

PAUL MARTIN, U.S. News

Monday, December 1, 1975
2:00 p.m.

Mr. Cannon's Office

PAUL MARTIN

8/6/75

Jim:

Here is the article I mentioned.
We had several followup pieces
along the same line, zeroing in
later on efforts to consolidate
categorical grant programs.

pm

Pat
Give me before
any next
meeting with
him

REAL STORY OF THE "NIXON REVOLUTION"

Here's what
we did in
1971
P

President's trip to Des Moines early in March was just the start of an all-out campaign to "sell" the broadest Government reform in a hundred years. In this report: details of a master plan that would touch every American.

From the messages that the President has delivered to the new 92nd Congress, this much is clear: Richard Nixon has proposed to the lawmakers the most comprehensive and far-reaching blueprint for reform of Government programs and agencies in more than a century.

Unlike the "New Deal" of Franklin D. Roosevelt or the "Great Society" of Lyndon B. Johnson—when there was a massive build-up of money, power and functions in Washington—Mr. Nixon is urging what he calls a return of "power to the people" in "a new American Revolution."

Recurrent in the White House messages is this central theme: "Most Americans are simply fed up with government at all levels." According to Mr. Nixon himself:

"Government talks more and taxes more, but too often it fails to deliver. It grows bigger and costlier, but our problems only seem to get worse."

In the first week of March, the President embarked on a series of flying trips around the country to "sell" his program to the people. On March 1, it was an address to a session of the Iowa State legislature in Des Moines, meetings with the Governors of Iowa, Illinois, Missouri and Wisconsin, and a personal briefing for about 70 farm editors from Midwestern States. On March 5, Mr. Nixon had to cancel a scheduled visit with local-government officials in Rochester, N. Y., because of adverse weather conditions. He promised to make the trip later.

The domestic program that Mr. Nixon is trying to get across, in his own

words, is designed to "reform the entire structure of American government, so we can make it again fully responsive to the needs and wishes of the American people."

Prospectus for change. Major goals of the "Nixon Revolution" include:

- Sharing 16 billion dollars in federal revenue with States, cities and counties, in an effort to revitalize local government and to return decision-making powers to officials closest to the people. This includes 5 billion dollars in general funds—unrestricted as to program or projects—and 11 billion in special revenue sharing, or block grants, earmarked for use in six broad, functional areas: education, transportation, manpower training, law enforcement, urban and rural community development.

- Consolidating seven major Government departments, and a score of lesser agencies, into four new Cabinet-rank superdepartments structured on functional lines to deal across the board with domestic problems in these areas: Human Resources, Natural Resources, Community Development and Economic Development. Incorporated would be functions now performed by these departments: Interior, Agriculture, Commerce, Labor, Health, Education and Welfare, Housing and Urban Development, and Transportation.

- Overhauling a half-dozen federal regulatory agencies to accelerate administrative action, co-ordinate activities with national-policy goals, and make their operations more responsive to the public interest. The agencies: Interstate Commerce Commission, Civil Aeronautics Board, Federal

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HOW NIXON PLANS TO OVERHAUL THE GOVERNMENT

Major proposals sent by the President to Congress—

- Reshape the Cabinet to reduce the 12 departments to eight. Four would be left intact—State, Defense, Treasury and Justice—while seven others would be consolidated into four new superdepartments to deal with domestic problems: Human Resources, Natural Resources, Community Development and Economic Development. The Post Office Department has already been converted into the independent Postal Service.

- Turn back at least 5 billion dollars a year of federal revenues to States and localities, along with the power to decide how the money will be spent.

- Eliminate more than 100 federal-grant programs and turn over the money, 11 billion dollars a year, to

State and local governments in the form of annual "block grants" to be spent in six broad areas—education, urban development, transportation, manpower training, rural development and law enforcement.

- Consider ideas to streamline federal regulatory agencies to speed up decisions and make the agencies more responsive to the public interest.

- Launch an all-out drive to clean up the environment at a cost of more than 2 billions a year.

- Reform the welfare system to provide a guaranteed annual income for every poor family with children.

- Revamp the nation's health-care system, at a cost of more than 5 billions a year, to guarantee medical care for practically all Americans.



