The original documents are located in Box C5, folder "Presidential Handwriting, 11/5/1974 (2)" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

November 5, 1974

MR. PRESIDENT:

Timmons concurs with the attached memorandum. Both Cole and Buchen feel this should be addressed after the President has had time to focus and decide on reorganization, after the first of the year. No comments were received from Burch.

Don

How Handle

GHC

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

SEP 13 1974

MEMORANDUM FOR THE PRESIDENT

FROM: ROY L. ASH

SUBJECT: The President's Departmental Reorganization Program (PDRP)

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

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

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

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

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

Attachments A and B

DECISION

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

ATTACHMENT A

Department of Energy and Natural Resources

I. Proposal

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

II. Study Commitments

1. ERDA bill (Senate version) requires President to submit study and recommendations by January 31, 1975 on long term organization arrangements for energy and its coordination with natural resources.

2. FEA legislation requires President to submit study of disposition of FEA and energy and natural resources organization (by next summer).

3. ERDA bill (House version) requires Administrator of ERDA and Secretary of Defense to prepare joint study of best location of present military applications program in AEC.

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

III. Major Issues

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

2. Whether DENR should reabsorb FEA.

3. Whether ERDA should be independent or part of DENR; plus the very important sub-issue of disposition of AEC's military applications functions which will be part of ERDA.

4. What Executive Office energy machinery should be created; ERDA bills would create a council.

IV. Plan of Action

1. Conduct single and well coordinated study to define best energy/natural resources organization, and make recommendations to President by December 31, 1974.

2. Reflecting Presidential decision, submit early next session legislation to create the permanent organization for energy and natural resources.

3. Develop an Administration strategy for working with the Congress and interest groups in the legislative process.

Department of Human Resources

I. Proposal

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

II. Major Issues

1. The views of organized labor have not surfaced but unions might strongly oppose transfers from Labor. DOL would lose 95% of its present funding and 25% of its work force.

2. Secretary Butz would probably be receptive to transfers of food programs but might not favor transfer of the inspection functions.

3. Some regard HEW as already too big to be manageable and responsive to national needs (Senator Ribicoff has supported a Department of Education and Senator Kennedy a Department of Health).

III. Plan of Action

1. An early meeting with Secretaries Brennan and Butz to obtain their views on the proposed transfers; Secretary Weinberger strongly supports DHR.

2. Following these meetings, and perhaps soundings by the Departments with affected interest groups, OMB would prepare a memorandum summarizing the views of those concerned, for your decision whether to proceed.

3. Should the decision be favorable, Secretary Weinberger would be responsible for taking the lead in seeking passage of legislation, working in close coordination with Secretaries Brennan and Butz.

(7)

THE WHITE HOUSE
WASHINGTON

Both Cole and Buchen feel this should be addressed after the President has had time to focus and decided on reorganzation -- after the first of the year. Timmons concurs. Burch never replied.

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.:

Date: September 13, 1974 Time:

FOR ACTION: Ken Cole
Bill Timmons
Phil Buchen
Dean Burch

cc (for information):

FROM THE STAFF SECRETARY

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

SUBJECT:

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

ACTION REQUESTED:

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

REMARKS:

