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TRANSITION TEAM REPORT
TO THE PRESIDENT

August 20, 1974

Donald Rumsfeld
John Marsh
Rogers Morton
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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
 - F. Legal
 - G. Press and Public Information

- II. Specific Ideas for the Ford Presidency

- III. Review of Policy Proposals in Process

- IV. Interim Measures

- V. Action

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.

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

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 agrees 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 decision. 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 that you have all the 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.

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.

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.

PERSONNEL

- The major concern here, at least for the first five months of your Administration, is to have personnel problems 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.

- Recommendation: 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.

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.

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.

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.



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 retaining the Community Action 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.

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 counter-balance the themes of energy and economic development which are viewed by many as destruction 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 threaten the individual freedom that is essential to the concept of "We the people. . ."

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 _____

8. Parks and Historical Preservation.

Approve _____ Disapprove _____

Comment _____

9. Pension Reform.

Approve _____ Disapprove _____

Comment _____

10. Automobile Safety Legislation

Approve _____ Disapprove _____

Comment _____

REVIEW OF POLICY PROPOSALS IN PROCESS

1. Reassessment of Project Independence and ERDA.

Approve _____ Disapprove _____

Comment _____

2. Shift of OEO Community Action Programs to HEW.

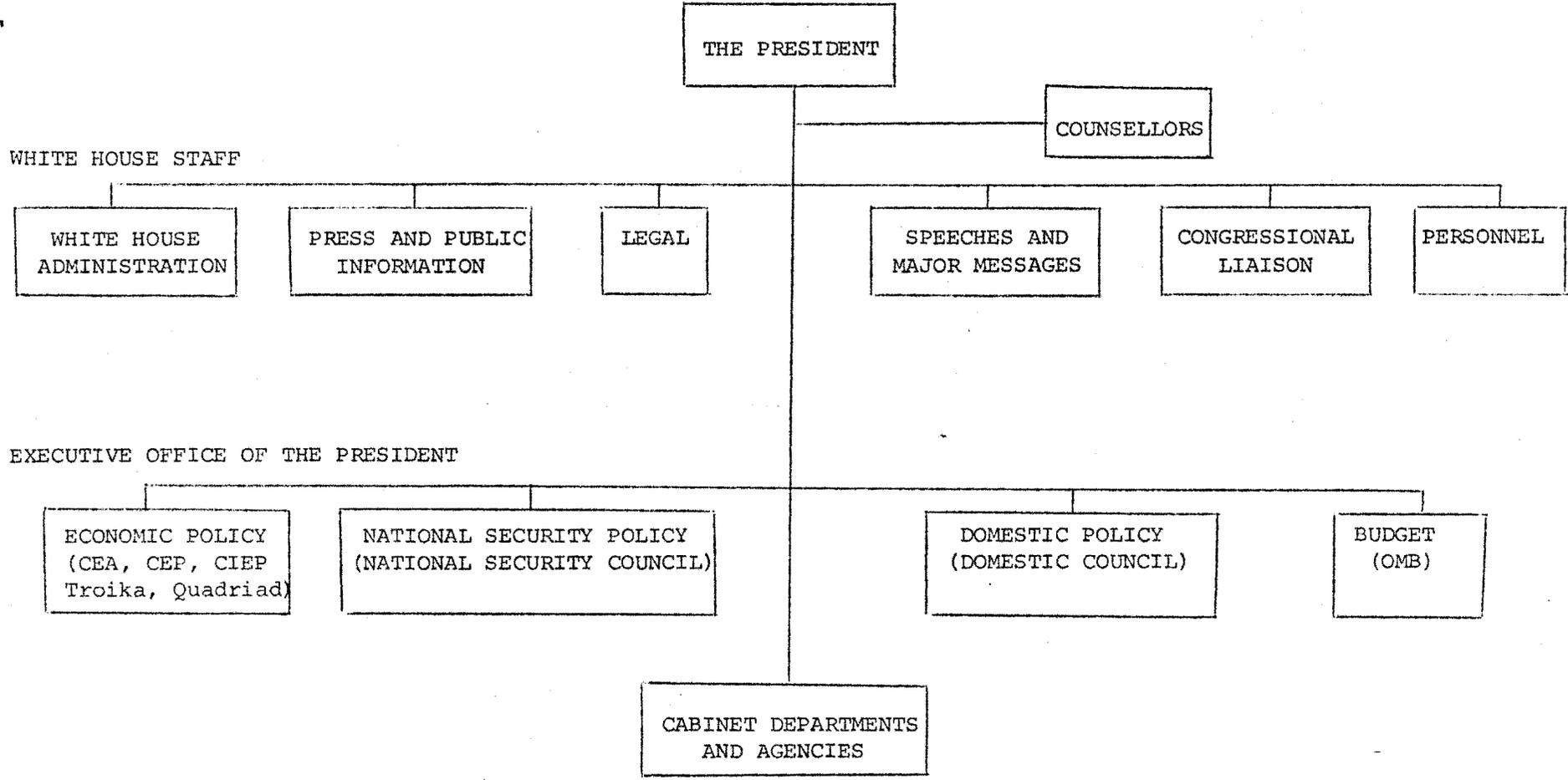
Approve _____ Disapprove _____

Comment _____

3. FY 1976 Budget Projections

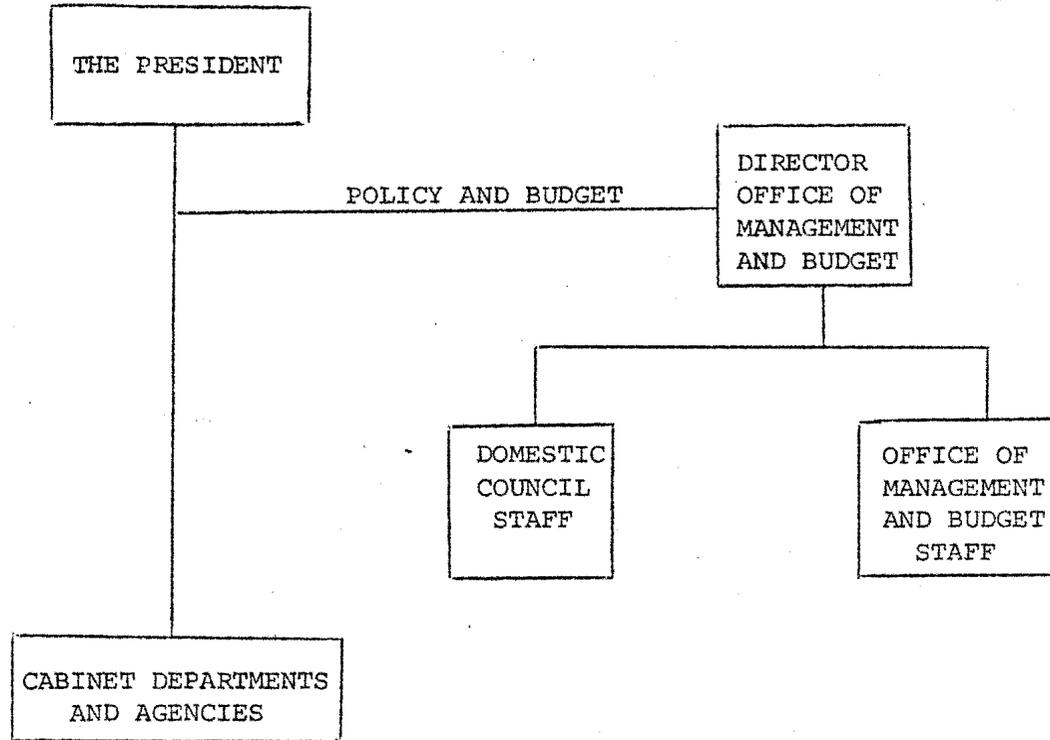
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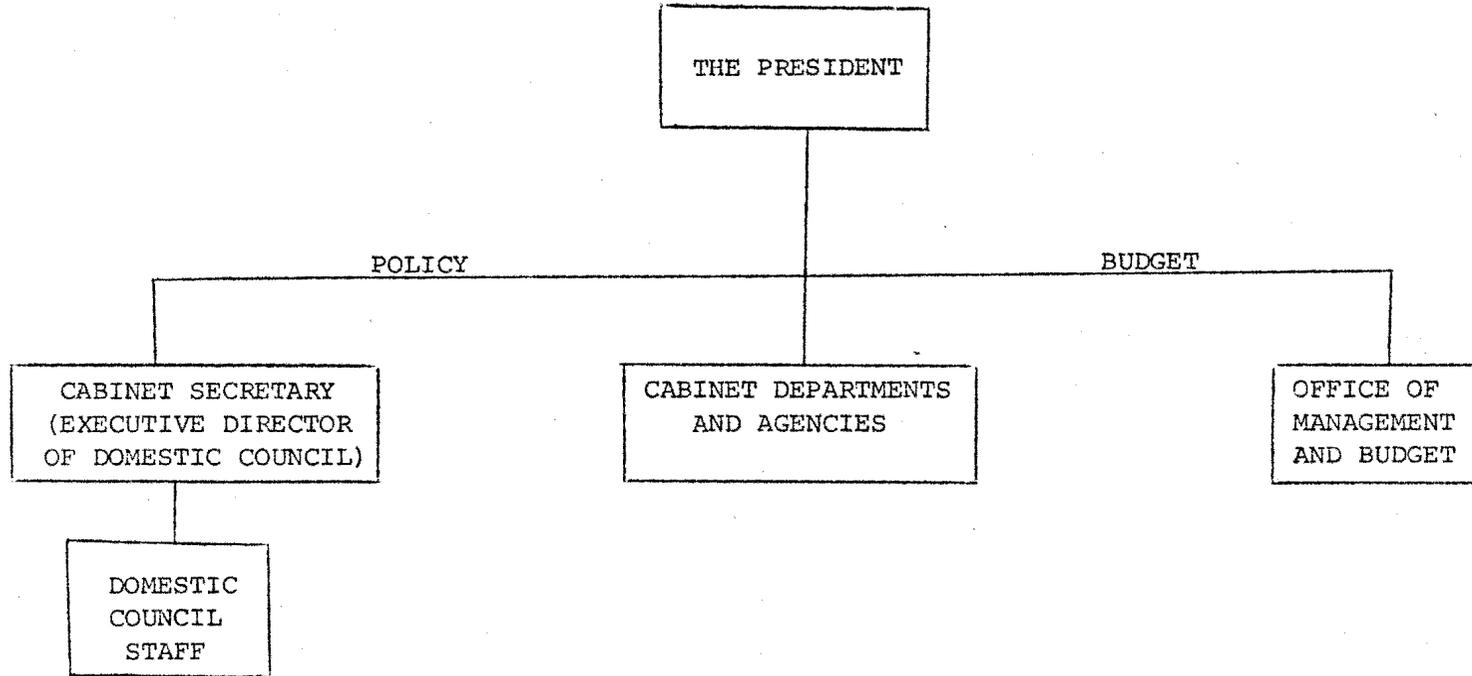