STORY OF "NIXON REVOLUTION"

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Maritime Commission, Federal Power Commission, Federal Communications Commission, and Securities and Exchange Commission.

● Mounting an all-out effort to clean up the environment, with such aims as curbing air, water and noise pollution; controlling pesticides and toxic substances; salvaging waste materials for reuse, and establishing a national land-use policy, with more open spaces for public recreation in urban areas and more rural wilderness preserves. The antipollution drive is under the central direction of a new and independent Environmental Protection Agency, with a proposed new Environment Institute to conduct further policy studies.

● Reforming, consolidating or eliminating a host of existing federal-aid domestic programs, including welfare, medicaid, food stamps, manpower training, elementary and secondary education, model cities and the "war on poverty." New or revised programs would include: the family-assistance plan for welfare recipients, with a guaranteed annual income for every poor family with children; a new family health insurance plan for poor families and a prepaid health insurance program for most workers, including protection up to \$50,000 against the costs of "catastrophic illness," and Social Security benefits tied to the cost of living.

Outlook for action. The President's proposals are the result of intensive studies that have been going on in the Administration for the last two years, including recommendations of an Advisory Council on Executive Organization headed by Roy L. Ash, president of Litton Industries, Inc. The revenue-sharing plans are designed to help meet what Mr. Nixon has described as a "growing financial crisis in our States and communities."

At the moment, prospects do not appear bright on Capitol Hill for enactment of the President's plans as he has set them forth. Both houses of Congress remain under control of the political opposition. And, although some faces have changed, the Democratic majorities contain many of the same members who voted in the 1960s for an upsurge of "Great Society" domestic-spending programs, which Mr. Nixon is seeking to revise.

Democratic leaders of the House have indicated opposition to Mr. Nixon's general revenue-sharing proposal. Instead, Chairman Wilbur Mills of the Ways and Means Committee is considering alternatives, including a federal take-over of a larger share of all welfare costs. Mr. Mills, of Arkansas, gives his views in an interview starting on page 42. Also, a bipartisan majority on the Senate Finance Committee has opposed the family-assistance plan.

In a session leading up to the 1972 political campaign, the Senate is filled with prospects for the Democratic presidential nomination. Some are trying to advance their own substitutes for Administration proposals.

Senator Edmund S. Muskie, of Maine, has a 25-billion-dollar water-pollution-control bill. Senator Edward M. Kennedy, of Massachusetts, is pushing a universal health insurance system, which supporters reckon at 41 billion dollars. The Administration sees it costing 77 billion a year to start.

The AFL-CIO labor federation has come out against the President's revenue-sharing, welfare-reform and Government-reorganization proposals. Opposition is expected from some career officials in Government, and outside lobbyists. Some Governors and mayors have expressed a fear that they might get less money under revenue sharing than they do now under federal-aid programs.

On record as favoring general revenue sharing are the National Governors Conference, the U. S. Conference of May-

ors, the National League of Cities, the National Association of Counties, the International City Management Association and the National Legislative Conference. So is the Advisory Commission on Intergovernmental Relations.

The Gallup Poll reported recently that "although President Nixon's plan to share federal income tax receipts with State and local governments may face rough sledding in Congress, the concept has the overwhelming support of the American people." The Gallup Poll found that 77 per cent of the people approve of the idea.

Although the pace of Government reform may at times seem glacial, Mr. Nixon was able to win congressional approval last year for converting the Post Office Department into a nonpolitical, Government-owned corporation—something many observers thought unlikely. Also, by executive order, the President revamped the Budget Bureau—created by law in 1921—into the Office of Management and Budget as a powerful new command and control system over the entire executive branch.

Now the Administration is determined to take its case for even broader reform to the people. Mr. Nixon is planning additional forays into the South and West, meeting with "thought leaders" in selected communities. Vice President Spiro T. Agnew has embarked on a series of speeches on "the future of our federal system," which may take him into most of the 50 States. During the week ended March 6, Mr. Agnew spoke to a National Association of Counties' regional conference in Hawaii and to civic leaders in Olympia, Wash. A visit to New Orleans is scheduled for March 9. The President will further explain his goals in a series of messages, news conferences and television appearances.

From a political strategist came this prediction:

"The Administration program is bold enough to catch the fancy of the country. It all depends on how well they are able to explain it to the public in weeks ahead."

