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TRANSITION TEAM REPORT

- I. White House and Executive Office Organization
 - A. Principles
 - B. General Organization
 - C. Domestic Policy
 - D. Economic Policy
 - E. Personnel
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 - G. Press and Public Information
- II. Specific Ideas for the Ford Presidency
- III. Review of Policy Proposals in Process
- IV. Interim Measures
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WHITE HOUSE AND EXECUTIVE OFFICE ORGANIZATION

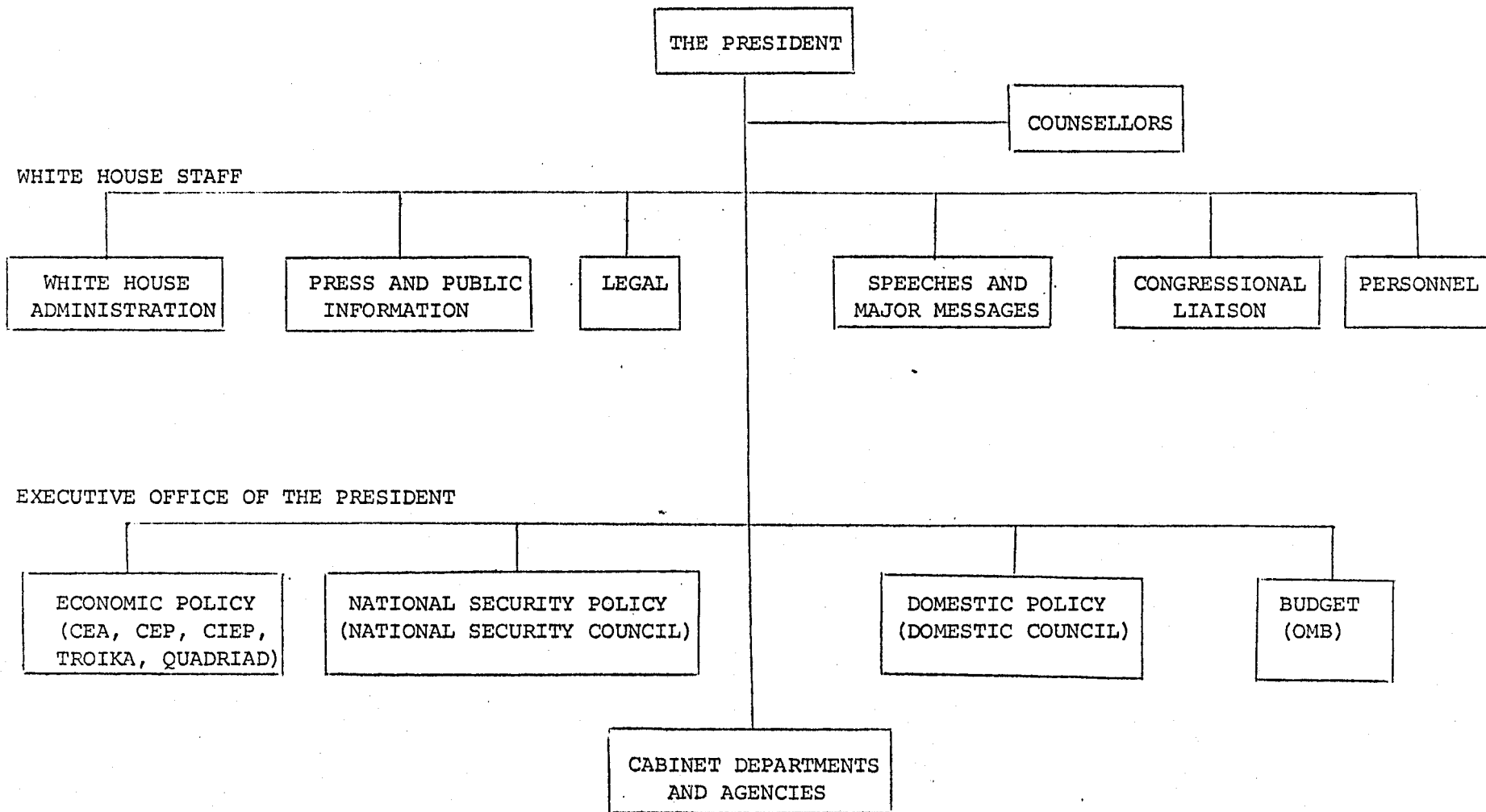
Following are the organizational arrangements we have identified for consideration to help in administering your activities and in planning and coordinating the programs of the Executive Branch. The most significant principles we have taken into account are:

- For effective control, you should not have so many people reporting regularly to you that your span of control is exceeded. Nor should there be so few that power is overly concentrated in a few staff members.
- The organization must conform to your personal working methods.
- There must be someone in charge of administration, but there need not be a single control point for information, advice, access, or policy.
- Some decentralization is desirable. Some White House Staff functions might be moved to Executive Office agencies, and some Executive Office functions might be moved back to the departments and agencies.
- White House Staff traditionally do not testify before Congressional committees; Executive Office officials must be confirmed by the Senate and do testify regularly. The principal Administration spokesmen should be the Cabinet and agency heads.

