

Oral History  
With  
ROY L. ASH  
On  
January 13, 1988



Nixon Presidential Materials Staff  
National Archives and Records Administration

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Roy Ash.

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Oral history interview with Roy L. Ash  
conducted by Raymond H. Geselbracht and Frederick J. Graboske  
at Ardarra Farm in Middleburg Virginia  
on January 13, 1988

RHG: How did you first meet Nixon and become involved in his political career?

RLA: Out of the blue, I received a telephone call from one of his assistants. I'm not sure whether it was Bob [H. R.] Haldeman or Bob [Robert H.] Finch. It was right after election and they were installed in the Pierre Hotel, in New York. The call merely was that the President would like to see me; would I come to New York and meet him. At that moment, I hadn't the least idea of what it was about. I got there and went in to see him and he very simply said--"I've got a very important management job to do, among other things. Having been Vice President, I saw it from the inside. And I understand you know something about management. Would you like to help?" I said, "Sure, I'll help." Not knowing exactly what that help was to be. That was our introduction; I volunteered for something I wasn't sure what I was volunteering for. [Laughter] He had asked and that was the start.

RHG: Do you know how you came to his attention?

RLA: I really don't know. I had met him before, only very briefly, when, along with one other person, we made a contribution to his campaign of not a terribly high amount. We didn't meet Maurice Stans's requirements, but we made a contribution [Laughter]. That was the only time I had met him before. He, as you may remember, lived in Los Angeles. It was fairly close to where I was living and working, and so it was just convenient to meet

him at his house, at the time. So we went up there, and met him for five minutes, and that was it. That was my total personal relationship with him, or him with me.

FJG: Were you well acquainted with Peter Flanigan?

RLA: I didn't meet Peter Flanigan until--I also took up temporary residence in the Pierre for the purpose of helping getting the President installed and doing the work necessary for that.

FJG: Because he did a lot of the executive recruiting for the administration.

RLA: Yes.

RHG: Nixon didn't tell you what your assignment was to be, in this initial interview?

RLA: At some early time in our initial discussion and I don't remember exactly the sequence of things, he asked if I would like to be Director of the then Bureau of the Budget.

RHG: Um hmm.

RLA: I told him for various family reasons--basically my kids weren't of the age that I wanted to leave them all and their school arrangements--that I just couldn't do that. But I would be willing to do whatever else I might do to help him...

RHG: Um hmm.

RLA: ...with that subject that he had in mind, management, in a general sort of a way. So he said, "Well, why don't you first stay around and help me do those things that can be useful toward taking up office? Then, after that, let's work out something where we can get some of your time, your part-time help in dealing with the subject of management." So, I worked with him

at the Pierre and helped interview and select some of the people that were then appointed to various jobs, as well as discuss with them what was expected of them, once they took up the jobs. Not that I was any expert on it at all, I surely wasn't. I'd never had anything to do with government. The President said to me at one time, "I've just had a press conference and I used your name in vain. I've appointed Pat [Daniel Patrick] Moynihan as"--I've forgotten the title, but anyway, having to do with domestic affairs.

RHG: Right.

RLA: "Why don't you tell him what he's supposed to do?" [Laughter] So, Pat and I met in either his or my hotel room and sat on the bed and said, "Now let's figure out together [laughter] here, what it is that you're supposed to do."

FJG: Did you have any contact with Haldeman during this period about the organization of the administration at all?

RLA: Not at that very first meeting. My involvement was in three episodes: one, between election and inauguration; then after inauguration when we created the Advisory Council on Executive Organization. And then finally at OMB [Office of Management and Budget]. At first, we didn't really talk about organization as such; we talked about it kind of peripherally. We talked more about management: how things were going to be run and done. When I started the work, I remember asking the President, "Well, before I know what I'm supposed to do, are you going to be an activist President or a passive President?" And he said, "An activist", of course. [Laughter] So, that gave me a little

clue. Then worked basically providing some ideas of how the management process might work. I had to do a lot of very fast research on my own, because I didn't know how governmental processes should or did work. As a result, when he finally convened his Cabinet for the first time, before they were inaugurated, he opened up the Cabinet meeting and turned to me and said, "Ash is now going to tell you how we're going to run this place." [Laughter]

RHG: This was December 1968?