The "Nixon Revolution" is a complex, interrelated program. Here, in more detail, are key elements of the master plan—and how they would work in practice:

REVENUE SHARING: "Set our States free"

Central to the over-all Nixon plan is a proposal to "set our States and localities free" through 16 billion dollars in federal revenue sharing.

The President stresses that revenue sharing would mean:

- For local governments—"Total aid to State and local governments will increase substantially."
- For citizens—"New confidence in government that comes from more 'citizen control.'"
- For taxpayers—"The hope that, in some States and localities, taxes may be reduced, or that the rising cost of government can be met without raising taxes . . . the need for heavier property and sales taxes will be reduced."

General fund. The President sent a bill to Congress on February 9 to fix a percentage of the federal personal-income-tax base—Mr. Nixon suggested 1.3 per cent—as a "permanent appropriation" for State and local governments.

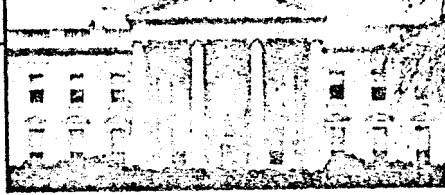
This is an entirely new federal undertaking. The money would be over and above any existing federal-aid programs. It could be used in any way that States and localities see fit to meet local needs. The cost is estimated at 5 billion dollars in the first full year, rising to 10 billion by 1980. Mr. Nixon suggested to Congress that general revenue sharing start Oct. 1, 1971.

Other Administration officials explained:

- Checks would go directly from the U. S. Treasury to the States. There would be an automatic "pass through" provision for the share earmarked for local use. There would be no requirements for matching funds, applications or federal guidelines.

Shape of a New Cabinet

—As Proposed by Mr. Nixon



THE PRESIDENT

DEPARTMENT OF STATE

DEPARTMENT OF THE TREASURY

DEPARTMENT OF DEFENSE

DEPARTMENT OF JUSTICE

DEPARTMENT OF HUMAN RESOURCES

DEPARTMENT OF ECONOMIC DEVELOPMENT

DEPARTMENT OF COMMUNITY DEVELOPMENT

DEPARTMENT OF NATURAL RESOURCES

Includes these programs:

HEALTH SERVICES
EDUCATION
SOCIAL SECURITY
FOOD STAMPS
SCHOOL LUNCH
PUBLIC ASSISTANCE
MANPOWER TRAINING
UNEMPLOYMENT INSURANCE
SOCIAL SERVICES
RAIL RETIREMENT

Includes these programs:

LABOR RELATIONS AND STANDARDS
LABOR STATISTICS
DOMESTIC AND INTERNATIONAL COMMERCE
CENSUS BUREAU
TRANSPORTATION
SMALL BUSINESS
TARIFF COMMISSION
AGRICULTURAL RESEARCH AND FARM-INCOME SUPPORT
SCIENCE AND TECHNOLOGY

Includes these programs:

HOUSING
URBAN RENEWAL
CITY PLANNING
RURAL DEVELOPMENT
HOSPITAL CONSTRUCTION
COLLEGE CONSTRUCTION
MASS TRANSIT

Includes these programs:

LAND USE
SOIL CONSERVATION
RECREATION
WATER RESOURCES
ENERGY AND MINERAL RESOURCES
MARINE TECHNOLOGY
PUBLIC WORKS
CIVILIAN ATOMIC ENERGY

Note: The Post Office Department has already been transformed into a new, independent U. S. Postal Service, without Cabinet status.

• The money would be allocated, on a basis of population and local tax effort, either according to a federal formula or by a "local option" plan agreed upon in each State between the State and local governments. The bill provides a 10 per cent "bonus" as an incentive to agree on such a "local option" plan.

• Under the federal formula, revenue-sharing funds would be limited to general-purpose units of government—that is, States, cities, counties and towns. Under a "local option" plan, some of it could be passed on to special-purpose units, such as school districts, sewer and water districts, or transit authorities. Every locality, no matter how small, could share in the funding.

The President also proposed to convert about 130 existing "narrow purpose" federal-aid programs into six new "special

revenue sharing" funds. Many Congressmen and State officials refer to this as grant consolidation, or block grants. Mr. Nixon recommended that the special revenue-sharing programs begin Jan. 1, 1972.