DOMESTIC POLICY ORGANIZATION
Option 1

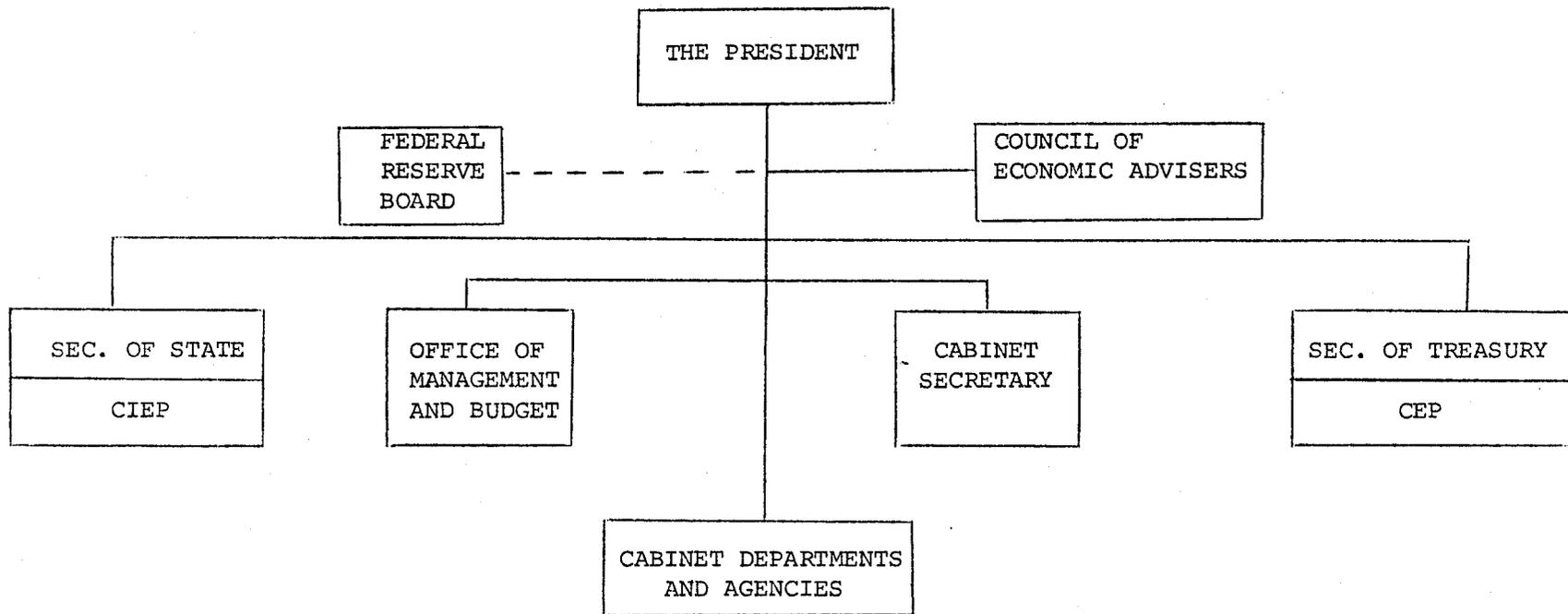
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DOMESTIC POLICY ORGANIZATION
Option 2

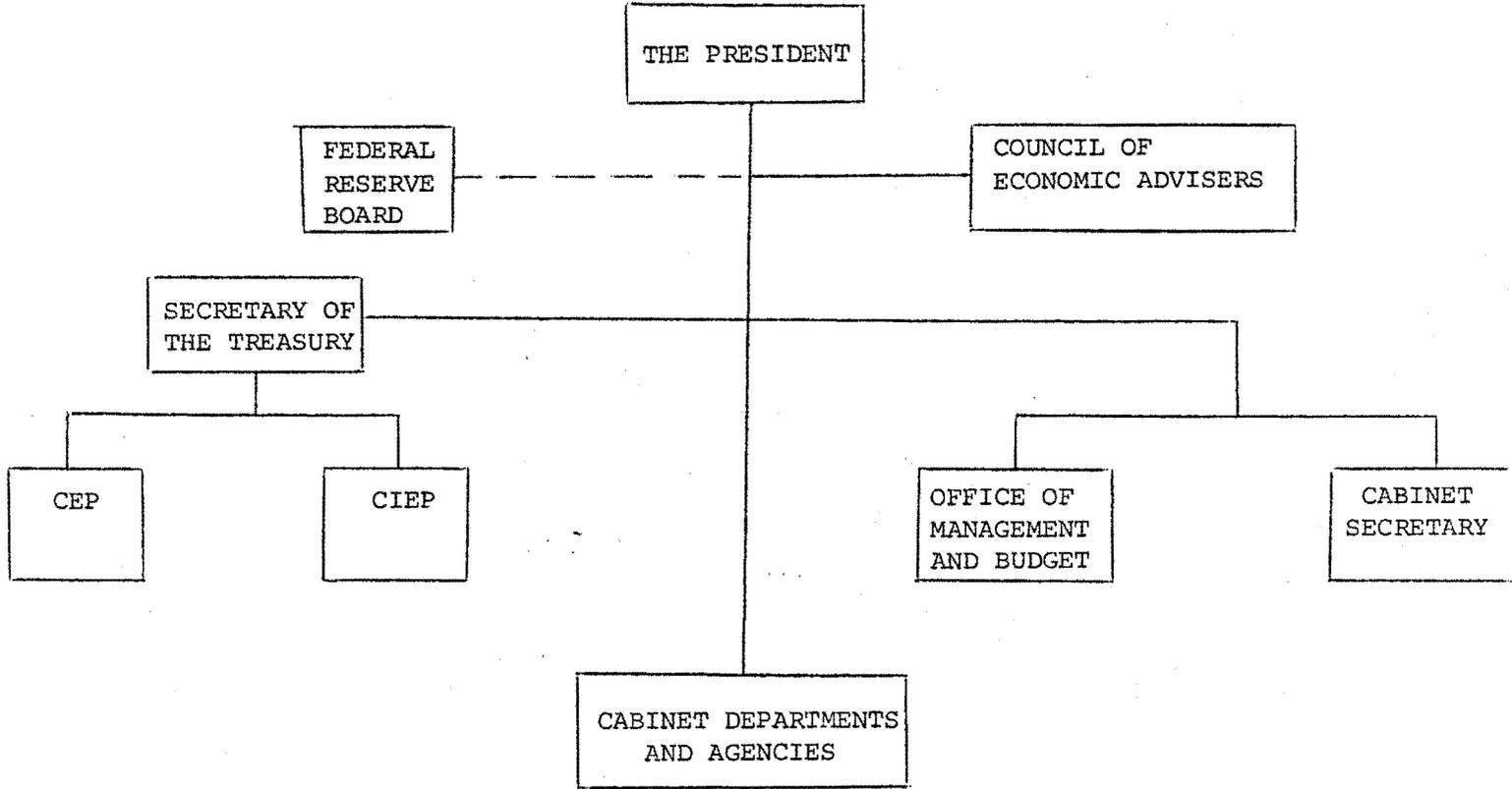


ECONOMIC POLICY ORGANIZATION
Option 1



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

ECONOMIC POLICY ORGANIZATION
Option 2



THE WHITE HOUSE
WASHINGTON

Draft

TRANSITION TEAM REPORT

Phil Buchen



TRANSITION TEAM REPORT

- I. White House and Executive Office Organization
 - A. Principles
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 - C. Domestic Policy Organization
 - D. Economic Policy Organization
 - E. Personnel Organization
 - F. Counsel to the President

- II. Ford Presidency
 - A. General
 - B. Specific New Ideas
 - C. Review of Policy Proposals in Process

- III. Meeting with Key Individuals

- IV. Implementation

I. White House and Executive Office Organization

- These are the organizations which help you administer your own activities and through which you plan and coordinate the programs of the Executive Branch. Executive Office officials must be confirmed by the Senate and are required to testify; not so for White House staff.
- There must be neither too few nor too many people having regular direct access to you for this purpose.
- The organization must conform to your personal style of working relationships.
- There must be a chief of staff for administration, but there should not be a chief of staff for advice and policy direction.