RLA: Yes, um hmm. I still have my notes around of what I said, but I can't remember at all what it was. [Laughter] But I described the concepts and processes of management that would be used.

RHG: Um hmm.

RLA: Some day I'll find the notes and that will remind me what I did say. So, at the first meeting of the Cabinet, I started off by describing how things would operate.

RHG: Do you recall what your sources were? When you said you'd....

RLA: I scrambled for every research source that was reasonably available. First: anything that was in recent publications. Particularly that written by political pundits who knew what they were talking about and [who] had published something within the last year of what they perceived the problems to be within the executive branch under [Lyndon B.] Johnson. Then I got hold of a very important report that theoretically didn't exist, that Johnson had declared nonexistent even though it did exist.

FJG: The [Ben] Heineman Report.

RLA: The Heineman Report. It officially didn't exist. [Laughter]

FJG: Right.

RLA: I had known a key member of the [John F.] Kennedy and Johnson administrations for twenty-five years before that. We were in the Air Force together: Bob [Robert S.] McNamara. When Nixon asked me to help, I first called Bob McNamara, because I knew that he had both a managerial perception of things and had been on the inside enough to know what was going on. He told me of the Heineman Report. So, I officially asked through the transition team for the Heineman Report, and they said there was no such thing. So I called Bob and said, "There is no such thing." He said, "Oh yes there is. I've got a copy myself. I'll send you my copy." [Laughter]. So I got it, and that provided the start. Then there'd been other work done at preceding times, the [Herbert C.] Hoover Commission's work and other Commission work. In [Dwight D.] Eisenhower's time, the Brownlow Commission or Committee worked on it. In working through those I saw a lot of good ideas and decided [that] our job was not to come up with a lot of new ideas. All the good ideas were already out there. We defined our mission as getting something done, not just making another report, throwing it in, and seeing if somebody wants to do something about it some day. So we modified some of the previous ideas slightly but, we worked basically from the work that had gone on since [Franklin D.] Roosevelt's time.

RHG: Right.

FJG: Every President had one of those Commissions.

RLA: We worked through every President's work, picked out the good



ideas. There were common threads that ran through them. You may remember that Eisenhower was going to call what is now OMB, OEM, Office of Executive Management. That was his proposal. So, we don't claim [that] we did anything novel at all. We really gleaned out of others' works what we thought [were] the good ideas and then defined our job as bringing them about, rather than throwing in another report. We weren't trying to be terribly cerebral; we tried to be much more operational.

FJG: This was all during the transition period?

RLA: Well, it extended beyond that, as well. During the transition period we considered how the President's going to operate managerially with limited consideration of structure. We later worked on structure more intensively.

RHG: I mentioned that I wanted mainly to discuss the OMB period today, but as I look through the long list of reorganization plans that were sent to the Congress (most of which evolved from Ash Commission recommendations), it seemed to me that what you were always trying to do was to create functional entities that would operate properly. Entities based on function rather than constituency.

RLA: Entities based on end, more than means.

RHG: Um hmm.

RLA: That was the way we perceived it. The objective is to set a structure where people are responsible for ends, for results.

RHG: Um hmm.

RLA: In means-oriented structures, people practice the means with no particular idea of goals or purposes.

RHG: Right. If you have them scattered around the government and not talking to one another, then they won't understand what their end is.

RLA: It was to organize, and have our eye clearly on ends...

RHG: Um hmm.

RLA: ...and work back from there. [This] was the basic view of how we were doing it. I drew from work that I'd been doing from twenty years in business on organization and reorganization. Kind of honing the concepts of how one develops and allocates responsibility and authority.

RHG: Um hmm.

RLA: I think another theme which goes directly to your point is that structures within the executive branch of government largely are formed by constituent pressures and interests. There are very good reasons why a Veterans Department is created or any other are created, or are changed. It isn't necessarily to help the President be a better President. It's a bottoms up effort to impose on the President different pressures and constituent interests.

RHG: Um hmm, um hmm.

RLA: Our view was: how to make the President more effective in his executive management role; not how to give the veterans more power in the scheme of things or the same for education or the same for anything else. Because every single department and agency can and often does make a claim that its work is so important that it requires hours of time alone with the President every day, just on their work. That's their perception. But the

President's job has to be viewed from a totally different perspective: how can he be, in total, more effective.