Latest estimates call for taking 10.4 billion dollars from existing "categorical grant" programs, and adding about 1 billion dollars in "new money," for a total of 11.4 billion to start. The money would be made available to States and localities for use as they desire in dealing with varying local needs in these six broad functional areas, with proposed funding authority:

Education, 3 billion dollars.

Transportation, 2.6 billion dollars.

Urban community development, 2.1 billion dollars.

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Manpower training, 2 billion dollars.
Rural community development, 1.1 billion dollars.
Law enforcement, 500 million dollars.

FEDERAL-AID PROGRAMS: "A system without rationality"

In the background is this: By White House count, the Federal Government today is operating nearly 1,400 domestic programs. Depending on how they are classified, more than 430 of these are rated as grant-in-aid plans. Most of them require matching funds from State and local sponsors. Each has its own regulations, guidelines and reporting requirements. The programs are run by entrenched staffs of Government career employes, buffeted by a variety of outside special interests.

The Advisory Commission on Intergovernmental Relations Commission, in a recent survey, found that in 1960 there were only 44 major federal-aid programs, costing 6 billion dollars—of which 5 billion was for highways and welfare. During the "New Frontier" and "Great Society" era of the 1960s, the number of grant programs jumped from 44 to more than 430, by the Commission's count. Federal spending rose from 6 to 30 billion dollars.

The President's Advisory Council on Executive Organization found 57 different Government departments or agencies administering grant programs. The Council said it appears to be "a system without rationality."

Public reaction to the maze of existing federal programs, according to the Council, has been "a sense of frustration and lack of confidence in the Government's ability to respond effectively to needs."

Now the Administration wants to change many of these narrow-grant programs into revenue-sharing funds. President Nixon said this would relieve States and localities of "the burden of unnecessary federal red tape."

The programs to be converted, the President added, are in areas where State and local governments "are in better position to design and carry out responsible and effective programs."

The Federal Government would continue to operate a number of national-purpose programs, including the interstate highway system, all higher-education programs, all health and environment plans, agricultural research, small-business activities, Indian programs and commercial fisheries.

BLOCK GRANTS: "Hidden gold" for States and cities

During March, the President plans to send a series of further messages to Congress explaining in detail how the six special revenue-sharing funds—or block grants—would operate.

The first message, on law enforcement, went to Capitol Hill March 2. Those dealing with manpower training and urban development followed on March 4 and 5.

John D. Ehrlichman, the President's Assistant for Domestic Affairs, explains that federal aid to States and localities would amount to 26 per cent more in the next fiscal year than they are getting now under categorical grants. Mr. Ehrlichman contends that the "hidden gold" in special revenue sharing is that local governments no longer would be required to put up matching funds.

From official sources, here is how the six special revenue-sharing funds would operate:

Law enforcement. In his March 2 message, Mr. Nixon proposed to revise the existing Law Enforcement Assistance Administration grants and to increase the funding from 100 million dollars in the current fiscal year to 500 million in 1972. The bulk of the money, or 85 per cent, would be distributed automatically to States and localities on a basis of population.

The money could be used for a wide range of law-enforcement activities, including police, courts, corrections, curbing organized crime, civil disorders, juvenile delinquency, addict treatment and related problems. No matching funds and no prior approval of plans would be necessary.

Education. President Nixon points out:

"More than any other federal activity, the school-aid programs of the Office of Education reflect the excesses of the categorical-grant system. The present 75 titles or authorities result in over 100 separate grant programs. The maze of set-asides, special conditions, priorities, plans, and approvals for these grants is bewildering to States and local school districts alike."

More than 33 existing programs would be eliminated, affecting elementary and secondary education. The money would be consolidated in a block-grant fund, which States and localities could use to fit local needs.

Manpower training. On March 4, the President asked Congress to unify more than a dozen different manpower-training programs to eliminate "confusion, duplication and inefficiency." A single manpower fund would be established, with 2 billion dollars to start—up from about 1.5 billion in current spending. Most of the money, or 85 per cent, would go to States and localities. Allocation of funds would be based on the size of the local labor force, degree of unemployment and number of low-income persons. Preference would be given to areas of high unemployment. Political subdivisions could use the money for job-training plans suited to local needs, including "public service" jobs, with no matching-fund requirement. Proposed start is Jan. 1, 1972.

Transportation. About 28 federal programs would be consolidated into a block-grant fund to develop "balanced transportation systems serving local urban and rural needs." President Nixon explains:

"State and local governments would have the responsibility for determining the allocation of these funds to achieve this objective in each area." The money could be used for highways, airports, mass-transit facilities, traffic safety or scenic beautification.

The supersonic transport plane would be transferred to the National Aeronautics and Space Administration.

Rural development. Mr. Nixon announced in Des Moines that he has added 100 million dollars to the proposed rural-aid fund, for a new total of 1.1 billion dollars to start.

Funds would be consolidated from about 39 categorical-grant programs operated by the Agriculture Department, Commerce Department and regional-development commissions. An official source said the money would be distributed to States under a formula based on these four factors: (1) income, (2) population, (3) out-migration, and (4) land area.

Urban development. On March 5, Mr. Nixon told Congress that federal-aid programs for cities are "excessively fragmented" and "excessively controlled," and that they have not "achieved the purposes for which they were established."

The President proposed to combine four major programs—urban renewal, model cities, water and sewer grants, and rehabilitation loans—into a single special revenue-sharing fund, beginning Jan. 1, 1972, with 2 billion dollars in funding authority to start. In addition, he asked for 100 million dollars to begin a new program of planning and management assistance to States and localities.

Cities would be able to use the block-grant money as they see fit for community-development purposes. Mr. Nixon

REVENUE SHARING FOR THE 50 BIGGEST CITIES

Under President Nixon's general revenue-sharing plan, the nation's cities would receive a total of 1.4 billion dollars out of the 5 billion proposed to be split in the first full year among States, cities, counties and townships.

Here's how the 50 largest cities would fare—plus an idea of how the extra federal payment would supplement their own general revenues:

Amount Received In First Full Year (millions)	Payment as Percentage of City's Own Revenues*	Amount Received In First Full Year (millions)	Payment as Percentage of City's Own Revenues*
New York \$189.3	5.6%	San Antonio \$4.7	11.4%
Chicago \$47.6	11.1%	Boston \$10.7	4.4%
Los Angeles \$34.7	8.0%	Memphis \$5.4	7.1%
Philadelphia \$39.8	10.5%	St. Louis \$15.1	11.5%
Detroit \$24.9	9.2%	New Orleans \$9.9	11.1%
Houston \$13.0	11.5%	Phoenix \$6.4	12.7%
Baltimore \$14.3	6.1%	Columbus \$5.2	10.5%
Dallas \$10.6	11.3%	Seattle \$8.8	12.6%
Washington \$22.9	6.1%	Jacksonville \$2.9	15.8%
Cleveland \$11.2	10.1%	Pittsburgh \$7.4	11.1%
Indianapolis \$5.6	11.8%	Denver \$10.5	11.1%
Milwaukee \$7.9	9.1%	Kansas City, Mo. \$9.1	11.2%
San Francisco \$24.0	9.0%	Atlanta \$7.6	11.0%
San Diego \$6.4	8.7%	Buffalo \$4.8	6.2%
		Cincinnati \$13.5	11.2%
		Nashville \$5.7	6.8%
		San Jose \$3.5	8.0%
		Minneapolis \$5.1	9.4%
		Fort Worth \$4.7	12.3%
		Toledo \$5.0	12.7%
		Portland, Oreg. \$7.9	14.8%
		Newark \$7.6	6.8%
		Oklahoma City \$4.6	12.4%
		Oakland \$5.6	8.7%
		Louisville \$8.7	12.7%
		Long Beach \$7.2	9.9%
		Omaha \$3.5	12.3%
		Miami \$4.6	11.5%
		Tulsa \$2.9	9.1%
		Honolulu \$4.9	4.9%
		El Paso \$2.6	11.3%
		St. Paul \$3.1	9.1%
		Norfolk \$3.8	6.7%
		Birmingham \$3.5	12.6%
		Rochester, N.Y. \$3.3	5.8%
		Tampa \$4.0	12.2%

Note: Most cities would be helped further under revenue sharing—for example, by payments to counties which often run city school systems, or by payments to States and counties that frequently assume city welfare costs.

*Based on revenues in fiscal year ended in mid-1969, latest available.

Basic data: U. S. Treasury Dept., Census Bureau

said no locality would get less than it is receiving now under categorical-grant programs, and most would get more.

Eighty per cent of the urban-development fund would go directly to 247 metropolitan areas. The rest of the money would be used to aid smaller communities, counties or area-wide agencies.

Funds would be distributed on a four-point formula, including: (1) population, (2) income level in the community, (3) housing density, and (4) quality of housing. The President said this would give "greater responsibility to State and local leaders." In the second year, or 1973, about 1,000 community-action agencies of the "war on poverty" program would be turned over to full local control.

GOVERNMENT REORGANIZATION: "Complete reform"

Beginning in April, the President will send to Congress a series of messages detailing plans for "a complete reform of the Federal Government itself," with the executive branch reorganized along functional lines to deal with "the great purposes of government."

Already proposed is a merger of seven Cabinet-rank departments—and a number of lesser agencies—into four new domestic departments, focused on these fields: Human Resources, Community Development, Natural Resources and Economic Development. The revised structure would look like this:

- Four old-line departments—State, Treasury, Defense and Justice—would remain as they are. A few minor functions would be split off and transferred to the four new domestic departments.

- Seven departments would be dismantled: Interior, Agriculture, Commerce, Labor, Health, Education and Welfare, Housing and Urban Development, and Transportation. Their functions would be absorbed by the new departments.

- A number of independent agencies would be transferred and incorporated in the superdepartments, including: Office of Economic Opportunity, set up in 1964 to handle the "war on poverty"; Small Business Administration; Tariff Commission; Railroad Retirement Board; civilian functions of the Atomic Energy Commission, and all regional development commissions, including Appalachia.

- The Post Office Department—which traces its ancestry back to 1775—already has been converted into an independent agency known as the U. S. Postal Service.

President Nixon indicates that he does not intend to follow the Ash Council proposals in all particulars. For example, Mr. Nixon is planning to shake up the Transportation Department—an area left untouched by the advisory council.

In proposing creation of four new superdepartments, Mr. Nixon said:

"Under this plan, rather than dividing up departments by narrow subjects, we would organize them around the great purposes of government. Rather than scattering responsibility by adding new levels of bureaucracy, we would focus and concentrate the responsibility for getting problems solved."

The proposed new departments and their functions:

HUMAN RESOURCES—"a department dealing with the concerns of people." Core of the new agency would be the existing HEW Department. Some functions would be taken over from the Labor, Agriculture and Justice Departments, plus a number of smaller agencies.

For example, the food-stamp and school-lunch programs
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would be transferred from Agriculture. Manpower-training functions of the Labor Department and vocational-education activities of HEW would be merged. The OEO Neighborhood Health Centers would come under the new agency.

The new department would have an interest in distribution of special revenue-sharing funds for education and manpower training. Among its major activities would be: Social Security, public assistance, health programs, food and drug regulation, education programs, unemployment insurance, Railroad and Civil Service retirement programs, social services for children, youth and elderly persons.

COMMUNITY DEVELOPMENT — "a department concerned with the community," both rural and urban. The new department should have "both the perspective and the programs to provide assistance to communities as a whole, tailored to their specific needs," the Ash Council observed.

Built around the housing and urban-renewal programs of HUD, the new department would have three main components, dealing with community development, housing and metropolitan renewal. It would combine the HUD model-cities program with OEO community-action agencies.

Activities would include: Federal Housing Administration, Government National Mortgage Association, urban renewal, urban mass-transit facilities, urban roads, elements from the Federal Extension Service, construction of health facilities under the Hill-Burton Act, construction of libraries and community health centers, construction of academic facilities for community colleges, technical institutes and institutions of higher education.

Revenue-sharing funds for transportation and for urban and rural development would come under purview of the Community Development and Economic Development Departments.

NATURAL RESOURCES — "a department concerned with our physical environment," and with preservation and "balanced use" of natural resources.

Antipollution activities would be located in a new and independent Environmental Protection Agency established last year, along with a Council on Environmental Quality created by Congress, and a proposed Environment Institute to conduct further policy studies.

The Natural Resources Department would combine a number of functions now being performed by the Interior and Agriculture Departments, and the Army's Corps of Engineers, along with civilian power functions of the Atomic Energy Commission, statutory powers of the Water Resource Council, and some seacoast functions of the Navy, Coast Guard and National Science Foundation.

Components proposed by the Ash Council: National Park Service, Bureau of Outdoor Recreation, Bureau of Sport Fisheries and Wildlife, Bureau of Land Management, conservation division of the Geological Survey, Forest Service, proposed coastal-zone management program, Bureau of Mines, Office of Coal Research, Bureau of Commercial Fisheries and power-marketing agencies such as Bonneville Power Administration, Rural Electrification Administration.

ECONOMIC DEVELOPMENT — "a department concerned with our prosperity." Proposed is the creation of a unified department "with a clear mission and responsibility for promoting economic growth." The President's Advisory Council found two major problems: (1) no federal department is in position to view all economic sectors from the perspective of the whole economy; (2) a lack of common management and accountability for economic programs limits effectiveness in policy and program implementation.

The Council said:

"Three major special-interest departments—Labor, Commerce and Agriculture—and several independent agencies, have only a partial view of the national economy. Consequently, the President can hold no single agency accountable for the operation of the Federal Government's activities which implement economic policy for sustained and balanced growth."

Combined would be major elements of the Labor, Commerce, Agriculture and Transportation Departments. A presidential task force has recommended for inclusion:

From Commerce—Bureau of Domestic Commerce and Bureau of International Commerce, Census Bureau, Office of Business Economics, Economic Development Administration, Maritime Administration, Patent Office, Office of Minority Business Enterprises, National Bureau of Standards, U. S. Travel Service and regional action-planning commissions.

From Labor—Bureau of International Labor Affairs, Wage and Hour and Public Contracts divisions, Office of Federal Contract Compliance, Women's Bureau, Bureau of Labor Standards, Bureau of Labor Statistics.

From Agriculture—Farmer Co-operative Service, Soil Conservation Service, Commodity Exchange Authority, Consumer and Marketing Service, Packers and Stockyards Administration, Economic Research Service, Foreign Economic Development Service, Statistical Reporting Service, Agricultural Research Service, Commodity Credit Corporation, Extension Service, Agricultural Stabilization and Conservation Service, Export Marketing Service, Federal Crop Insurance Corporation, and Foreign Agricultural Service.

From Transportation—Federal Aviation Administration, Federal Highways Administration, Federal Railroad Administration, National Transportation Safety Board, U. S. Coast Guard and St. Lawrence Seaway Development Corporation.

REGULATORY AGENCIES — The President's Advisory Council believes several regulatory commissions are not sufficiently accountable to either Congress or the President. The White House is circulating drafts of proposed reforms for comment from affected industries, agencies and members of Congress, pending further recommendations.

Such agencies as the Interstate Commerce Commission, Civil Aeronautics Board, Federal Maritime Commission, Federal Trade Commission, Federal Power Commission, Federal Communications Commission, and Securities and Exchange Commission would be affected.

LEGAL SERVICES — The Ash Council recommended that the OEO "legal services for the poor" program be transferred to a nonprofit corporation chartered by Congress with strict supervision of professional standards.

REGIONAL COMMISSIONS—Since 1965, a half dozen regional-development commissions have been established covering all or parts of 30 States. Largest is the Appalachian Commission, including 13 States, with some 300 million dollars in federal funds for 1971, for interstate rural development. The Ash Council reported: "In our judgment, the regional commissions are an unnecessary administrative layer in the federal grant process."

FIELD SERVICES—The Council said field services of federal agencies should be reorganized to establish clear authority over the nearly autonomous field structures and decentralize funding decisions.

The struggle ahead. As the White House sees it, what is developing now is a massive struggle over the future course of government—a struggle that is likely to continue through the 92nd Congress, and into the 1972 presidential campaign. The showdown will involve a broad array of participants including bipartisan coalitions of Congressmen, State and local officials, citizens' groups, lobbyists and entrenched government bureaucrats.

Of this, the White House is certain: The outcome will affect virtually every citizen—through his tax burden, government spending and the level of public services.