I-B

General Organization:

- There is considerable agreement that in the White House Staff you should have at least the following five separate and distinct people, each having direct access to you:
 1. Legal
 2. Press and public information
 3. Congressional liaison and political advice
 4. Personnel
 5. White House administration (paper flow, offices, cars, schedules, correspondence, etc.)

- The Executive Office agencies should be used to develop policy options for your consideration in conjunction with the heads of departments and agencies, and to monitor the progress and effectiveness of governmental programs. The major components of the Executive Office for this purpose should be:
 1. Economic Policy
 2. Domestic Policy
 3. National Security Policy
 4. Budget

- The White House Staff and the OMB staff have grown much too large and have become enmeshed in too much detailed direction of the departments and agencies. Many White House Staff functions should be moved to Executive Office agencies, and many Executive Office functions should be moved back to the departments and agencies.

I-C

Domestic Policy Organization

- The major problem here is the overlapping and competition between OMB and the Domestic Council staff.
- A second problem is that both OMB and the Domestic Council staffs have gotten into too much detail on departmental programs and have interjected themselves between the department heads and the President on policy formulation.
- Option 1:
 - You chair the Domestic Council, as in Option 2.
 - The Director of OMB would be the Executive Director of the Domestic Council, and would work with the department heads to provide the options and recommendations you need for decisions on major domestic policy and budget issues.
 - The Associate Director of OMB for Policy and Programs would assist the Director of OMB in developing and analyzing policy options.
- Option 2:
 - You chair the Domestic Council, changed to be composed of heads of departments and agencies not principally economic or international.
 - The Executive Director of the Domestic Council would be your principal assistant for domestic policy development on the White House Staff.
 - The Domestic Council staff would work with the department heads to provide the options and recommendations you need for decisions on major domestic policy and budget issues.
 - The OMB would be reduced in size and scope to provide budgetary control, legislative clearance, and management evaluation of departmental operations, much like the office of a comptroller in a department or a corporation.

- Comment: Almost everyone we have talked to agrees 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 management and (2) development of policy options and staffing of recommendations for your decision. There is considerable feeling that you 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. Option 2 is superficially more palatable to Congress, but Option 1 would probably make for better relations in the long run if you get a politically attuned Director.
- Recommendation: Option 1.
- Reasons: With the new Budget Committees, you will need high-level appointees who can be available to testify on the policy aspects of the Administration's budget as well as the financial details. You cannot afford to mediate personally the inevitable disputes between those with budgetary control and those with policy staffing control as Option 2 would require. Moreover, you could more readily attract highly capable people to top positions in OMB under Option 1 than to OMB and Domestic Council Executive Director under Option 2.

I-D

Economic Policy Organization

- The major problem here is the competing and overlapping organizations created during the last few years.
- Option 1
 - Eliminate Rush office.
 - Council on Economic Policy (CEP) to focus on domestic economic issues, chaired by the Secretary of the Treasury.
 - Council on International Economic Policy (CIEP) to focus on international economic issues regularly chaired by the Secretary of State on behalf of you, the statutory Chairman.
 - You would be the overall (CEA) authority on all economic policy, Greenspan as Chairman of the Council of Economic Advisers (CEA) to monitor the overall economic situation and act as your "consultant."
 - You, the Secretary of the Treasury, and the Secretary of State would be the Administration's spokesmen on economic policy.
- Option 2:
 - Eliminate the Rush office.
 - You chair the CEP, focused on domestic economic matters, as well as the CIEP.
 - Designate Executive Director CEP and CIEP.
 - You would be the sole authority and spokesman on all economic policy, using Greenspan to coordinate the activities of the domestic and international councils and to act as your "consultant."
- Comment: Almost everyone we have talked to agrees that the Rush office should be eliminated. Greenspan feels he cannot be effective as the principal spokesman on economic matters. There is considerable feeling you should personally direct and pronounce economic policy.

- Recommendation: Option 1
- Reasons: You can decide overall policy direction and mediate Cabinet disputes with Greenspan's staff support to you. You will be overall spokesman for Administration economic policy, but not the sole spokesman. The role of the Cabinet will be more visible and more of the less important decisions can be delegated outside the White House and Executive Office.

I-E

PERSONNEL

Nothing you can plan and organize will be more important to the success of the Ford Administration than your selection of personnel.

Lady Bird Johnson wisely wrote in her book that, with no disrespect to the Kennedy team, the single greatest mistake LBJ made was not bringing his own team sooner.

The Administration is presently staffed with many fine, abled, dedicated men. However:

(1) they were recruited, hired, and directed by a personnel system controlled totally by Haldeman, Malek, Jones and Weimer, none of whom would seem to/your approach to government,

(2) they are exhausted,

(3) some may have vulnerabilities from the past two years;

(4) some have developed difficult relationships with the rest of

the government during this tough period now past.



With the good feeling that exists toward you today, good people can be recruited. However, the good feeling could erode during the fall campaign and as economic or other problems arise. The time to recruit is now. If not, the public will conclude, it is "business as usual."

Attention to personnel is vital to your success. It is your principal of control point. Without full attention by you to personnel matters, there will not be a true Ford Presidency.

Some suggestions:

1. The most important thing you can do with respect to personnel, is for you to resolve to spend a significant portion of your personal time on the subject of personnel. The better job that is done, the less time you will have to spend during the remainder of your Presidency on problems, because you will have people in whom you have confidence and who will have the stature and ability to do the job.

2. Everyone previously connected with recruiting and approving personnel should be taken out of that line of authority.

3. Freeze hiring now, except as specifically approved by a person of your selection. This can be done by pointing out ^{that} you intend to reduce the size of the White House staff.

4. Put a man of stature in charge of personnel immediately, as your personal representative, if only for a five-month period, to (1) advise you, (2) recommend reorganization of the system, (3) staff the office with new personnel and recruiting people, (4) initiate top recruiting now and (5) serve as a lightening rod and point of information about people who would like to come in as well as people who are presently on board.

5. Look over retiring House and Senate members, Governors, Republican and Democrats, Frelinghuysen, Edith Green, Chamberlain, etc., and sprinkle the good ones throughout the government soon.

6. Go after two or three top appointments from outside the government by early September. It will send a signal to the country and the Administration that you plan to upgrade. The appointment of a David Rockefeller or a Walter Reston would serve as an attraction to other outstanding people around the country, who would then be encouraged to come. The appointment of individuals of less stature in this early period will be a signal to the contrary.

7. There is general agreement that the White House staff has deteriorated in the last two years and that many are one or two notches over their heads.

8. You need Blacks in your Administration, including minorities in your personal office.

9. We have not been asked, and thus, not made specific recommendations as to personnel. However, we have received a lot of free advice during our discussions. When a personnel man is selected by you, our files will be turned over to him.

10. You should announce a reduction in the White House staff of 10-30% within two weeks.

11. The new man in charge of personnel should be someone of stature, such as you would name to your Cabinet, but who would prefer to spend only five months on leave either from another government post or from the private sector.

12. It may not be possible to make your Vice President also the head of a Cabinet Department. However, it might be desirable to see that he has something substantive to do. You, of course, are an expert on the Vice Presidency. However, it is my view that depending on who is selected, he might serve as your top man for either Domestic Policy, Economic Policy or National Security Policy.

13. As far as timing, you might think of the personnel aspects of the movement toward the Ford Presidency in three segments:

a. Changes to be made prior to October 1, 1974 --

prior to the election;

b. Changes to be made between the election and

January 20, 1975. The men that are in place on January 20, will be

your team for the remainder of this term;

c. Filling vacancies as they arrive -- Post-January 20, 1975;

14. Specific procedures should be arranged so that there is

careful, humane, decent treatment of those individuals who will be

leaving. It is not complicated, but it takes a little time and has to be

organized. This should be the case whether they are leaving voluntarily

or involuntarily. These are fine men who came to serve their country.

It has been tough. It is critical to recruiting that those who are thinking

about coming into this Administration, see clearly that the people who are

there or have been there, were well treated. Further, it is the right

thing to do.

15. There is some uncertainty at the present time. That is not all bad. However, I recommend a direct approach. As soon as decisions can be made, people should be seen personally. If it is best that they leave, they should be told. If they are to go but could be useful elsewhere in the Administration, we should go to work and find the place. If they are to be kept, they should be told and relied on and given responsibility and good management direction.

16. , As important as recruiting and having good people, is managing and leading them once hired. The individual who assumes the responsibility for personnel for you, who must report directly to you, should attend to these matters. He should see that people are briefed on ethics, their responsibilities, and on the expected behavior pattern.

The White House staff is bloated. It has probably trippled over the last six years. The only time you will be able to reduce it is now. If it is not down by a third by January 20, 1975, it will be even larger

than today by 1976.