10/4 - Cole comms

Buchen - hold until first of year
Cole - " "
Timmons - ok

11/5 - w/P

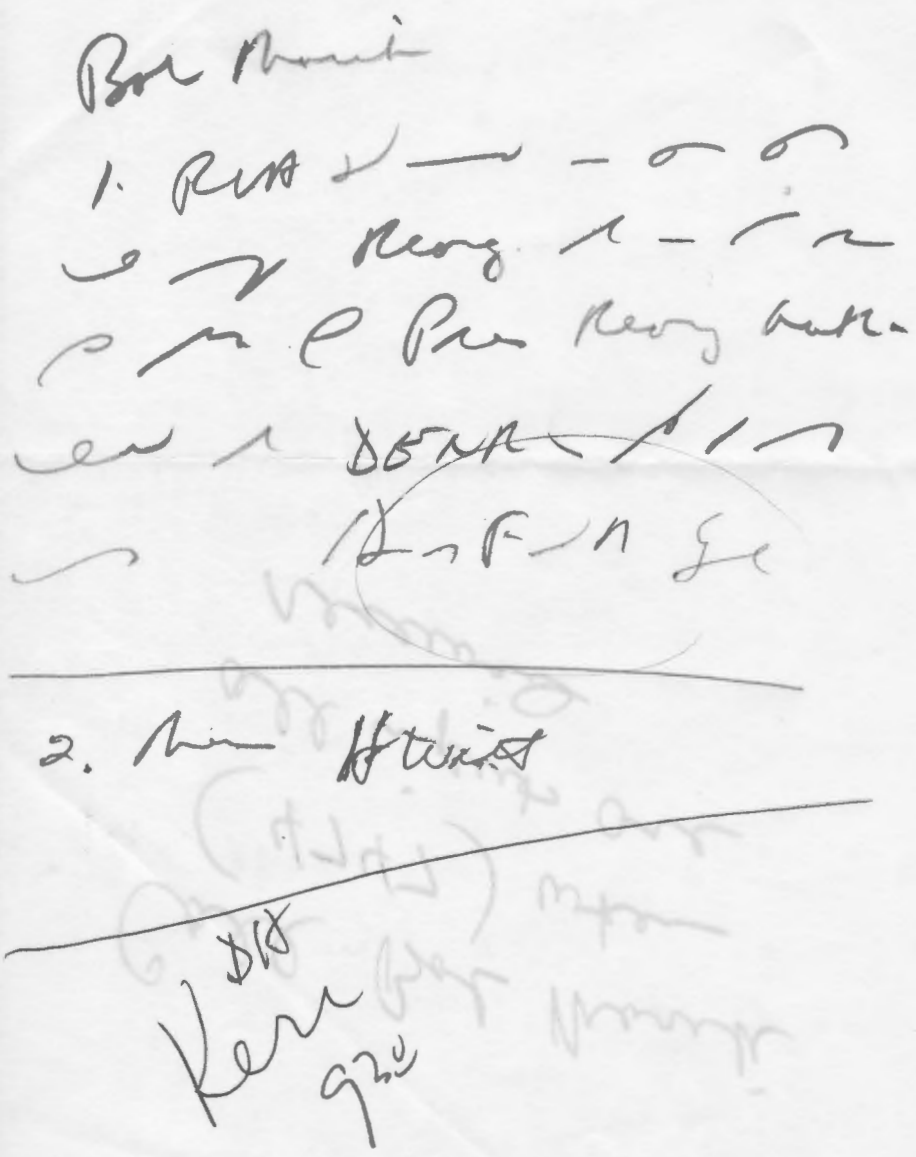
PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE

WASHINGTON



Call Bob Marsh
(4747) when
all inputs are
received

THE WHITE HOUSE

WASHINGTON

SEP 13 1974

MEMORANDUM FOR THE PRESIDENT

FROM: ROY L. ASH (Signed) Roy L. Ash

SUBJECT: The President's Departmental Reorganization Program (PDRP)

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

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

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

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

Attachments A and B

DECISION

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

ATTACHMENT A

Department of Energy and Natural Resources

I. Proposal

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I. Proposal

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

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1. An early meeting with Secretaries Brennan and Butz to obtain their views on the proposed transfers; Secretary Weinberger strongly supports DHR.

2. Following these meetings, and perhaps soundings by the Departments with affected interest groups, OMB would prepare a memorandum summarizing the views of those concerned, for your decision whether to proceed.

3. Should the decision be favorable, Secretary Weinberger would be responsible for taking the lead in seeking passage of legislation, working in close coordination with Secretaries Brennan and Butz.

THE WHITE HOUSE

WASHINGTON
September 16, 1974

MEMORANDUM FOR: JERRY JONES

FROM: WILLIAM E. TIMMONS

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

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.:

Date: September 13, 1974 Time:

FOR ACTION: Ken Cole
Bill Timmons
Phil Buchen
Dean Burch

cc (for information):

FROM THE STAFF SECRETARY

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

SUBJECT:

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

ACTION REQUESTED:

____ For Necessary Action

____ Prepare Agenda and Brief

X For Your Comments

X For Your Recommendations

____ Draft Reply

____ Draft Remarks

REMARKS:

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

T.W.B

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE

WASHINGTON

October 4, 1974

MEMORANDUM FOR JERRY JONES

FROM: KEN COLE

SUBJECT: ASH MEMORANDUM (9/13/74) re; The President's Departmental Reorganization Program

We feel that the whole matter of departmental reorganization should be held for further study and that no action shoud be taken until December. It should be reconsidered in December.

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.:

Date: September 13, 1974 Time:

FOR ACTION: Ken Cole
Bill Timmons
Phil Buchen
Dean Burch

cc (for information):

FROM THE STAFF SECRETARY

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

SUBJECT:

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

ACTION REQUESTED:

____ For Necessary Action

____ Prepare Agenda and Brief

X ____ For Your Comments

X ____ For Your Recommendations

____ Draft Reply

____ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE

WASHINGTON

November 12, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ROY L. ASH

FROM: JERRY H. JONES

SUBJECT: The President's Departmental Reorganization Program (PDRP)

Your memorandum to the President of September 13 on the above subject has been reviewed and decisions 1 and 2 were approved. The President apparently did not understand your third recommendation and you may want to clarify it, no decision was made.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld