization and Oversight, *Making Government Work, Fulfilling the Mandate for Change*, H. Rept. 435, 104th Cong., 1st sess. (Washington: GPO, 1995,), p. 8. (name redacted), "The HUD Scandal and the Case for an Office of Federal Management," *Public Administration Review*, vol. 51, July/Aug., 1991, pp. 198-207. Paul C. Light, *The Tides of Reform: Making Government Work, 1945-1995*, (New Haven: Yale University Press, 1997), p. 228; and Light, "The Incredible Shrinking Budget Office," *Government Executive*, vol.43, Jan. 2002, p. 66.

[305] U.S. Senate, Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia Subcommittee, *Has Government Been "Reinvented"*?, p. 10. Light argues elsewhere that successive "tides of reform" since World War II have left debris on the shoreland. "It may be time, therefore, for a kind of blue-ribbon 'clean-out commission' to sort through the various management tables of the *U.S. Code* in search of needed sunsets. Such a commission, to be appointed by Congress and the President, could be given the same authority to recommend an all-or-nothing sweep of outmoded, unnecessary statutes and federal regulations that helped the Base Closure and Realignment Commission do its job. The clean-out commission could also be charged with thinning the government of unnecessary layers of political and career management." *The Tides of Reform*, p. 231.

In the late 1980s, Congress passed a law (which President Reagan signed) one provision of which authorized the establishment of such a commission. The public law elevating the Veterans Administration to departmental status provided for the establishment of a National Commission on Executive Organization patterned in general outline after the first Hoover Commission of the late 1940s (102 Stat. 2635, Sec. 17). This new Commission, however, could be activated only by presidential initiative. If the President, in this case the newly inaugurated George H.W. Bush, transmitted written notification to Congress within 30 days after the operational date for the Veterans Department (March 15, 1989) that such a Commission would serve "the national interest," then, and only then, would the Commission be activated. President Bush, although he was on the receiving end of some congressional lobbying for the Commission, let the final date, April 15, 1989, pass without a message to Congress requesting the Commission.[306]

If, obstacles notwithstanding, a new landmark-style commission were established to review comprehensively the structure of the executive branch, what sort of situation would this commission face with respect to the political and institutional presidency and the Congress? Are there units within each of these branches that currently handle organizational management issues that might feel threatened and offer resistance? Or, have both institutions retreated from their organizational management responsibilities?

Looking to the presidency first, it is clear that recent Presidents have been ambivalent towards management generally, and organizational management in particular. Whereas once, through the mid-1970s, there was a consensus that the President was the "chief manager" of the executive branch and should have institutional capacity to perform these responsibilities, no such consensus exists today. Recent Presidents, beginning with John F. Kennedy, have been warned by scholars and aides to avoid management issues. Stephen Hess, writing in 1976, and read by President-elect Jimmy Carter, argued that the President ought to limit himself to political leadership. "Presidents have made a serious mistake, starting with Roosevelt, in asserting that they are chief managers of the federal government.... Rather than chief manager the President is the chief political officer of the United States."[307] This argument was repeated in various forms for the remainder of the century. These scholarly warnings reinforced the inclination of contemporary Presidents to shy away from management responsibilities. One consequence of this retreat was an erosion in the will and capacity of the Office of Management and Budget (OMB) to perform management functions. In a bit of historical irony, the erosion of OMB's capacity to manage became pronounced shortly after the implementation of the Reorganization Plan of 1970 that, among other things,

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[306] It should be noted that the mandate of the Commission was carefully spelled out in the legislation to include four reasonably narrow and focused organizational issues, such as reviewing the organization and effectiveness of the Executive Office of the President for conducting performance oversight of the executive branch.

[307] Stephen Hess, *Organizing the Presidency* (Washington: The Brookings Institution, 1976), p. 147.

changed the name of the Bureau of the Budget to that of the Office of Management and Budget.[308]

While employee statistics may not tell the whole story, they provide evidence of the decline in OMB's management capacity, and therefore the institutional presidency's decline as well. In 1970, 224 employees were on the management side of OMB. By 1980, when Carter left office, the number had fallen to 111. The Reagan Administration further reduced this staff to only 47 (compared to 8,500 at the staff level of agency Inspectors General).[309] Rather than rebuild the OMB management capacity, as recommended by NAPA and others, the Clinton Administration decided ("OMB 2000 Review") to integrate most of the remaining staff of the General Management Division into five Resource Management Offices (RMOs) structured along budgetary functional lines.[310] In early 2002, there remained only a skeletal staff of 12 with the position of Deputy Director for Management continuing its pattern of vacancies and short tenures.[311]

What does this admitted retreat from management by the President and OMB have to do with future proposals for a landmark-style commission? The fact is that the proper design and implementation of structural management proposals rests with a central management agency that functions from a presidential perspective. Reorganizations that are designed and implemented by the agencies themselves tend to meet parochial needs that may or may not be in concert with the President's interests.

With respect to Congress, it had been the intention of the Hoover Commission in 1949 to have most future executive reorganization be the result of ongoing interchange between the then-Bureau of the Budget and a single committee in both houses of Congress. The House and Senate each established Government Operations Committees, committees that continue to function today with different titles and an altered sense of mission. All presidentially initiated reorganization plans were to be sent to these committees rather than to the subject field committees to insure that managerial issues were addressed according to executive branch-wide standards. Joint hearings and referrals yes, but the final response rested with the general management committees. With the end of the reorganization plan process in 1984, reorganization proposals now typically are referred to the subject field committees none of which have a government-wide perspective. The result is increasing disaggregation in the organization and management of the executive branch.

The institutional weakness in the executive and legislative branches with respect to structural questions has implications that could well influence the prospects of

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308 National Academy of Public Administration, *Revitalizing Federal Management,* pp. 11-13.

309 Gerald Riso, "The New OMB: In Search of a Management Role," *Government Executive*, vol. 21, April 1989, p. 59.

310 U.S. Office of Management and Budget, "Making OMB More Effective in Serving the Presidency: Changes in OMB as a Result of the OMB 2000 Review," OMB Memorandum No. 94-16, March 1, 1994.

311 Light, "The Incredible Shrinking Budget Office," p. 66.

success any new landmark commission might enjoy. A commission cannot successfully function and see its recommendations implemented if it does not have institutional support readily available. It cannot work in an environment isolated from the ongoing government. A successful landmark commission seemingly requires as a necessary, but not sufficient, precondition the proper working of a central management agency in the Executive Office and jurisdictional support of general management committees in the House and Senate.

Several generalizations may be useful in concluding this review and analysis of landmark commissions and their utility for the future.

1. A focused and limited mandate for a commission (e.g., the need for a separate Office of Management and Budget) is more likely to provide useful results than a commission with a broad, unstructured mandate with substantial policy implications.

2. A commission should have ties with central managerial agencies in the executive branch and with committees with general management responsibilities in Congress. Others besides the commission must have a stake in the success of the exercise.

3. Commissions should be cognizant of the distinctive legal character of governmental organization and activities. Included in any commission review should be a review, with recommendations, of the general management laws pertinent to the mandate of the commission.

4. There should be some consensus in advance among commission members regarding the organizational principles to be applied in their review and recommendations. Commissions do not tend to be effective vehicles for generating consensus if none previously existed.

Acceptance of these general propositions for an effective landmark-style commission does not guarantee success, but it may be difficult to envision success if they are willfully ignored.