If the success or failure of the Ford Presidency depends in large part on people, the personnel function is critical. To be successful you must have full confidence in the individual you assign that responsibility and he must be properly organized to do it.

I-F

COUNSEL TO THE PRESIDENT

The Office of the Legal Counsel

In the early years of the Nixon Administration the Attorney General's Department did major legal work for the President, and the Legal Office in the White House dealt primarily with matters of propriety and other internal problems. Later, of course, both the Legal Office and the Special Office became almost totally concerned with the various aspects of the Watergate affair. Accordingly, a big change is necessary.

In addition, because of Watergate, the Department of Justice is now "independent" of the Presidency.

Option 1: Continue a relatively low-grade, internal operating Legal Office.

Option II: Upgrade the Legal Counsel, establish it in the White House as the President's legal right arm. It ^{would}~~should~~ continue handling internal problems but in addition energize the development of policy concerning conflict-of-interest, ethics, etc., or, at the very least, have a major input on same. The various functions outlined in the attached paper by Ed McCabe should be considered for this office.

Comment: There is unanimity that this Office should not only be upgraded but that the head of the Office should be a top-grade personal appointee of the President, with regular entrée to him.

Recommendation: Option II

Reasons: Necessity, because of the "independent" Department of Justice and the ^{essential} ~~pressing need~~ for a strong legal right arm for any President.



THE WHITE HOUSE COUNSEL
UNDER PRESIDENT EISENHOWER

By: Edward A. McCabe

1. Legal job, calling for mature and experienced lawyer judgments. Not a Hill-type job. Not a speech-writing function. Not in any sense a P.R. job.
2. Function very different from the Department of Justice. Many in-house lawyer functions in the White House itself. Department of Justice is an advocate for Departmental positions within the Executive Branch. Also, Department is legal adviser to all Departments and Agencies -- as well as the Chief Law Enforcement office.
3. Even so -- very important that there be good relations with the Attorney General and his senior aides. There should be no encroachment by either office on the prerogatives and function of the other. No conflict should be tolerated -- but key must be which office handles which chore best. Once in a rare while, the President himself might have to referee a dispute and decide who does what. Unlikely.
4. Many lawyer things, by statute, come to the President. CAB overseas air route matters. Some Maritime matters, and others. Justice Department has no role in many such things -- and might even have an adversary role to defend. So, President's White House Counsel handled.
5. White House Counsel's Office (under DDE) was focal point for development of the President's legislative program.
 - a) Included the coordinating function on messages from the President -- the coordinating of Departmental views and advice on what these messages should say -- when a special message went to the Hill with a part of the President's legislative program.
6. Counsel also processed bills the Congress passed -- for Presidential signature or veto.
 - a) Seeing to it a bill as passed was consistent with the program of the President. This, of course, involved contact with Budget and the concerned Departments. (Here, Justice on many bills could well have a conflict of interest.)

- b) Coordinate views and advice on any signing message or comment.
 - c) Coordinate veto messages, with Budget and the concerned Departments.
7. Handle various Presidential Proclamations -- Captive Nations' Week, etc., etc.
 8. Pass on questions that touch on any private (usually commercial) use of insignia, labels, etc., that may imply Presidential or White House endorsement of some product.
 9. Review FBI investigative reports and authorize clearance of all Presidential appointments.
 10. Gather the necessary facts and assess them in those cases where disciplinary action develops against, say, a Presidential appointee on one of the regulatory boards or commissions, or someone in an Executive Department or Agency. Several times this function led to a resignation, or a dismissal.
 11. Coordinate Executive Branch activity on Congressional investigations that overlapped 2 or 3 Departments and Agencies.
 12. Review, for the President, prior to his acting on them -- certain disciplinary matters in the military. These include discipline of general officers, and military death sentences. There were more than just a few of these in the Eisenhower years, probably a Korean war aftermath. Pattern might conceivably repeat itself in the next few years.
 13. This office was manned by 3 people under President Eisenhower. There seems to be a real advantage in holding the numbers down (5 or 6 at the most) with at least half of these having real experience.

II-A

II. Ford Presidency

A. General

The style and the institution of the Presidency have been inflated greatly since 1960, and must be put back into perspective. The Ford Presidency should become a part of the American scene rather than the focal point for planning the country's future. To that end, we suggest the following for your consideration:

1. Cut the size of the White House Staff and of OMB substantially. Cut the number of military assigned to White House duty and insist on civilian attire except for formal occasions.
2. Cut 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.
3. You should consider stopping the practice of having the Chairman of the Republican National Committee's routinely attend Cabinet meetings.
4. You should consider a series of small informal dinners with national leaders and top officials of your Administration.
5. Return to Grand Rapids, possibly on Veterans Day or Thanksgiving. Richard Nixon didn't have a hometown.
6. Have a few dinners with your children and their friends.
7. Take occasional walks in various D.C. neighborhoods (not just the inner city problem areas) to meet your new neighbors.
8. Play golf occasionally on the South Lawn, for relaxation or while talking business.

II-B

II. Ford Presidency

B. Specific New Ideas

To start establishing a Ford presidency by actions as well as by words, there are a number of specific actions you might take in approach and on issues over the next few months.

1. 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.

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

2. Visit with top career Civil Servants. The career Civil Service was consistently treated by the former Administration with suspicion and hostility. They are concerned about their role in government, about the pay compression in the top grades, and about orderly career development. You should consider meeting soon with ten or twenty top civil servants in the Cabinet Room for about an hour. You also might consider calling for a modest Congressional pay increase after the elections to alleviate the pay compression problem.

3. Sharing your education. The people need to feel 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 education on these matters with the American people. President Nixon always tried to sound like he had an infallible answer when he went on TV, and a change in this regard would be healthy.



4. Parks. America is recognized around the world as a leader in preserving the beauty of its land through national parks and wilderness areas. Moreover, the town park is a prominent feature in American life. You might consider making the beauty of America and the expansion of parks for the people one of the themes of your Administration

5. 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 the Nixon-supported bill a solid beginning for truly comprehensive and far-reaching pension reform in the future.

6. Automobile Safety Legislation. This bill, cutting back on the over-zealous regulations of the Department of Transportation, points up the hazards of government's 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.

7. Cuba. You might consider asking Kissinger to review the desirability of reopening relations with Cuba.

8. Amnesty. The issue of amnesty for draft evaders does not seem to have caught hold even though many are calling for it. You should consider developing a proposal after the issue of President Nixon's prosecution is resolved.

9. Murphy Commission on Organization for Foreign Policy. You accepted Mike Mansfield's invitation to go to the Hill for a lunch with this Commission hosted by Arend Lubbers. This might be a good place to discuss organization for international economic policy or to inform them of your thinking on that subject.

II-C

II. Ford Presidency

C. Review of Policy Proposals in Process.

We offer the following suggestions on how you may wish to handle the following items already "in the pipeline" in a way significantly different from the current thinking of OMB and the Domestic Council:

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 get a good person in charge and have 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. Javits' Public Employment Proposal. The Javits public service employment bill is opposed by Alan Greenspan and others as unworkable. However, rather than veto the bill, it would be useful to have Greenspan work with Javits to get a more practical plan to achieve the shared objective.

3. Shift of OEO Community Action Programs to HEW. Rather than continue the hard-line Administration opposition to retaining the Community Action Programs in any form, you should consider immediate support of a compromise to transfer Community Action 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.

4. 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.

5. Establishment of an Under Secretary of Defense. The Department of Defense has requested authority to establish an Under Secretary of Defense in lieu of a second Deputy Secretary of Defense, but State, OMB, and NSC staffs are likely to oppose. The new age of negotiations, combined with the need for maximum strength without large defense budgets, require DOD to have top-quality management. Treasury has a Deputy and two Under Secretaries and the State Department has a Deputy and three Under Secretaries.



III. Meeting with Key Individuals

- While carrying forward many of the policies of the past Administration, you will want to end the accumulated hostilities.
- The pattern of groups and individuals you meet with will influence the character of your Presidency.

We have given Al Haig a list of individuals and groups we think you should consider meeting over the next few months. This list includes many distinguished leaders in their fields and has been compiled for the above purposes rather than taken only from White House files, also small businessmen, farmers, and small town law enforcement officers not normally found on such lists.

The categories recommended include business, labor, arts, religion, science, education, health care, youth, civil rights, and agriculture. We recommend no meetings with minority groups as such, but rather careful inclusion of blacks, women, and ethnics as part of one or several other categories.

IMPLEMENTATION

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

You must organize, on an initiative basis, those whom you have appointed and those you will bring in to assure that you continue to move effectively towards a successful Presidency. This cannot be an easy task, since the institution has built-in resistance to change. Some illustrative steps that might be taken to this end are:

1. Until you have implemented a new organization, you should meet each week with a small group of your new White House appointees -- Marsh, Hartmann, terHorst, Buchen, etc. The agenda for that meeting should be to review where you were, where you are and where you are going.
2. You should meet every few weeks, individually or in small groups, with some 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.
3. As indicated in the personnel memo, you should personally designate an individual to study, monitor, review, and establish a personnel and recruiting function to serve you at least through December.
4. You should designate an individual, either permanent or parttime to serve for a time as a "lightening rod" or "wild card" outside the regular White House organization until your new organization and personnel begin to take hold. This individual could undertake special projects, watch the flow of policy development in the staffing process, and serve to get views of your outside advisers in to you and, as appropriate, into the staffing system before things get too far committed.