So, we were thinking top down. Now we realized that some people in and outside of government believe, conceptually, that's an error right there. They would say the presidency is not supposed to be structured for maximum effectiveness of the President. It is supposed to be structured, they would say, to bring directly to bear on the President all the voices of all the constituent interests. Their advocacy arguments are supposed to be imposed directly on the President. Our theory was that the President cannot afford to spend his time, in most affairs of government, listening only to the many advocates of different positions on any one subject and in his own head, doing the staff work of sorting out which facts and arguments are supportable, which are not. Each advocate always brings his own well selected "facts" to the argument just as every lawyer in court.

RHG: Um hmm.

RLA: If the President's going to be the adjudicator of these advocacy arguments, he's going to have to challenge the presenter, "Are your facts right? What other facts are relevant?" You just can't ask the President to be the first and last point on which all the advocacy pressures and arguments are put. He's got to have help in synthesizing, integrating, challenging, balancing, and finding all the facts and mustering them so they can be presented to him. He should spend a bigger part of his time with people who are helping him synthesize and integrate the many arguments of advocates of all sides of an argument. That's the

function he needs help with. Or you could put it another way. When earlier Presidents had four Cabinet members only and no independent agencies, they could pretty well in their own heads take into account all arguments on an issue and resolve the matter. But when the job got bigger, and [Franklin D.] Roosevelt's terms certainly made it bigger, the President needed more eyes and ears and heads, more thinking power--more than any one person could have. In effect it became necessary to extend the resources of the presidency, particularly to deal with the tremendous number of advocates in a government with many more functions than theretofore. Not to make the decisions for him, but nevertheless to assimilate all the arguments that there will always be on every issue and on a substantially greater array of issues. Unfortunately for Presidents, almost everything that comes before the President is about fifty-one/forty-nine by the time it gets there. That's the nature of what Presidents work on, fifty-one/forty-nine issues. The eighty/twenty decisions make themselves. So he needs some help on those tough ones. This was a central concept we applied toward helping the President be an effective executive manager[s]. After all, the Constitution gives to the President, not to the executive branch, the powers and responsibilities of management.

FJG: Um hmm.

RLA: He therefore is the chief executive, as I see it. Some others disagree and say, "You don't want a President to manage the executive branch; each department should manage its own affairs."

RHG: Um hmm. I want to come back to the Ash Council at another

time...

RLA: Yeah. OK. On to OMB.

RHG: ...and go into somewhat more detail about that. But we had to lay that foundation because some of the reorganization thinking becomes important in the work of OMB in 1973/74.

RLA: Well it does. An important part of OMB is the "M" part, the management part. It still needs lots more work on it.

RHG: When you became OMB Director, did you feel on entering this position that you had to reshape the agency in your own image to some extent, that your predecessor's agency wasn't quite what you wanted?

RLA: Yes, particularly as I've just mentioned: to make some meaning of the "M" in OMB. Unfortunately, even today, the concept that I and our commission had in mind is yet not fully embraced within government processes. It's misunderstood by many who have succeeded me. Thus they misorganize that function. At the time of OMB's formation [I] said, "In order for this to work, there's going to have to be ten years of persistent attention by heads of OMB or else it's going to just atrophy and go away." It didn't get ten years and so atrophied and is largely gone. My biggest regret is that I must not have made the concepts clear enough--of course I could have been wrong too.

RHG: Um hmm.

RLA: But, nevertheless, "M" is not a workable part....

RHG: To make OMB an effective manager in the executive branch.

RLA: To make it an effective assistant to the President in his role as manager...

RHG: Um hmm.

RLA: ...along with [the] many other roles that he has,...

RHG: Um hmm.

RLA: ...Chief of State, Commander in Chief of the armed services, everything. He has a lot of roles. But he needs assistance in making his managerial role effective, and I don't think he's getting it, and he hasn't for years. It's part of today's problem.

FJG: What changes did you make when you took over OMB?

RLA: First, I tried to take out of OMB those things that they then considered management but I considered administrative detail. And sent them over to GSA [General Services Administration].

FJG: Can you give us some examples of those?

RLA: Presumably, OMB was going to help government departments and agencies make their computers run more efficiently. I didn't consider that management.

FJG: I see.

RLA: That was administrative operations. It was going to centralize an over-view of the utilization of computers. We took that out and moved it over to GSA. There [were] other similar nonmanagerial "cats and dogs". The first thing that I did was to clean out from OMB those kinds of things. I tried to define what is management and what isn't. That was the first change. The second change which even now generates disagreement, was based on the perception that budgeting is an element of management; management is not an element of budgeting. Yet, this view had to be introduced against the long-standing mind set and vested

interest of the people in OMB that budgeting was the important thing they did. If you go in and tell six hundred people, "What you are doing is only of secondarily important to something else," you don't get a tremendous response from those six hundred people. [Laughter] So, I tried to find a kind of a balance between maintaining the budgeting function and introducing a managerial one. First, functionally, OMB was doing its budgeting function well and continues to do well. The challenge was not to damage the people's egos, morale, and motivation, that were so well applied to budgeting. The structural change was to make each of the Associate Directors responsible in his area for both the management function and the budget function. Thus there were two subgroupings under each Associate Director. In recent times they've reversed that concept and established one management function at OMB overall. My longer term thought was: once we get used to the structure I'd established we'll extend it down a little further, and further, and further in the organization to the point that those doing the budgeting are at the same time the ones working on management.

RHG: Um hmm.

RLA: But I couldn't go this far at the beginning because the people doing budgeting weren't quite attuned to the management role. You can't overnight declare them to be something that they aren't. So the five Associate Directors each had a budget assistant and a management assistant with the objective, over time, to integrate the two right to the bottom.

RHG: Um hmm.

RLA: That wasn't achieved; in fact, they've gone the other way.

Partly because I didn't make clear--or maybe nobody believed in it--what the management function was to be. That is, I think, still a problem to any President. I don't know how they're going to solve it.

RHG: I noticed that the Associate Directors in OMB have the same areas of responsibility that the functional Cabinet Departments were supposed to have.

RLA: Yeah.

RHG: Was there some relationship, is that just an obvious way that it should work, or what?

RLA: It is a fairly obvious and almost necessary way. Of course, there are a few anomalies. And also, the Congressional committees are organized the same way,...

RHG: Um hrm.

RLA: ...tying back to the structure of the executive branch. The structure of the executive branch isn't irrational; even with its anomalies. Some of the Departments and agencies probably needn't be independent Departments and agencies, but can be sub-elements of a broader Department head. The OMB Associate Directors, in my time, worked directly with the Department Secretaries and Under- and Deputy Secretaries. I did also to a lesser extent.

The President, when I joined his administration, made a significant change of OMB. I followed George Shultz and Cap [Caspar W.] Weinberger. They reported to John Ehrlichman, who reported to the President. They were in the Old Executive Office Building, and John Ehrlichman was in the White House, and they



reported through him to the President. When I arrived, the President wanted to change that and have me report directly to him and to be in the White House.

RHG: Um hmm. I noticed you were an Assistant to the President at the same time you were....

RLA: For executive management, at the same time. This was an attempt to give more thrust to the whole idea of management.

FJG: Um hmm.

RLA: If we'd had a few more years, we might've gotten the management dimension into the system more firmly than we did. But that was his intent and my intent, that we give a stronger role not just to the Director of OMB or the Assistant for Executive Management, but to the idea of the management dimension of a President's office. That's what he wanted to especially emphasize.

RHG: Do you know what had made Nixon feel this [unintelligible]?

RLA: Well, he said, as I recounted earlier, that his observations as Vice President had led him to conclude that a President needs help in carrying out his oversight of all the Department and agency heads and their affairs. And that this new OMB role should help him do that. He didn't really feel, and properly so, that he should be spending substantial parts of his time with what he considered second and third order issues that a lot of Department heads wanted to bring before him, but [rather] save his time for the first order issues. But he didn't want the lesser matters to be "out of sight, out of mind". Even though he wasn't going to spend time on the lesser issues, he wanted them to be handled consistent with his own policies and objectives,

yet without a lot of time of his. Which meant some sort of a structural arrangement that gave him that comfort, that confidence and assurance that he could still have a set of policies and, without personally watching over them, would be assured they were being carried out.

RHG: It would have been very understandable if he had started doing this in 1969, but, of course, this was 1973.

RLA: In '69 I just couldn't take up the job but could as my kids got older, in '73. In '69, Bob [Robert P.] Mayo, was the first administration head of the budget bureau. I really didn't know him well.

RHG: Nixon did not care to meet with him.

RLA: Yeah.