I-B

GENERAL ORGANIZATION

- White House Staff: There is considerable agreement that in the White House you should have at least the following six separate and distinct people, each having direct access to you:
 1. White House administration (scheduling, paper flow, offices, cars, correspondence, etc.)
 2. Press and public information
 3. Speeches and major messages
 4. Congressional liaison
 5. Personnel
 6. Legal
- Counsellors should have specific operational responsibilities:
 1. Speeches and major messages have logically become the responsibility of one of your Counsellors.
 2. Congressional liaison and contact with nongovernmental organizations logically could become the responsibility of another Counsellor.
 3. Personnel recruiting and selection could well be the responsibility of another Counsellor.
- The Executive Office of the President: These organizations should be used, in conjunction with the Cabinet and agency heads, to develop policy options for your consideration and to monitor the progress and effectiveness of governmental programs. The major components of the Executive Office for this purpose are:
 1. Economic Policy
 2. Domestic Policy
 3. National Security Policy
 4. Budget



I-C

DOMESTIC POLICY ORGANIZATION

- A major problem is overlap and competition between OMB and the Domestic Council.
- A second problem is that both OMB and the Domestic Council staff have become involved in too much detail on departmental programs and have come between the department heads and the President on policy formulation.
- The following options assume that the Director of OMB will not be a formal member of the Cabinet:

Option 1 (simplification of current arrangements):

- Change the membership of the Domestic Council to include the heads of all departments and agencies not principally international.
- Name the Director of OMB as Executive Director of the Domestic Council, with an Associate Director of OMB to work with department heads to provide options and recommendations for your domestic policy and budget decisions.
- The Associate Director of OMB for Management would continue to coordinate the execution and evaluation of departmental programs.

Option 2:

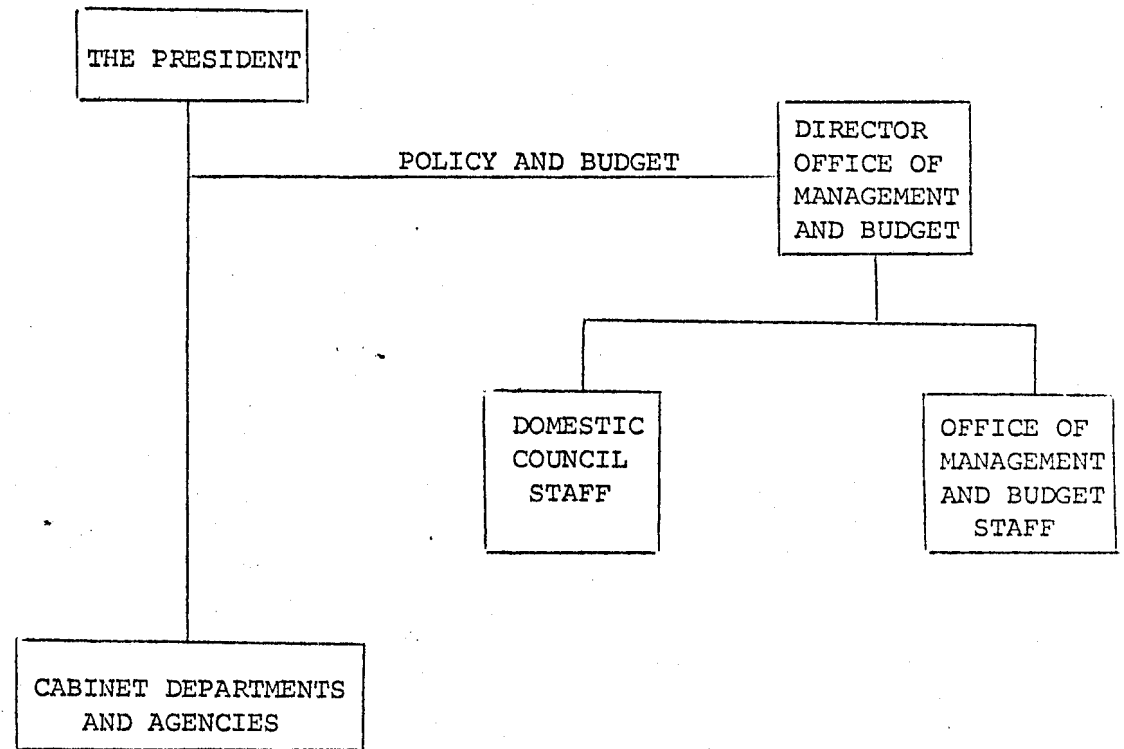
- Change the Domestic Council as in Option 1.
- Name a Cabinet Secretary who also would serve as Executive Director of the Domestic Council. He would work with the Cabinet and agency heads to provide the program ideas, policy options, and recommendations needed for decisions on major domestic policy issues.

- The OMB would be reduced in size and scope to provide budgetary control, routine clearance of testimony legislation, and after-the-fact evaluation of the effectiveness of departmental operations, much like the office of comptroller in a department or corporation.
- Domestic policy issues for your decision would be discussed by the Cabinet Secretary (who is also Executive Director of the Domestic Council), the Director of OMB, and the concerned Cabinet members and agency heads before going to you for decision.
- The Cabinet and other agency heads would be the principal spokesmen of the Administration on policy issues, rather than OMB or White House Staff.

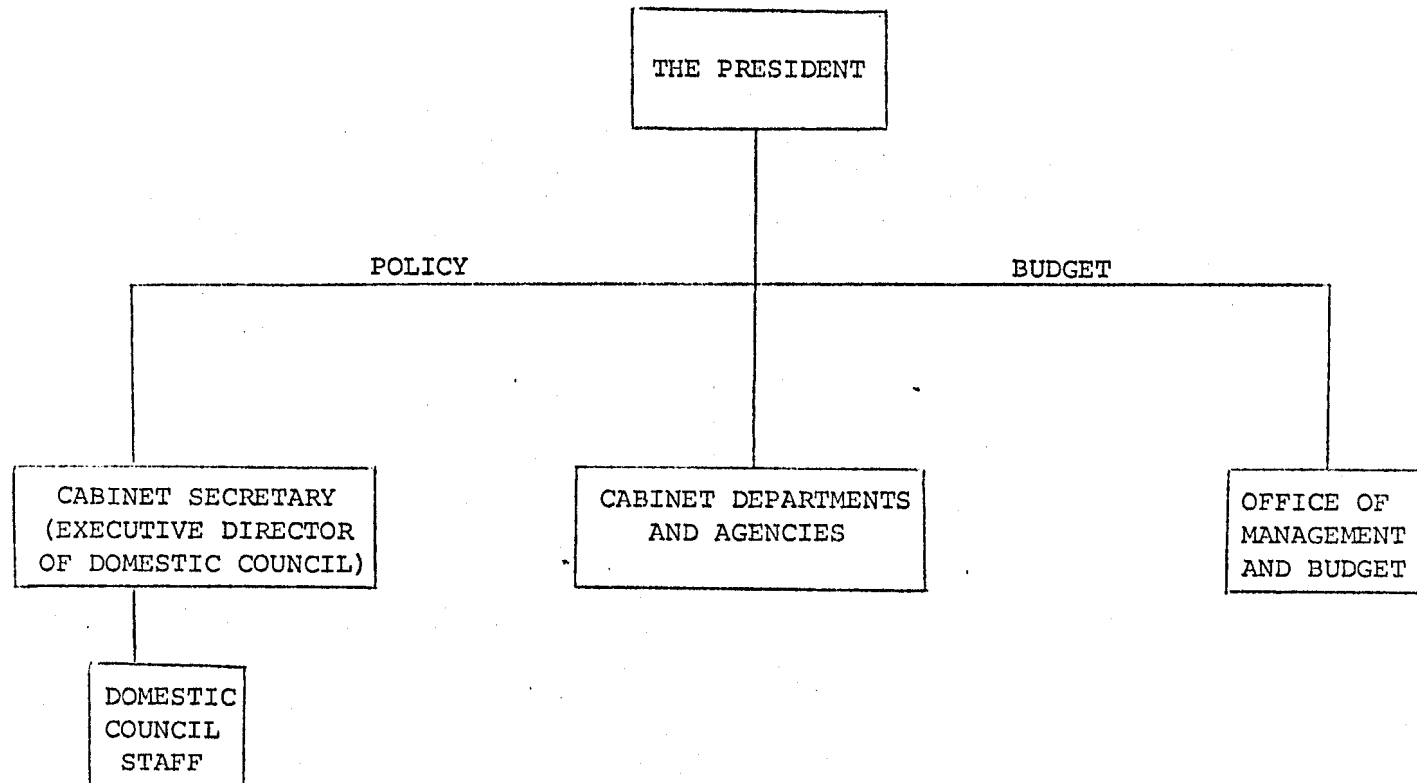
- Comment: Almost everyone we have talked to agree that you need to eliminate the overlap of functions between OMB and the Domestic Council staff. The natural separation is between (1) budgetary control and program evaluation and (2) development of policy options and staffing of recommendations for your decisions. There is considerable feeling that the President and the appropriate department heads should be the spokesmen for Administration policy and that each department head should be allowed more flexibility than at present in implementing your policy decisions. There is considerable feeling in the departments and on the Hill that OMB has become too powerful on policy matters and that the Domestic Council staff is not of sufficiently high quality.
- Recommendation: Option 2.
- Reasons: Option 1 reduces the confusion about the roles of OMB and the Domestic Council, but at the expense of concentrating too much power in OMB. Option 2 requires you to make some hard decisions where the Cabinet Secretary, Director of OMB, and the Cabinet officers disagree, but it assures you will have all the needed information, options, and internal debate before you decide. The Cabinet Secretary would not testify, leaving the Director of OMB to speak on

budget and the Cabinet and agency heads as spokesmen for Administration positions. This arrangement also prevents either OMB or Domestic Council staff from interjecting themselves between you and the Cabinet and agency heads.

DOMESTIC POLICY ORGANIZATION
Option 1



DOMESTIC POLICY ORGANIZATION
Option 2



I-D

ECONOMIC POLICY ORGANIZATION

- The major problem here is the confusion of roles among competing and overlapping organizations.

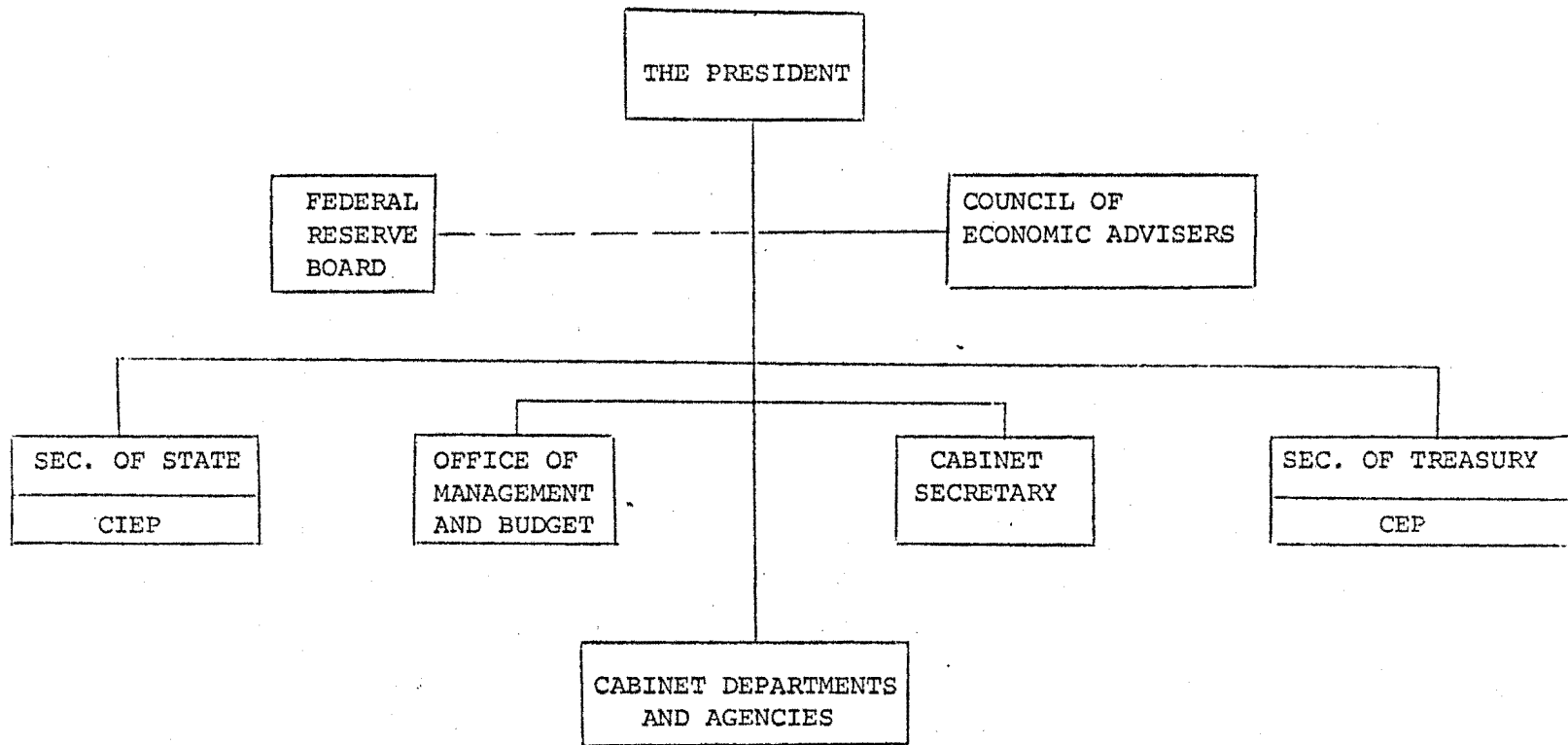
Option 1

- Discontinue the office of Counsellor for Economic Affairs.
- CEP: Council on Economic Policy would focus on domestic economic issues, chaired by the Secretary of the Treasury.
- CIEP: Council on International Economic Policy would focus on international economic issues regularly chaired by the Secretary of State on behalf of the President.
- CEA: The Chairman of the Council of Economic Advisers would monitor the overall economic situation and act as your "consultant" to make sure you have all the information and recommendations you need for overall economic policy decisions.
- Spokesmen: You, the Secretary of the Treasury, and the Secretary of State would be the Administration's principal spokesmen on economic policy.
- Troika and Quadriad: The Troika (Secretary of the Treasury, Director of OMB, and Chairman of CEA) and the Quadriad (Troika plus Chairman of the Federal Reserve) would continue to meet, as in the past, with the Cabinet Secretary and an NSC representative as observers.
- Major decisions on economic policy would be discussed and reviewed by the Quadriad, the Cabinet Secretary, and the NSC representative before going to you for decision.

Option 2:

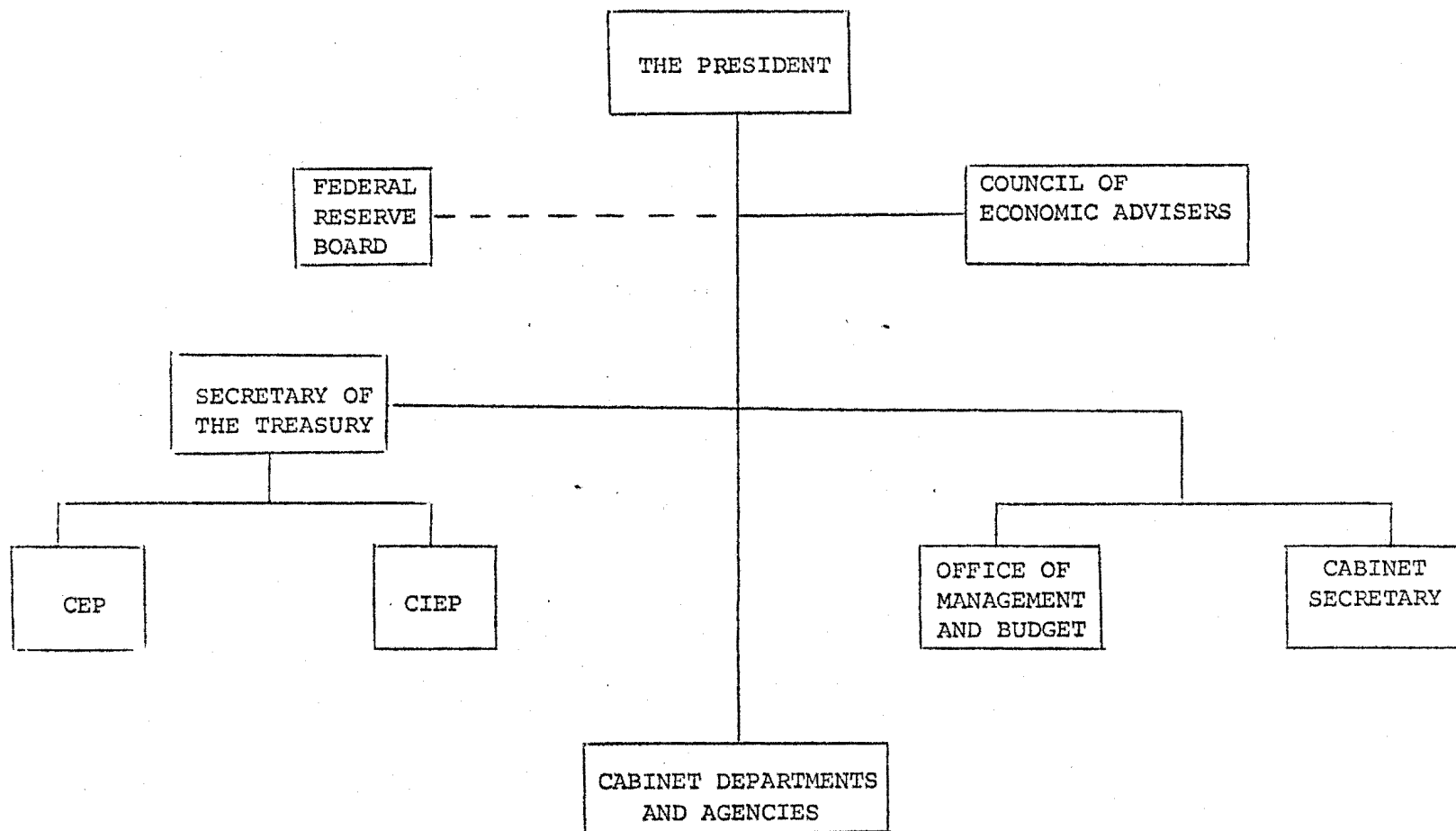
- Same as Option 1, with the following exception:
- The Secretary of the Treasury would coordinate the activities of CEP and CIEP and would be the principal spokesman on economic policy except for those major issues you address.
- Consider naming one person to fill the three closely related posts of Under Secretary of State for Economic Affairs, Special Trade Representative, and Executive Director of CIEP.
- Comment: Almost everyone we have talked to agree that the office of Counsellor for Economic Affairs in the White House should be discontinued. There is broad agreement that domestic and international economic problems have become highly interconnected.
- Recommendation: Option 2.
- Reasons: You can decide overall policy direction with the staff assistance of the Chairman of the CEA and the views of the other agency heads involved and mediate Cabinet disputes. The Secretary of the Treasury should be designated as the principal Administration spokesman on economic policy, except for those matters you wish to address yourself.

ECONOMIC POLICY ORGANIZATION
Option 1



TROIKA: SEC. OF TREASURY, CEA, OMB
QUADRIAD: TROIKA plus FRB

ECONOMIC POLICY ORGANIZATION
Option 2



TROIKA: SEC. OF TREASURY, CEA, OMB
QUADRIAD: TROIKA plus FRB

I-E

EZ 61



PERSONNEL

- The major concern here, at least for the first five months of your Administration, is to have personnel recruiting handled on the highest-caliber level possible and to provide for your direct review and decision on the most important appointments, especially in the White House and the Cabinet.

Option 1:

- At the present time, the Personnel Office in the White House handles recruiting and White House approvals. But it does not participate except mechanically in the selection of top personnel.
- Option 1, therefore, is to continue the present operation.

Option 2:

- Put a man of national stature in charge of Personnel immediately as your personal representative, if only for a five-month period, to (1) initiate top recruiting and (2) organize the office and its personnel in your image. There also should be a deputy to assist in getting Congressional views on appointments.

- Recommendations: Option 2.
- Reason: In our opinion, it is of paramount importance for the Ford Presidency that your personal representative, a man of high caliber and national stature, be placed in this position immediately and that he have direct access to you as needed.

I-F

LEGAL ORGANIZATION

- The major problem here is that, in the wake of Watergate, the White House Counsel's office became very large and assumed some of the functions normally performed by the Department of Justice.

Option 1:

- Endorse the present "independent" role of the Justice Department and the expanded responsibilities of the Office of Counsel to the President.

Option 2:

- Assume the pressures for a totally "independent" Justice Department properly will recede.
- Establish a relatively small Office of Counsel to the President and upgrade it significantly in the White House structure..
- The Counsel to the President would focus primarily on legal matters of special concern to the Presidency.

- Comment: It would be basically wrong to lend support to the notion of a Justice Department totally independent of the Presidential authority over the Executive Branch. However, there is considerable sensitivity on this subject.

- Recommendation: Option 2.

- Reasons: This will give the Presidency a highly professional legal arm. The Special Prosecutor arrangements should be left undisturbed until the need for the office wanes.

I-G

PRESS AND PUBLIC INFORMATION

We agree with the organizational changes you have worked out for the Press Office and with the discontinuation of the Office of Communications as a separate entity.

SPECIFIC IDEAS FOR THE FORD PRESIDENCY

1. Reduce the size of the White House Staff, particularly the number of Special Assistants to the President.
2. Reduce the number of military officers assigned to the White House Staff positions and require that uniforms be worn.
3. Reduce the trappings of the Presidency. All staff not of Cabinet rank should be given parking places instead of routine portal-to-portal service. The black limousines should be used only for distinguished guests. White House Mess privileges should be reassigned to include only top White House Staff, Cabinet, and agency heads.
4. Consider stopping the practice of having the Chairman of the Republican National Committee routinely attending Cabinet meetings.
5. Regional visits. There will be pressure on you to help Republicans campaign this fall, conflicting with the need to avoid partisanship in pulling the country together. The people need to get to know you, and you need to listen to non-Washington voices.

Consider regional visits to several cities (not necessarily the largest) representative of each region of the country. In two or three days, you could schedule a few speeches, meetings with elected officials, business, community and labor leaders, give radio and television interviews for use on local stations in the region, and take side trips to suburbs and smaller towns.

6. Visit with top career Civil Servants. The career Civil Service should not be treated with suspicion or hostility. They are concerned about their role in government, about the pay compression in the top grades, and about orderly career development. Consider meeting soon with 15 or 20 top Civil Servants in the Cabinet Room for about an hour. Consider calling for a modest Congressional pay increase after the elections to alleviate the pay compression problem.

7. "Straight Talk." The people need to remain confident of your grasp of the country's problems. You might convey this effectively and also raise public understanding on inflation, energy, and a few other key problems by "a little straight talk among friends" sharing your knowledge on these matters with the American people.
8. Parks and Historical Preservation. America is recognized around the world as a leader in preserving the beauty of its land through national parks and wilderness areas, and the town park is a prominent feature in American life. We have not done so well in historical preservation. You might consider making the beauty of America, expansion of parks for the people, and historical preservation one of the themes of your Administration, in part to counterbalance the themes of energy and economic development which are viewed by many as destructive of our environment and our heritage.
9. Pension Reform. This bill could be signed on Labor Day, with a strong statement about how sound pension rights are essential for a mobile work force, as well as for the economic freedom of the individual in our corporate economy. You could call this Act a solid beginning for the truly comprehensive and far-reaching pension reform that must be our goal for the future.
10. Automobile Safety Legislation. This bill, cutting back on the over-zealous regulations of the Department of Transportation, points up the hazards of government over-protecting the public from themselves. You could use the signing of this bill as an occasion to make a key point of the "new conservatism" -- that excessive government regulation of our lives and our commerce, even in a good cause, can be carried too far and can threaten the individual freedom that is essential to the concept of "We the people . . ."

REVIEW OF POLICY PROPOSALS IN PROCESS

You may wish to handle the following items already "in the pipeline" in a way different from the current thinking of OMB and the Domestic Council staff:

1. Reassessment of Project Independence and ERDA. FEA is to submit a blueprint for Project Independence by November 1. The quality of planning, however, has been marred by inter-agency squabbles. Likewise, the legislation establishing ERDA has become a Christmas Tree bill. The ideas behind Project Independence and ERDA are good, but you might wish to place a good person in charge of a careful reassessment of the proposals before you get committed to either. You might also wish to let the ERDA Bill die in conference and start over next year.
2. Shift of OEO Community Action Programs to HEW. Rather than asserting hard-line opposition to the Community Action Programs in OEO, consider the compromise of transferring these programs to HEW and termination of OEO. Once at HEW, the appropriations for these programs can be decided as part of the overall HEW appropriations.
3. FY 1976 Budget Projections. OMB has established a tentative total of \$330 billion for fiscal 1976 budget, and sent guidance letters to the departments based on that figure. It is important that such projections not become firm until after the Economic Summit Conference.

INTERIM MEASURES

This report completes the effort you asked us to undertake. However, it does not complete the transition to a Ford Presidency.

You will need interim measures to help you move steadily toward those organizational and personnel changes that will enable you to fulfill your objectives for your Presidency. The following suggestions may be of some help in deciding on those measures:

1. Bring in the person for recruiting high-level personnel by September 1 at the latest.
2. Discuss organizational matters with your closest advisers both in and out of government and reach some decisions on White House and Executive Office organization soon. Select a single person to oversee the implementation of all of your reorganization decisions.
3. Plan backwards from where you want to be next February, after the State of the Union, Economic, and Budget messages, to identify an orderly sequence of events between now and then. This would include economic and domestic policy, budget, and international affairs. This suggests major policy decisions by you in early November; development of options in October; and review and analysis in September. This also suggests that you should consider the most key personnel decisions (OMB, Domestic Council/Cabinet Secretary, and Treasury) as soon as possible.
4. Consider announcing some new personnel in conjunction with or shortly after you announce any organizational changes.
5. Review policy areas to identify what messages to Congress will be needed or desired before next year, and take care that the Administration is not preempted by the Congressional committees on legislative programs.
6. Consider weekly meetings until the end of the year with a small group of White House Staff to review transition progress and strategy until your permanent organizational and personnel decisions are implemented.

Highest
Priority

Not
committed

Related
to 5

2 to
Baker
responsibility
of the
staff

Call Griffin after talking March.

7. Meet every two weeks until the end of the year with a small group of your close friends and outside advisers. These should be people who know you well enough that they can speak their mind directly, disagree with you if need be, and give you the perspective from outside the White House.

8 Control over titles (note restrictions in appropriation act) - 14 max positions ~~at~~ Level 2 (\$40,500)
- ~~over~~ special assistants?
- staff assistants can be proliferated

9. White House Fellows
- new crop on Sept 1. (15 or 20)
- Ken Cole is member of Commission
- make max use of them.

10. V-T staff - get them out (Pagnotta)
- Pagnotta's place in administrative services (under Jones' replacement)

11. Scranton as UN Ambassador in place John Scali (formerly ABC news)

12. Oct 1 thru Dec. 15
- can be back from Cambridge 2 days per week
- after Dec. 15 available in Wash. most of time
(mention ERDO to March (see p. 18)
+ ERDA

Policy and Programs *Colo left over options of Nixon admin* Budget *Ash has made commitments no gross options (Colo is check)* Economic

Sept 1	Legislative review Identify policy options	FY 75/75 budget estimate Gross option development	Pre-Summit
Oct 1 →	Options analysis Major domestic policy tradeoffs	Options analysis Major defense and domestic alternatives	Summit President announces FY75 budget President announces second summit
← Preparation for Summit # 2 →			
Nov. 1	President makes major priority decisions.		Summit # 2
<u>Elections</u> →	FY 76 program development	budget decisions for President developed	Summit # 2
Dec. 1	Final Presidential program decisions	Final budget decisions	
██████	State of the Union preparation	Budget preparation Budget Message preparation	Economic Message preparation
Jan. 10	State of the Union		
Jan. 15			Economic Message
Jan. 20		Budget Message	
Feb/Mar.		Congress votes	FY 76 spending limit
Mar/April			International economic summit

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GEORGE S. WILLS
Vice President

August 14, 1974

The Honorable
William Scranton
Presidential Transition Task Force
The White House
Washington, D. C.

Dear Governor Scranton:

I am writing you in your capacity as a member of the Presidential Transition Task Force on personnel matters about the White House Fellows Program. Enclosed is a general Statement of Purpose of the Program.

The heart of the White House Fellows program is the actual job assignment in the Executive Branch, for this is what enables the Fellow to come away with a sense of what active participation in the governmental process really means.

Fellows are assigned to White House staff members, the Vice President, and to members of the Cabinet. Other top level assignments may also be with the Director of the Office of Management and Budget and the Administrator of the Environmental Protection Agency.

I worked in the Program, 1969-70, as Special Assistant to the U.S. Budget Director and Chairman of the President's Environmental Quality Council. This was preceded by a year as Special Assistant to Milton Eisenhower when he was Chairman of the President's Violence Prevention Commission.

The transition from the Nixon to the Ford Administration marks the second transition since the White House Fellows Program began in 1964, and the third President in whose Administration participants in the Program serve.

The Honorable William Scranton

-2-

August 14, 1974

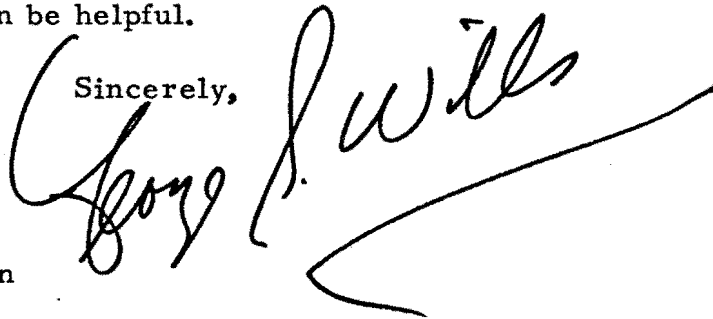
The circumstances under which President Ford has taken office in 1974 are quite different from those in 1969 during the Johnson-Nixon transition. The White House Fellows Program has functioned productively for the Executive Branch through two Administrations and will, no doubt, continue to do so for a third.

But, what about former White House Fellows who have participated in the Program and who owe much to our Government for the experience? These individuals have a contribution to make and an obligation to help. Whether it be full-time government work or volunteer service at the Federal level, the approximately 150 former Fellows are a resource that should be used.

I would recommend that serious consideration be given to involving some of these people in the Government during this important transition period. Either on a full-time or volunteer basis, former participants in this Program would be helpful in the new Administration. Their assignment experience - whether it was in the Executive Office of the President or as a Special Assistant to a Cabinet Officer - is invaluable experience that would enable them to "hit the deck running".

I am sending a copy of this letter to other members of the Task Force, and to Dr. Peter Krogh, Dean of the School of Foreign Service, Georgetown University. Dean Krogh is President of the White House Fellows Association. I hope that we can be helpful.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "George F. Will". The signature is written over the word "Sincerely," and extends across the right side of the page.

cc: The Honorable Donald Rumsfeld
The Honorable Rogers C.B. Morton

Statement of Purpose

The purpose of the White House Fellows program is to provide gifted and highly motivated young Americans with some firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of the society.

It is essential to the healthy functioning of our system that we have in the nongovernmental sector a generous supply of leaders who have an understanding—gained at firsthand—of the problems of national government. In a day when the individual feels increasingly remote from the centers of power and decision, such leaders can help their fellow citizens comprehend the process by which the Nation is governed.

In this country today, we produce great numbers of skilled professionals. But too few of this intellectual elite provide the society with statesmanlike leadership and guidance in public affairs. If the sparsely settled American colonies of the late 18th century could produce Washington, Jefferson, Adams, Monroe, Madison, Hamilton, Franklin, and others of superlative talent, breadth and statesmanship, should we not be able to produce, in this generation, ten times that number? We are not doing so.

Surely the raw material is still there. And just as surely more must be done in the development of our ablest young people to inspire and facilitate the emergence of such leaders and statesmen. Their horizons and experience must be broadened to give them a sense of personal involvement in the leadership of the society, a vision of greatness for the society, and a sense of responsibility for bringing that greatness to reality.

The White House Fellows program is designed to give superbly qualified young Americans precisely those experiences.

WHITE HOUSE AND EXECUTIVE OFFICE ORGANIZATION

GENERAL ORGANIZATION

Approve _____ Disapprove _____

Comments _____

DOMESTIC POLICY

Option 1 _____ Option 2 _____

Comments _____

ECONOMIC POLICY

Option 1 _____ Option 2 _____

Comments _____

PERSONNEL

Option 1 _____ Option 2 _____

Comments _____

LEGAL COUNSEL

Option 1 _____ Option 2 _____

Comments _____

SPECIFIC IDEAS FOR THE FORD PRESIDENCY

1. Reduce the size of the White House Staff.

Approve _____ Disapprove _____

Comment _____

2. Reduce the number of Military Officers on the White House Staff.

Approve _____ Disapprove _____

Comment _____

3. Reduce the trappings of the Presidency.

Approve _____ Disapprove _____

Comment _____

4. Stop the practice of Chairman of R.N.C. routinely attending the Cabinet.

Approve _____ Disapprove _____

Comment _____

5. Regional Visits.

Approve _____ Disapprove _____

Comment _____

6. Visit with top career Civil Servants.

Approve _____ Disapprove _____

Comment _____

7. "Straight Talk."

Approve _____ Disapprove _____

Comment _____