- 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 agrees 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 decision. 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 that you have all the 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.

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.

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.

PERSONNEL

- The major concern here, at least for the first five months of your Administration, is to have personnel problems 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.

- Recommendation: 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.

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.

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.

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.



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 retaining the Community Action 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.

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 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's 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 one or two days, you could schedule a few speeches, meetings with elected officials, business, community and labor leaders, give telephone interviews for use on broadcast 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 counter-balance the themes of energy and economic development which are viewed by many as destruction 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 threaten the individual freedom that is essential to the concept of "We the people. . ."

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 _____

8. Parks and Historical Preservation.

Approve _____ Disapprove _____

Comment _____

9. Pension Reform.

Approve _____ Disapprove _____

Comment _____

10. Automobile Safety Legislation

Approve _____ Disapprove _____

Comment _____

REVIEW OF POLICY PROPOSALS IN PROCESS

1. Reassessment of Project Independence and ERDA.

Approve _____ Disapprove _____

Comment _____

2. Shift of OEO Community Action Programs to HEW.

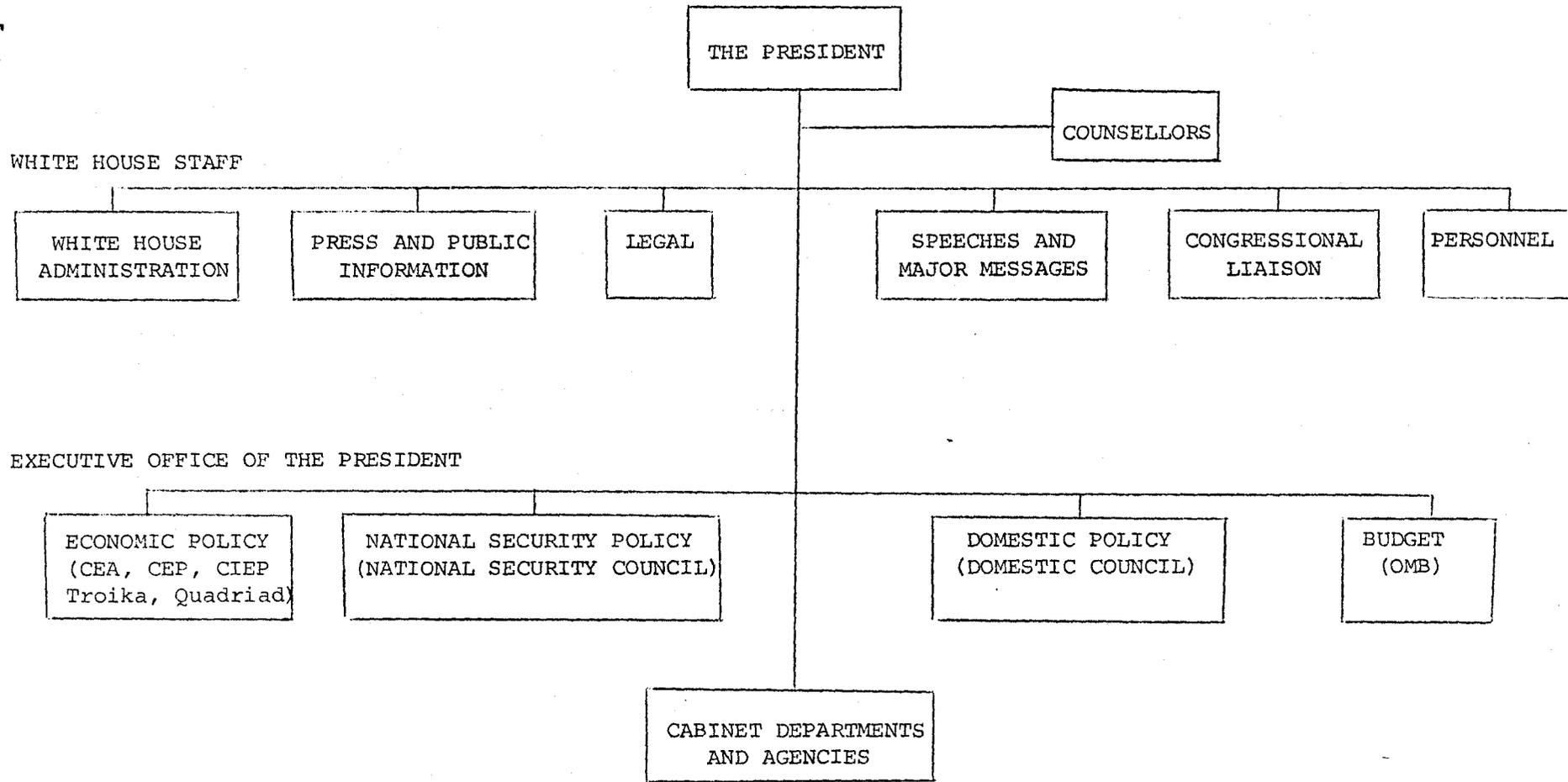
Approve _____ Disapprove _____

Comment _____

3. FY 1976 Budget Projections

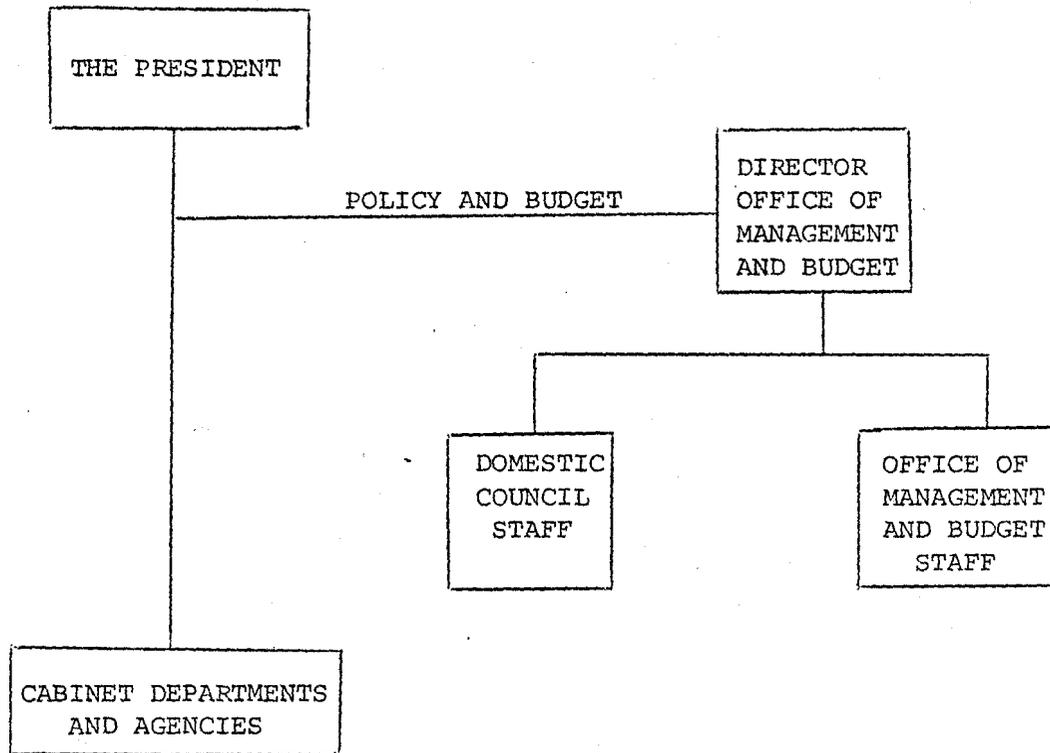
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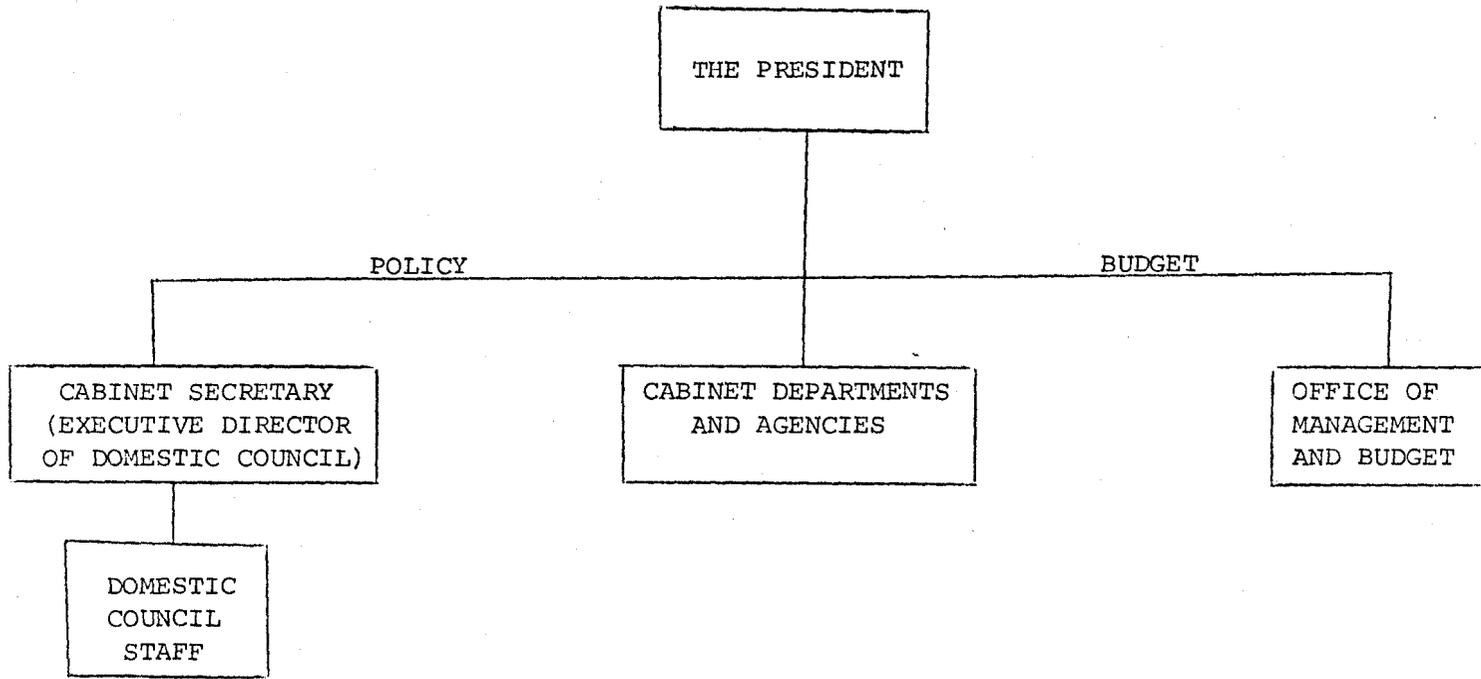


