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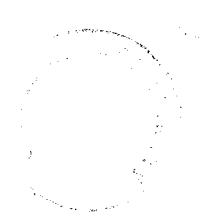
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Unqualified approval of Mr. Ash's September 13 request would be a signal that the President favors continued work within the Executive Branch toward the OMB-favored proposals for the two mentioned super-departments for natural resources and for human resources.

I recommend that the President respond:

"I favor continued exploration, but I have an entirely open mind as to what ^{re} organizations, if any, I will ultimately want to propose."

Of course, the President should respond with unqualified approval if he already believes that the OMB-favored super-departments are a good idea. Alternatively, he should clearly reject the Ash recommendations if his prior exposure to such re-organization proposals has persuaded him that they are unsound or if he would rather defer such politically-troublesome proposals for the time being.



THE WHITE HOUSE
WASHINGTON

August 22, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ROY L. ASH
FROM: JERRY H. JONES
SUBJECT: Reinstatement of Executive
Reorganization Authority

Your memorandum to the President of August 16 on the above subject has been reviewed and approval was given for you to prepare legislation for the President to submit to Congress immediately after the upcoming recess. 1974

cc: Al Haig
Bill Timmons
Ken Cole
Phil Buchen



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 16, 1974

Time:

FOR ACTION: Bill Timmons
Ken Cole
Phil Buchen

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, August 20, 1974

Time: noon

SUBJECT:

Ash memo (8/16/74) re: Reinstatement of Executive
Reorganization Authority

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

My judgment is that it would not be good strategy to ask
for reinstatement at this time. Should wait until next year
when the President has an idea of what reorganization he
wants.

Philip W. Buchen
Philip W Buchen

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please

THE WHITE HOUSE
WASHINGTON

AUG 16 1974

MEMORANDUM FOR THE PRESIDENT

FROM: ROY J. ASH

SUBJECT: Reinstatement of Executive Reorganization Authority

The Reorganization Act of 1949 created authority for the President to submit Reorganization Plans for reorganizing elements of government of less than Department stature. These plans have important advantages over regular legislation--each is a set proposal which cannot be amended, and each takes effect automatically after 60 calendar days of Congressional session unless vetoed by either House. Over the years, 93 Presidential plans have been submitted and 73 have been approved. Such important agencies as OMB, EPA, ACTION, and the Drug Enforcement Administration have been created in this manner.

This authority expired on April 1, 1973, and previous attempts to obtain Congressional extension have failed. If we are to have any chance to obtain renewal of this important Presidential authority, I believe we must:

- Submit legislation before Congressman Brooks succeeds Chet Holifield as Chairman of the House Government Operations Committee, since Brooks has strongly opposed this legislation in the past;
- take advantage of whatever "honeymoon" period we can expect; and
- ask for your personal support and assistance in obtaining early Congressional attention.

If you concur, I will prepare legislation for you to submit to Congress immediately after the upcoming recess.

Tuesday 8/29/74

11:45 Had checked with Judy earlier today about the attached.

Called just now -- since we have a deadline of noon --

Tom says:

"My judgment is that it would be very bad politics to ask for authority for for reinstatement at this time. Should wait until next year when he has an idea of what reorganization he wants (he, the President). Nixon abused the authority; that's why it got taken away. Suggest 'cooling it' until we know specific reorganizations that we would like to create through this organiz authority."



THE WHITE HOUSE
WASHINGTON

Eva: Please have
Tom look at
this promptly
on Monday and
see if he thinks
the Transition
Team should
endorse the Ash
proposal. Then
let me know so
I can prepare
"Remarks" accordingly.
D.



THE WHITE HOUSE

ACTION MEMORANDUM

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FOR ACTION: Bill Timmons
Ken Cole
Phil Buchen

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For Your Comments

Draft Remarks

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TERRY H. JONES

THE WHITE HOUSE
WASHINGTON

AUG 16 1974

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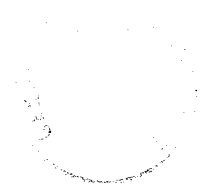
THE WHITE HOUSE
WASHINGTON

Derry Jones

1000

2016

31-10-13



Tuesday 8/29/74

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Tom says:

"My judgment is that it would ^{not be good strategy} be very bad politics to ask for authority for ~~for~~ reinstatement at this time. Should wait until next year when ^{President} he has an idea of what reorganization he wants, (he, the President). ~~Nixon abused the authority;~~ that's why it got taken away. ~~Suggest 'cooling it' until~~ we know specific reorganizations that we would like to create through this ~~organiza~~ authority."

I believe,

*If you'd like me to call
the Staff Secy and
get a delay in
reply — I will.*



Date: September 13, 1974

Time:

FOR ACTION: Ken Cole
Bill Timmons
✓ Phil Buchen
Dean Burch

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, September 17, 1974 Time: cob

SUBJECT:

Ash memo (9/13/74) re: The President's
Departmental Reorganization Program (PDRP)

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

I would recommend that the President "disagree" on all three points until he has a chance later to determine the types of reorganization on which he may want to have further studies made.

T.W.B



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE

WASHINGTON

SEP 13 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

ROY L. ASH

SUBJECT:

The President's Departmental
Reorganization Program (PDRP)

Early in 1971, President Nixon proposed to the 92d Congress a sweeping reorganization of seven Cabinet Departments and several independent agencies into four new Departments of Natural Resources, Human Resources, Community Development, and Economic Affairs. This package of four related bills was known as "the President's Departmental Reorganization Program." Fairly extensive hearings were held in both Houses but because of the magnitude of proposed change, Congressional indifference to reorganization, and expected resistance from clientele groups, the 92d Congress failed to act conclusively on any of the Departmental proposals.

