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THE WHITE HOUSE

WASHINGTON

March 12, 1976

MEMORANDUM FOR

JIM CAVANAUGH

FROM:

MIKE DUVAL

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SUBJECT:

CIVIL SERVICE

Jim, as a follow-up to our conversation this morning in Jerry's office, I think it might be worthwhile to look into the feasibility of a major and structural change in the Civil Service at the Federal level. In this last trip to Illinois, I sensed a strong distrust of the Civil Service system because it results in employment without the ability to manage the employees once they're on board. This, of course, breeds inefficiency and growth in the Federal bureaucracy.

As you can see from the attached editorial (obviously based on the Wall St. Journal story) in the St. Louis papers, even the newest bureaucracy -- the FEA -- is invoking some bitter feelings out in the country. In this regard, I've sent a copy of this to Glenn Schleede and renewed my suggestion that perhaps FEA should establish the position of Assistant Administrator for Deregulation, and there should be some statutory schedule of dismantling as a part of any legislation extending the life of FEA.

It seems to me that the heart of our Federal employee growth problem is the fact that it is virtually impossible to fire somebody with Civil Service status. I would think any reform should carry with it the bottom line that people can and will be fired if they are not needed, or if they are not producing. Obviously, all the appropriate safeguards would have to be included, but the key must be that Federal employment is not a guaranteed ticket through life, regardless of performance.



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THE WHITE HOUSE

WASHINGTON

March 25, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MIKE DUVAL *Mike*
SUBJECT: COMPLAINTS FROM PEORIA

Attached are some materials sent to me by Bill Rutherford, a very distinguished "elder statesman" lawyer from Peoria.

One is an editorial referring to Washington's paper mill with a specific reference to HEW. The other is a reference to Federal regulations concerning hospital regulations. Bill believes that one regulation requiring that no hospital patient can be more than thirty feet from a stair, will result in a 20% reduction in the number of beds in his rehabilitation center. That seems to be somewhat ridiculous since, according to Bill, the stairwell is useless in the event of an emergency in any case. Most of their patients cannot be carried out and are not ambulatory, regardless of what happens, because they're immovable due to being in traction, iron lungs, on a respirator, or what have you.

These two examples may provide you with an opening to develop something which could be useful for the President in terms of his anti-red tape position.



March 11, 1976

Illinois Central Health Planning Agency Inc.
Subcommittee on Long Term Care
P. O. Box 2200
East Peoria, Illinois 61611

Attention: Miss Judy Bradford



In re: March 11, 1976 hearing

Gentlemen:

Because of a conflict of schedule precluding my presence at your hearing, may I respectfully request that this letter be included in your hearing record.

For your information, my personal involvement over the past 33 years in health care matters is attached as Addendum A.

In my considered opinion, by far the greatest obstacle to the provision of adequate health care is the fantastic and unnecessary increase of the bureaucratic burden imposed by the federal and state governments. The cost of the time and energy spent filling in needless and vexatious forms not only adds greatly to the cost burden of the patients, but to my knowledge has greatly discouraged new efforts of private entry into the field and expansion of agencies already involved. We find rules and regulations without sense and useful purpose, resulting in regulatory overkill and fiscal abuse. We see successful agencies wasting their time and effort on paperwork just to satisfy governmental employees demands that are really camouflage to justify the public payrolls. Needless to say, it all increases vastly the cost to the patient and is making good care less and less likely as time passes.

Bear witness to just a few examples of the myriad of problems that could be mentioned just in this Peoria Area.

The T. B. Sanitarium is empty and unused, although a fine sound masonry structure beautifully located. One of the stumbling blocks being a new rule that says the corridors are six inches too narrow! Another new nursing home had 27 governmental inspections in one year! Think of the cost to the taxpayer as well as needless burden to the agency. One group calls for one type of fire extinguisher, the next countermands the order and a new expense is incurred to re-equip. Within weeks it is ordered to go back to the first type. One group says no locks on patient doors. Approval is withheld until locks are removed, and now they are ordered on again!

March 11, 1976

One fine small organization dissolved itself as the head nurse was forbidden to give nursing care and had to limit herself to administration only. We have mandates on visiting hours whether wanted or not. We see forced employment of persons for minority reasons only, whether qualified or not.

It is significant to note that two recent fires in Chicago resulting in disastrous loss of lives were in new modern homes under the excessive regulatory approvals and with the minority employee in one example apparently directly responsible for the tragedy.

In addition, we find state agencies receiving the services not paying their bills, or delaying payments unconscientiously if paying at all. Forced discounts below cost to the agency are common and simply shift the burden to other patients not on the public rolls, thus raising their costs, and adding fear and humiliation with more thus forced to the public sector.

The persons and agencies responsible are made of individuals in great part who are not evil or even indifferent, but who place the security of their own employment tenure as a top priority even though duplications or counter-productive. The "Meals on Wheels" program for example was recently cut in half while more social services were added. We find words and paper instead of food and services.

The Illinois Department of Public Health Revised Minimum Standards would make a fine comedy if they weren't such a tragedy. It is hard to find polite language to describe such nonsense.

In careful and unvarnished truth, we have a totalitarian system well entrenched, that is causing irreversible harm, not only to the American system, but especially to those least able to protect themselves. It is under the pious guise of "improved services"

A complete overhaul of governmental interference, regulation and waste must be effected before any real hope for improvement of services, decrease in costs or realistic new solutions can be considered.