DOMESTIC POLICY ORGANIZATION
Option 1

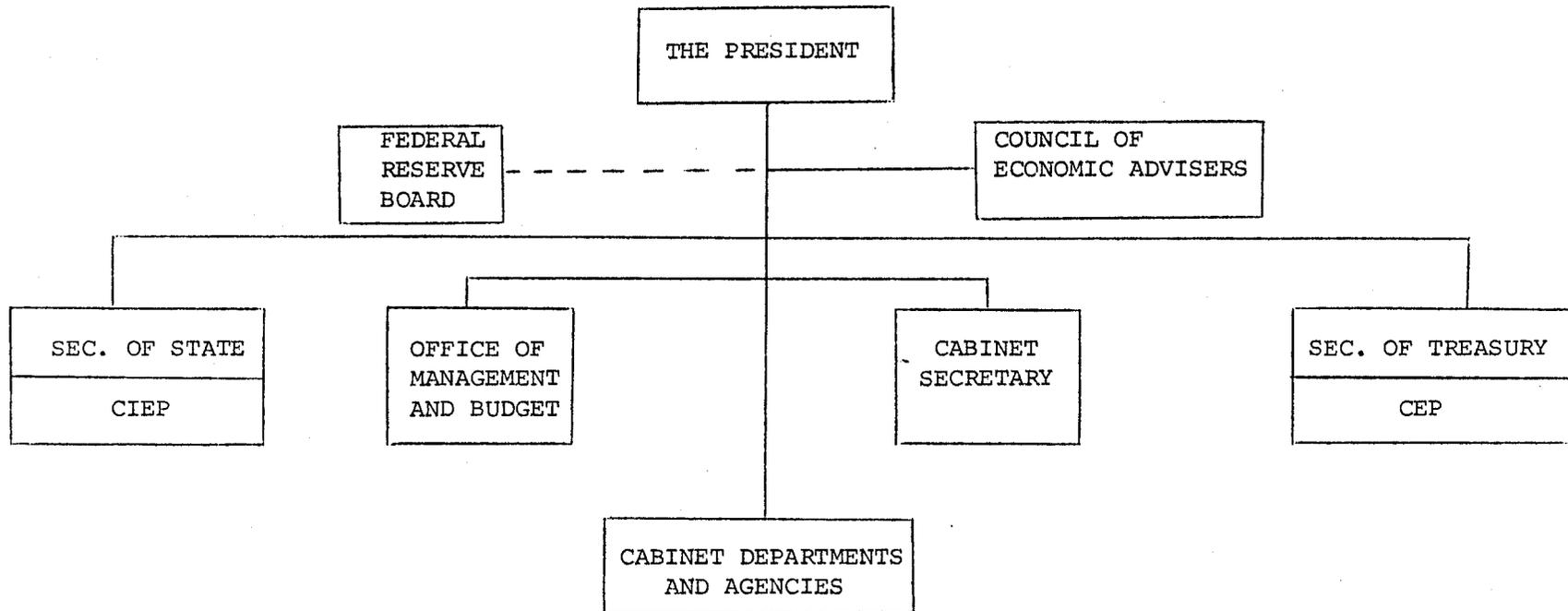
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DOMESTIC POLICY ORGANIZATION
Option 2

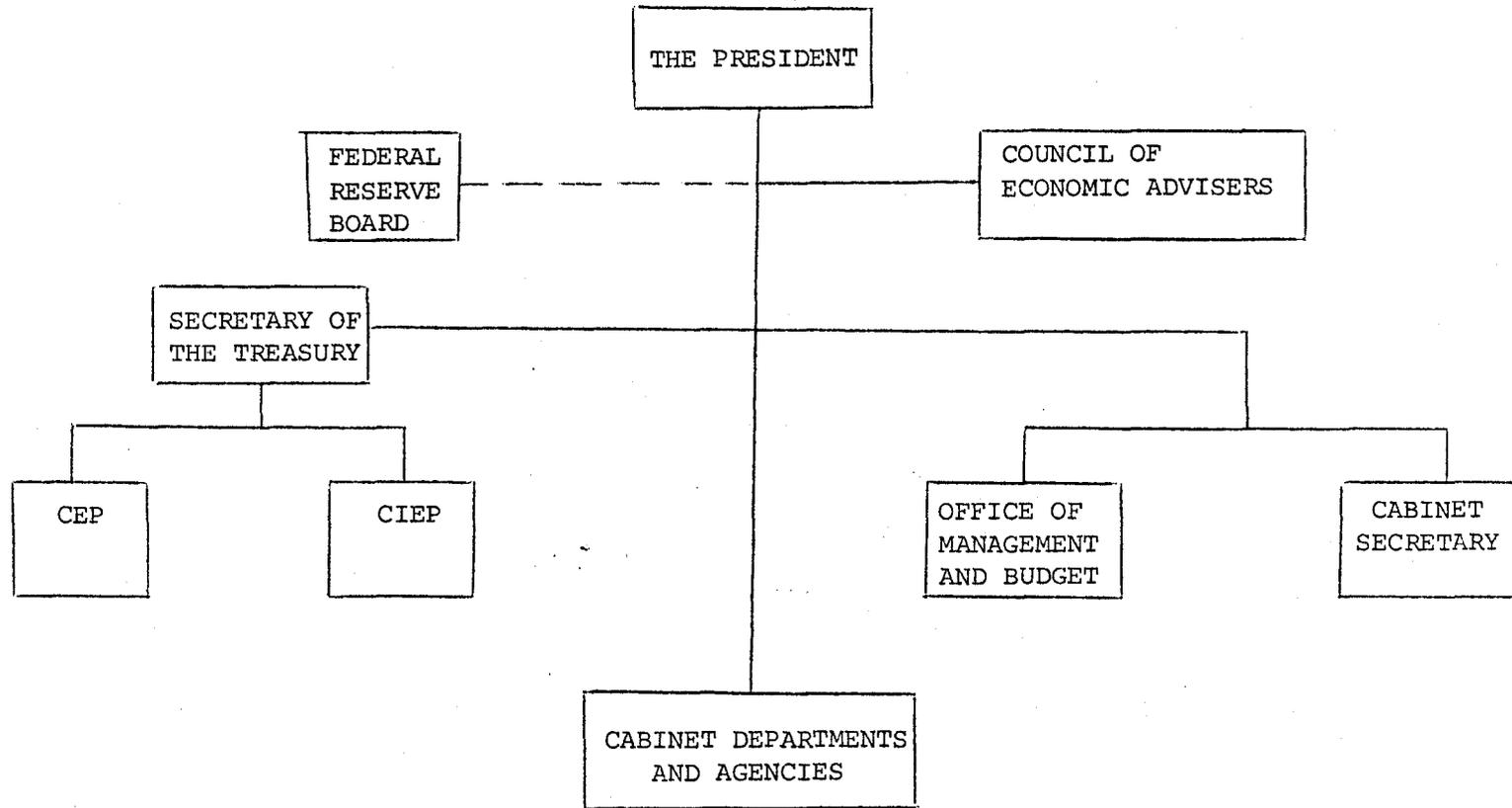


ECONOMIC POLICY ORGANIZATION
Option 1



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

ECONOMIC POLICY ORGANIZATION
Option 2



THE WHITE HOUSE
WASHINGTON

Draft

TRANSITION TEAM REPORT

Phil Buchen



TRANSITION TEAM REPORT

I. White House and Executive Office Organization

- A. Principles
- B. General Organization
- C. Domestic Policy Organization
- D. Economic Policy Organization
- E. Personnel Organization
- F. Counsel to the President

II. Ford Presidency

- A. General
- B. Specific New Ideas
- C. Review of Policy Proposals in Process

III. Meeting with Key Individuals

IV. Implementation

I. White House and Executive Office Organization

- These are the organizations which help you administer your own activities and through which you plan and coordinate the programs of the Executive Branch. Executive Office officials must be confirmed by the Senate and are required to testify; not so for White House staff.
- There must be neither too few nor too many people having regular direct access to you for this purpose.
- The organization must conform to your personal style of working relationships.
- There must be a chief of staff for administration, but there should not be a chief of staff for advice and policy direction.