These reorganizations were strong Presidential commitments and were a major part of an effort by the Administration to sustain a program of reform and improvement in the structure and management of government. The experience of the last three years in failing to generate Congressional interest indicates there is little hope for such an integrated package of major reorganizations at this time. However, the problems which they addressed still remain. Therefore, while I believe that it is unrealistic to press this entire package of reorganizations, it contains several important initiatives which can and should be sustained:

1. The concept of a Department of Energy and Natural Resources is still sound and has generated considerable Congressional interest. The bill creating ERDA, if passed, would require a Presidential restudy of the whole Governmental organization for energy and natural resources, including the disposition of the Federal Energy Administration (FEA) when it expires. This is clearly an organization problem we will be required to resolve. Attachment A outlines a proposed course of action leading to resubmission of this legislation.

2. The Department of Human Resources - (DHR). Secretary Weinberger and HEW leadership feel that HEW badly needs organizational overhaul. There is much Congressional and clientele dissatisfaction as well, but a lot of conflict about the best solution. If the agreement of affected departments can be assured, I believe this legislation should be resubmitted, and Secretary Weinberger asked to take the lead in securing passage. Attachment B outlines a course of action leading to that decision.

3. Prospects for a Department of Economic Affairs are nil, but now, more than ever, we should take a hard look at the government organization for economic policy formulation, assistance and development. This should be part of the views solicited in our present series of economic conferences, and, if you concur, I propose to follow up with further consultations aimed at developing organizational recommendations for you to consider at a later date.

Attachments A and B

DECISION

- | | |
|---|---|
| 1. Proceed with study leading to development of bill to create DENR | Agree []
Disagree []
See me [] |
| 2. Proceed with soundings that might lead to DHR legislation | Agree []
Disagree []
See me [] |
| 3. Prepare recommendations on organization for economic affairs | Agree []
Disagree []
See me [] |

Department of Energy and Natural Resources

I. Proposal

A bill to consolidate (a) all of the Interior Department (except energy R&D functions transferred to ERDA); (b) the Forest Service from USDA; the water resource planning survey, and funding for large projects from USDA's Soil Conservation Service; (c) planning and funding of major natural resource projects now done by the Corps of Engineers but with actual construction and operation left in the Corps; (d) NOAA, from Commerce; (e) pipeline safety from DOT; and (f) uranium and thorium assessment from AEC. This would create a modernized department capable of unified policy formulation for natural resources and integrated land and water resources management, reflecting conservation and environmental values.

II. Study Commitments

1. ERDA bill (Senate version) requires President to submit study and recommendations by January 31, 1975 on long term organization arrangements for energy and its coordination with natural resources.
2. FEA legislation requires President to submit study of disposition of FEA and energy and natural resources organization (by next summer).
3. ERDA bill (House version) requires Administrator of ERDA and Secretary of Defense to prepare joint study of best location of present military applications program in AEC.

These studies are interlocked; they should be done together and a single Administration position developed. New legislation cannot effectively be submitted until this study effort is completed.

III. Major Issues

1. Congressional and clientele opposition to transfers from other agencies: water resources authorities from Corps of Engineers, Soil Conservation Service; Forest Service from USDA; NOAA from Commerce.
2. Whether DENR should reabsorb FEA.

3. Whether ERDA should be independent or part of DENR; plus the very important sub-issue of disposition of AEC's military applications functions which will be part of ERDA.
4. What Executive Office energy machinery should be created; ERDA bills would create a council.

IV. Plan of Action

1. Conduct single and well coordinated study to define best energy/natural resources organization, and make recommendations to President by December 31, 1974.
2. Reflecting Presidential decision, submit early next session legislation to create the permanent organization for energy and natural resources.
3. Develop an Administration strategy for working with the Congress and interest groups in the legislative process.

Department of Human Resources

I. Proposal

A bill to consolidate HEW; Labor's unemployment compensation, employment services, and manpower training programs; and Agriculture's food stamp, school lunch, certain nutrition services, and meat, poultry and egg product inspection. This would combine under single leadership a number of scattered but related social delivery systems. It would foster unified planning and coordinated program execution at all levels of Government. A sound proposal can counter pressures for breaking up HEW, thereby further proliferating social programs.

II. Major Issues

1. The views of organized labor have not surfaced but unions might strongly oppose transfers from Labor. DOL would lose 95% of its present funding and 25% of its work force.
2. Secretary Butz would probably be receptive to transfers of food programs but might not favor transfer of the inspection functions.
3. Some regard HEW as already too big to be manageable and responsive to national needs (Senator Ribicoff has supported a Department of Education and Senator Kennedy a Department of Health).

III. Plan of Action

1. An early meeting with Secretaries Brennan and Butz to obtain their views on the proposed transfers; Secretary Weinberger strongly supports DHR.
2. Following these meetings, and perhaps soundings by the Departments with affected interest groups, OMB would prepare a memorandum summarizing the views of those concerned, for your decision whether to proceed.
3. Should the decision be favorable, Secretary Weinberger would be responsible for taking the lead in seeking passage of legislation, working in close coordination with Secretaries Brennan and Butz.