Respectfully submitted,

Wm. L. Rutherford

Enclosure



Addendum A.

WM. L. RUTHERFORD, Attorney at Law

Office Address: 4801 Prospect Road, Peoria Heights, Illinois 61614

1. From 1950 to 1969 Chairman of the Advisory Council on the Economic and Social Problems of Older People of the State of Illinois. Also member of Illinois Legislative Commission on Aging. Chairman of Governor's Advisory Council on Aging to Governor Stevenson.
2. From 1961 to 1969, Member of the Board of Vocational Rehabilitation and Education for the State of Illinois. Chairman, Sub-Committee on Vocational Rehabilitation.
3. Served two years on the Surgeon General's Advisory Committee on Chronic Disease and has been a participant and Section Chairman in two White House Conferences on Aging.
4. Co-founder in 1949 and Director to date of the Institute of Physical Medicine and Rehabilitation in Peoria.
5. Co-trustee John Reynolds Morron Memorial Fund.
6. Co-founder Central Illinois Health Services.
7. Trustee Peoria County Board for the Care and Treatment of Mentally Deficient Persons.
8. Co-founder, Central Illinois Planning Corporation.
9. Administrative Vice President and Treasurer and a Director of Forest Park Foundation and has served as its attorney since incorporation in 1939, which was the first foundation in the U. S. dealing in geriatrics. Published the bibliography in 3 volumes on Gerontology and Geriatrics. Publisher of "Trends in Gerontology" also by Nathan Shock. Publisher of "Housing for the Elderly, the European Approach".
10. One time Director of National Council on Aging.
11. Lecturer to numerous Universities, National and other health care and user groups on rehabilitation, housing, social and economic problems of the aged and aging.



Journal Star

A-4

PEORIA, ILLINOIS, WEDNESDAY, MARCH 17, 1976

CONTINUING

The Peoria Transcript
Established 1855

The Peoria Journal
Established 1877

The Peoria Star
Established 1897

The Forms Keep Coming ✓

Did you catch the figures on the 500 millions of forms produced by the federal government? And HEW's share alone is figured at 43-plus million man-hours in filling them out?

This is the most hidden cost of government of all — where it renders people slaves part-time by demanding their time and effort without pay.

If those forty-three million in man-hours were charged at \$5-an-hour (less than our bus drivers will work for) there's a fast quarter of a *billion* right there!

And HEW wasn't even the big form-producer.

The record keeping in this country is incredible, and that share of it that is forced upon business and industry has been calculated to cost them *twenty billion dollars* a year to pay the people filling out the forms. That's not including professional people and their problem with forms before even starting on us ordinary folk.

These billions become part of "the cost of doing business", of course, and automatically become part of the price of everything we buy. Hence it is a "hidden tax" that doesn't even show in the already gargantuan federal budget.

Every "reform" some big-talking group of well-paid professional politicians dreams up to sound good on the tube is apt to be one that costs millions to administer and other millions to "comply with." The first millions go on your taxes. The second set goes on your living budget. It is a direct "income tax" but completely hidden from view.

It robs this country and its economy of more millions than the Mafia takes out.

If we ever could get around to analyzing these costs, you can bet that in many, many cases we are inflicting "damages" that run into the millions in order to protect ourselves from "damages" that only run in the thousands by comparison.

imperfection only hurts us a dime's worth and "perfection" costs us an arm and a leg!

The real problem with these elections is that they are a contest of their own kind — slogans, appearances, and mud slinging.

Modern governance is a test of another kind altogether.

And neither one gets around to the real "issues" of operational reality.

Governance has become a game of concepts, of good "ideas" and the reward of authoritarian power if you can sell the concept that what you want to do is a "good idea."

Election is a game of personalities and tactics.

But *living* for the most useful people in the society is not a game of either kind. It is neither a Paperwork Game nor a Media Game. It involves coping with reality.

The campaigners can twist reality every which way if they know how to "work the media," and that's the skill that often moves them forward.

The office-holders and their bureaus can also twist reality every which way to fit their own rules and paper games.

Between the two of them, they are taking government outside the real world farther with each passing day, and inflicting on the poor souls still working in a real world new demands, new handicaps, and new requirements as well as the everlasting demand for more dollars.

We are breaking down into two worlds. In one the rules are man-made, self-invented, and self-administered. In the other the rules are those of functional necessity imposed by circumstance and by nature.

This is why so many feel that the "election doesn't mean anything," and government is out of reach.

Hence, the eternal post-election complaint of "voter apathy."

THE WHITE HOUSE
WASHINGTON
September 4, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MIKE DUVAL *White*
SUBJECT: HEW -- ONCE AGAIN

I'm certain you saw the attached UPI piece in today's Washington Post. I guess the really hard to understand part of the story is why it's going to take the Office of Civil Rights two months before a review can be completed.



POST P. A18 9/4

Ford Is Asked to Suspend Rule Banning All-Boy Choir in Conn.

United Press International

President Ford has been asked to suspend a federal regulation that is forcing the Wethersfield, Conn., sixth grade boys' choir to disband because only boys can participate.

Meanwhile, the Department of Health, Education and Welfare has

"Wethersfield students go back to school Sept. 8. Meanwhile their boys' choir can't meet while the HEW review is pending," Cotter said in a letter to Mr. Ford.

He said he also has asked the House Education and Labor Commit-