I-B

General Organization:

- There is considerable agreement that in the White House Staff you should have at least the following five separate and distinct people, each having direct access to you:
 1. Legal
 2. Press and public information
 3. Congressional liaison and political advice
 4. Personnel
 5. White House administration (paper flow, offices, cars, schedules, correspondence, etc.)

- The Executive Office agencies should be used to develop policy options for your consideration in conjunction with the heads of departments and agencies, and to monitor the progress and effectiveness of governmental programs. The major components of the Executive Office for this purpose should be:
 1. Economic Policy
 2. Domestic Policy
 3. National Security Policy
 4. Budget

- The White House Staff and the OMB staff have grown much too large and have become enmeshed in too much detailed direction of the departments and agencies. Many White House Staff functions should be moved to Executive Office agencies, and many Executive Office functions should be moved back to the departments and agencies.

I-C

Domestic Policy Organization

- The major problem here is the overlapping and competition between OMB and the Domestic Council staff.
- A second problem is that both OMB and the Domestic Council staffs have gotten into too much detail on departmental programs and have interjected themselves between the department heads and the President on policy formulation.
- Option 1:
 - You chair the Domestic Council, as in Option 2.
 - The Director of OMB would be the Executive Director of the Domestic Council, and would work with the department heads to provide the options and recommendations you need for decisions on major domestic policy and budget issues.
 - The Associate Director of OMB for Policy and Programs would assist the Director of OMB in developing and analyzing policy options.
- Option 2:
 - You chair the Domestic Council, changed to be composed of heads of departments and agencies not principally economic or international.
 - The Executive Director of the Domestic Council would be your principal assistant for domestic policy development on the White House Staff.
 - The Domestic Council staff would work with the department heads to provide the options and recommendations you need for decisions on major domestic policy and budget issues.
 - The OMB would be reduced in size and scope to provide budgetary control, legislative clearance, and management evaluation of departmental operations, much like the office of a comptroller in a department or a corporation.

- Comment: Almost everyone we have talked to agrees 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 management and (2) development of policy options and staffing of recommendations for your decision. There is considerable feeling that you 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. Option 2 is superficially more palatable to Congress, but Option 1 would probably make for better relations in the long run if you get a politically attuned Director.
- Recommendation: Option 1.
- Reasons: With the new Budget Committees, you will need high-level appointees who can be available to testify on the policy aspects of the Administration's budget as well as the financial details. You cannot afford to mediate personally the inevitable disputes between those with budgetary control and those with policy staffing control as Option 2 would require. Moreover, you could more readily attract highly capable people to top positions in OMB under Option 1 than to OMB and Domestic Council Executive Director under Option 2.

I-D

Economic Policy Organization

- The major problem here is the competing and overlapping organizations created during the last few years.
- Option 1
 - Eliminate Rush office.
 - Council on Economic Policy (CEP) to focus on domestic economic issues, chaired by the Secretary of the Treasury.
 - Council on International Economic Policy (CIEP) to focus on international economic issues regularly chaired by the Secretary of State on behalf of you, the statutory Chairman.
 - You would be the overall (CEA) authority on all economic policy, Greenspan as Chairman of the Council of Economic Advisers (CEA) to monitor the overall economic situation and act as your "consultant."
 - You, the Secretary of the Treasury, and the Secretary of State would be the Administration's spokesmen on economic policy.
- Option 2:
 - Eliminate the Rush office.
 - You chair the CEP, focused on domestic economic matters, as well as the CIEP.
 - Designate Executive Director CEP and CIEP.
 - You would be the sole authority and spokesman on all economic policy, using Greenspan to coordinate the activities of the domestic and international councils and to act as your "consultant."
- Comment: Almost everyone we have talked to agrees that the Rush office should be eliminated. Greenspan feels he cannot be effective as the principal spokesman on economic matters. There is considerable feeling you should personally direct and pronounce economic policy.

- Recommendation: Option 1
- Reasons: You can decide overall policy direction and mediate Cabinet disputes with Greenspan's staff support to you. You will be overall spokesman for Administration economic policy, but not the sole spokesman. The role of the Cabinet will be more visible and more of the less important decisions can be delegated outside the White House and Executive Office.

I-E

PERSONNEL

Nothing you can plan and organize will be more important to the success of the Ford Administration than your selection of personnel,

Lady Bird Johnson wisely wrote in her book that, with no disrespect to the Kennedy team, the single greatest mistake LBJ made was not bringing his own team sooner.

The Administration is presently staffed with many fine, abled, dedicated men. However:

(1) they were recruited, hired, and directed by a personnel system controlled totally by Haldeman, Malek, Jones and Weimer, none of whom would seem to/your approach to government,

(2) they are exhausted,

(3) some may have vulnerabilities from the past two years;

(4) some have developed difficult relationships with the rest of

the government during this tough period now past.



With the good feeling that exists toward you today, good people can be recruited. However, the good feeling could erode during the fall campaign and as economic or other problems arise. The time to recruit is now. If not, the public will conclude, it is "business as usual."

Attention to personnel is vital to your success. It is your principal of control point. Without full attention by you to personnel matters, there will not be a true Ford Presidency.

Some suggestions:

1. The most important thing you can do with respect to personnel, is for you to resolve to spend a significant portion of your personal time on the subject of personnel. The better job that is done, the less time you will have to spend during the remainder of your Presidency on problems, because you will have people in whom you have confidence and who will have the stature and ability to do the job.

2. Everyone previously connected with recruiting and approving personnel should be taken out of that line of authority.

3. Freeze hiring now, except as specifically approved by a person of your selection. This can be done by pointing out ^{that} you intend to reduce the size of the White House staff.

4. Put a man of stature in charge of personnel immediately, as your personal representative, if only for a five-month period, to (1) advise you, (2) recommend reorganization of the system, (3) staff the office with new personnel and recruiting people, (4) initiate top recruiting now and (5) serve as a lightening rod and point of information about people who would like to come in as well as people who are presently on board.

5. Look over retiring House and Senate members, Governors, Republican and Democrats, Frelinghuysen, Edith Green, Chamberlain, etc., and sprinkle the good ones throughout the government soon.

6. Go after two or three top appointments from outside the government by early September. It will send a signal to the country and the Administration that you plan to upgrade. The appointment of a David Rockefeller or a Walter Reston would serve as an attraction to other outstanding people around the country, who would then be encouraged to come. The appointment of individuals of less stature in this early period will be a signal to the contrary.

7. There is general agreement that the White House staff has deteriorated in the last two years and that many are one or two notches over their heads.

8. You need Blacks in your Administration, including minorities in your personal office.

9. We have not been asked, and thus, not made specific recommendations as to personnel. However, we have received a lot of free advice during our discussions. When a personnel man is selected by you, our files will be turned over to him.

10. You should announce a reduction in the White House staff of 10-30% within two weeks.

11. The new man in charge of personnel should be someone of stature, such as you would name to your Cabinet, but who would prefer to spend only five months on leave either from another government post or from the private sector.

12. It may not be possible to make your Vice President also the head of a Cabinet Department. However, it might be desirable to see that he has something substantive to do. You, of course, are an expert on the Vice Presidency. However, it is my view that depending on who is selected, he might serve as your top man for either Domestic Policy, Economic Policy or National Security Policy.

13. As far as timing, you might think of the personnel aspects of the movement toward the Ford Presidency in three segments:

- a. Changes to be made prior to October 1, 1974 --

prior to the election;

- b. Changes to be made between the election and

January 20, 1975. The men that are in place on January 20, will be

your team for the remainder of this term;

- c. Filling vacancies as they arrive -- Post-January 20, 1975;

14. Specific procedures should be arranged so that there is

careful, humane, decent treatment of those individuals who will be

leaving. It is not complicated, but it takes a little time and has to be

organized. This should be the case whether they are leaving voluntarily

or involuntarily. These are fine men who came to serve their country.

It has been tough. It is critical to recruiting that those who are thinking

about coming into this Administration, see clearly that the people who are

there or have been there, were well treated. Further, it is the right

thing to do.

15. There is some uncertainty at the present time. That is not all bad. However, I recommend a direct approach. As soon as decisions can be made, people should be seen personally. If it is best that they leave, they should be told. If they are to go but could be useful elsewhere in the Administration, we should go to work and find the place. If they are to be kept, they should be told and relied on and given responsibility and good management direction.

16. As important as recruiting and having good people, is managing and leading them once hired. The individual who assumes the responsibility for personnel for you, who must report directly to you, should attend to these matters. He should see that people are briefed on ethics, their responsibilities, and on the expected behavior pattern.

The White House staff is bloated. It has probably tripped over the last six years. The only time you will be able to reduce it is now. If it is not down by a third by January 20, 1975, it will be even larger

than today by 1976.

If the success or failure of the Ford Presidency depends in large part on people, the personnel function is critical. To be successful you must have full confidence in the individual you assign that responsibility and he must be properly organized to do it.

I-F

COUNSEL TO THE PRESIDENT

The Office of the Legal Counsel

In the early years of the Nixon Administration the Attorney General's Department did major legal work for the President, and the Legal Office in the White House dealt primarily with matters of propriety and other internal problems. Later, of course, both the Legal Office and the Special Office became almost totally concerned with the various aspects of the Watergate affair. Accordingly, a big change is necessary.

In addition, because of Watergate, the Department of Justice is now "independent" of the Presidency.

Option I: Continue a relatively low-grade, internal operating Legal Office.

Option II: Upgrade the Legal Counsel, establish it in the White House as the President's legal right arm. It ^{would} ~~should~~ continue handling internal problems but in addition energize the development of policy concerning conflict-of-interest, ethics, etc., or, at the very least, have a major input on same. The various functions outlined in the attached paper by Ed McCabe should be considered for this office.

Comment: There is unanimity that this Office should not only be upgraded but that the head of the Office should be a top-grade personal appointee of the President, with regular entrée to him.

Recommendation: Option II

Reasons: Necessity, because of the "independent" Department of Justice and the ^{essential} ~~pressing need~~ for a strong legal right arm for any President.



THE WHITE HOUSE COUNSEL
UNDER PRESIDENT EISENHOWER

By: Edward A. McCabe

1. Legal job, calling for mature and experienced lawyer judgments. Not a Hill-type job. Not a speech-writing function. Not in any sense a P.R. job.
2. Function very different from the Department of Justice. Many in-house lawyer functions in the White House itself. Department of Justice is an advocate for Departmental positions within the Executive Branch. Also, Department is legal adviser to all Departments and Agencies -- as well as the Chief Law Enforcement office.
3. Even so -- very important that there be good relations with the Attorney General and his senior aides. There should be no encroachment by either office on the prerogatives and function of the other. No conflict should be tolerated -- but key must be which office handles which chore best. Once in a rare while, the President himself might have to referee a dispute and decide who does what. Unlikely.
4. Many lawyer things, by statute, come to the President. CAB overseas air route matters. Some Maritime matters, and others. Justice Department has no role in many such things -- and might even have an adversary role to defend. So, President's White House Counsel handled.
5. White House Counsel's Office (under DDE) was focal point for development of the President's legislative program.
 - a) Included the coordinating function on messages from the President -- the coordinating of Departmental views and advice on what these messages should say -- when a special message went to the Hill with a part of the President's legislative program.
6. Counsel also processed bills the Congress passed -- for Presidential signature or veto.
 - a) Seeing to it a bill as passed was consistent with the program of the President. This, of course, involved contact with Budget and the concerned Departments. (Here, Justice on many bills could well have a conflict of interest.)

- b) Coordinate views and advice on any signing message or comment.
 - c) Coordinate veto messages, with Budget and the concerned Departments.
7. Handle various Presidential Proclamations -- Captive Nations' Week, etc., etc.
 8. Pass on questions that touch on any private (usually commercial) use of insignia, labels, etc., that may imply Presidential or White House endorsement of some product.
 9. Review FBI investigative reports and authorize clearance of all Presidential appointments.
 10. Gather the necessary facts and assess them in those cases where disciplinary action develops against, say, a Presidential appointee on one of the regulatory boards or commissions, or someone in an Executive Department or Agency. Several times this function led to a resignation, or a dismissal.
 11. Coordinate Executive Branch activity on Congressional investigations that overlapped 2 or 3 Departments and Agencies.
 12. Review, for the President, prior to his acting on them -- certain disciplinary matters in the military. These include discipline of general officers, and military death sentences. There were more than just a few of these in the Eisenhower years, probably a Korean war aftermath. Pattern might conceivably repeat itself in the next few years.
 13. This office was manned by 3 people under President Eisenhower. There seems to be a real advantage in holding the numbers down (5 or 6 at the most) with at least half of these having real experience.

II-A

II. Ford Presidency

A. General

The style and the institution of the Presidency have been inflated greatly since 1960, and must be put back into perspective. The Ford Presidency should become a part of the American scene rather than the focal point for planning the country's future. To that end, we suggest the following for your consideration:

1. Cut the size of the White House Staff and of OMB substantially. Cut the number of military assigned to White House duty and insist on civilian attire except for formal occasions.
2. Cut 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.
3. You should consider stopping the practice of having the Chairman of the Republican National Committee's routinely attend Cabinet meetings.
4. You should consider a series of small informal dinners with national leaders and top officials of your Administration.
5. Return to Grand Rapids, possibly on Veterans Day or Thanksgiving. Richard Nixon didn't have a hometown.
6. Have a few dinners with your children and their friends.
7. Take occasional walks in various D.C. neighborhoods (not just the inner city problem areas) to meet your new neighbors.
8. Play golf occasionally on the South Lawn, for relaxation or while talking business.

II-B

II. Ford Presidency

B. Specific New Ideas

To start establishing a Ford presidency by actions as well as by words, there are a number of specific actions you might take in approach and on issues over the next few months.

1. 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.

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

2. Visit with top career Civil Servants. The career Civil Service was consistently treated by the former Administration with suspicion and hostility. They are concerned about their role in government, about the pay compression in the top grades, and about orderly career development. You should consider meeting soon with ten or twenty top civil servants in the Cabinet Room for about an hour. You also might consider calling for a modest Congressional pay increase after the elections to alleviate the pay compression problem.

3. Sharing your education. The people need to feel 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 education on these matters with the American people. President Nixon always tried to sound like he had an infallible answer when he went on TV, and a change in this regard would be healthy.



4. Parks. America is recognized around the world as a leader in preserving the beauty of its land through national parks and wilderness areas. Moreover, the town park is a prominent feature in American life. You might consider making the beauty of America and the expansion of parks for the people one of the themes of your Administration

5. 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 the Nixon-supported bill a solid beginning for truly comprehensive and far-reaching pension reform in the future.

6. Automobile Safety Legislation. This bill, cutting back on the over-zealous regulations of the Department of Transportation, points up the hazards of government's 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.

7. Cuba. You might consider asking Kissinger to review the desirability of reopening relations with Cuba.

8. Amnesty. The issue of amnesty for draft evaders does not seem to have caught hold even though many are calling for it. You should consider developing a proposal after the issue of President Nixon's prosecution is resolved.

9. Murphy Commission on Organization for Foreign Policy. You accepted Mike Mansfield's invitation to go to the Hill for a lunch with this Commission hosted by Arend Lubbers. This might be a good place to discuss organization for international economic policy or to inform them of your thinking on that subject.

II-C

II. Ford Presidency

C. Review of Policy Proposals in Process.

We offer the following suggestions on how you may wish to handle the following items already "in the pipeline" in a way significantly different from the current thinking of OMB and the Domestic Council:

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 get a good person in charge and have 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. Javits' Public Employment Proposal. The Javits public service employment bill is opposed by Alan Greenspan and others as unworkable. However, rather than veto the bill, it would be useful to have Greenspan work with Javits to get a more practical plan to achieve the shared objective.

3. Shift of OEO Community Action Programs to HEW. Rather than continue the hard-line Administration opposition to retaining the Community Action Programs in any form, you should consider immediate support of a compromise to transfer Community Action 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.

4. 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.

5. Establishment of an Under Secretary of Defense. The Department of Defense has requested authority to establish an Under Secretary of Defense in lieu of a second Deputy Secretary of Defense, but State, OMB, and NSC staffs are likely to oppose. The new age of negotiations, combined with the need for maximum strength without large defense budgets, require DOD to have top-quality management. Treasury has a Deputy and two Under Secretaries and the State Department has a Deputy and three Under Secretaries.



III. Meeting with Key Individuals

- While carrying forward many of the policies of the past Administration, you will want to end the accumulated hostilities.
- The pattern of groups and individuals you meet with will influence the character of your Presidency.

We have given Al Haig a list of individuals and groups we think you should consider meeting over the next few months. This list includes many distinguished leaders in their fields and has been compiled for the above purposes rather than taken only from White House files, also small businessmen, farmers, and small town law enforcement officers not normally found on such lists.

The categories recommended include business, labor, arts, religion, science, education, health care, youth, civil rights, and agriculture. We recommend no meetings with minority groups as such, but rather careful inclusion of blacks, women, and ethnics as part of one or several other categories.

IMPLEMENTATION

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

You must organize, on an initiative basis, those whom you have appointed and those you will bring in to assure that you continue to move effectively towards a successful Presidency. This cannot be an easy task, since the institution has built-in resistance to change. Some illustrative steps that might be taken to this end are:

1. Until you have implemented a new organization, you should meet each week with a small group of your new White House appointees -- Marsh, Hartmann, terHorst, Buchen, etc. The agenda for that meeting should be to review where you were, where you are and where you are going.
2. You should meet every few weeks, individually or in small groups, with some 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.
3. As indicated in the personnel memo, you should personally designate an individual to study, monitor, review, and establish a personnel and recruiting function to serve you at least through December.
4. You should designate an individual, either permanent or parttime to serve for a time as a "lightening rod" or "wild card" outside the regular White House organization until your new organization and personnel begin to take hold. This individual could undertake special projects, watch the flow of policy development in the staffing process, and serve to get views of your outside advisers in to you and, as appropriate, into the staffing system before things get too far committed.