RHG: We've heard that many places.

RLA: I'm sure that's right. Nixon didn't want to meet with him. [Laughter] He didn't think it was good use of his time.

RHG: Nixon spent the first term of his presidency working through someone, as you said, who sat in the White House, on the White House staff side of things. Yet in 1973, he wanted to move away from this.

RLA: He did.

RHG: Why?

RLA: Bob Haldeman is the one who knows the answer to that. I hope you've asked him.

RHG: No, coming up. Not yet.

RLA: OK.

[END SIDE ONE]

[BEGIN SIDE TWO]

RHG: Did you meet regularly with Nixon...

RLA: Yeah.

RHG: ...and try to brief him on domestic issues?

RLA: I'd say I wouldn't define them as domestic issues. [I briefed him] on the combination of budgeting and managerial issues which may have been domestic and need not have been domestic. One of the differences in structure was that John Ehrlichman worked only on domestic things, and I guess the President worked directly with Henry Kissinger on nondomestic things,...

RHG: Um hmm.

RLA: ...international, national security, whatever you want to call it. My responsibilities tended to be cut slightly differently: to budget and managerial things, domestic and international. We didn't have specified meeting times, but there was a fair amount of meeting. Although, the President always liked to do a lot of work on paper, I liked his system. People said he was remote and removed from getting input. I know, and I know these others know, he was not remote and removed from getting input. He got lots of input from me and from all of them. But it was in an organized way that made sure that all the advocacy arguments got to him.

RHG: Um hmm.

RLA: In fact part of the OMB function was to make sure that when an option paper went before the President, it was objectively covering everybody's viewpoint. And he got them; he liked to have them in the option papers. I don't know if all of those

are--are those now freed up from the archives, the option papers?

RHG: Some of them are open, some not. But yes, I've seen many of those.

RLA: He got a lot of stuff to work on every night.

RHG: Um hmm.

RLA: So I'd say in terms of substantive communication, the option paper still was the main route of getting viewpoints on the many policy issues of each day to him. From time to time, either at his choosing or my choosing or somebody else's choosing, various specific subjects would be the basis of discussions with him. Clearly when we went over the budget two or three times annually, and the successive iterations of that, he was involved again on the important issues. The job of OMB is to make sure that the President is involved in all the things that he either wants to be involved in, or should be involved in, or that future developments will suggest that should have involved him in. And to not involve him in those things that aren't a good use of his time. But a good Director of OMB is one who can make the decisions the President would have made, and have them stick without appeal. I had almost none of mine appealed; probably because the Department heads were afraid to. [Laughter] But I've seen in other, in [Jimmy] Carter's time, every Department head felt that he had to appeal every decision. Well, that's an overstatement.

RHG: Um hmm.

RLA: The President said to me, assuming that he was satisfied that I sent him the big ones, "On the others you tell them what the

decision is and tell them it's my decision." And I did.

RHG: It sounds like the same sort of arrangement that Nixon had with Ehrlichman during the first term.

RLA: Sure. I'm sure it was the same thing.

RHG: Um hmm. Did you feel a void when Ehrlichman left that you were...

RLA: No.

RHG: ...slowly called on to fill?

RLA: Well, I don't know exactly what the previous arrangements were and how they had worked, so I didn't see anything that I considered a void at the time John gave up responsibilities for OMB.

RHG: Um hmm.

RLA: I knew that when John Ehrlichman left the government there was a void, and in the usual ways in which things work in the White House or any place else, people all rush in to fill the voids. And I did, and I largely took over many domestic policy matters.  
[Laughter]

RHG: I have some more on that later on.

RLA: That's what happens.

RHG: You mentioned now that your decisions didn't get appealed for [the] reason that, I guess, the agency heads were afraid to. How did that come about?

RLA: I think they sensed that the President had a lot of confidence in me and was going to back me up on everything.

RHG: Um hmm.

RLA: I think that's what they sensed.

RHG: Was Nixon an activist President in the issues you brought to him?

RLA: Yeah.

RHG: He cared about them, he got involved with you in dealing with them?

RLA: Providing that I was aware of the fact that he didn't want to spend too much time on second and third order issues.

RHG: Um hmm.

RLA: I had to sort out the things that were worthy of a President's time. I was helped in the insight into that by some of my earlier organization work. Where I'd spent three years, part-time, thinking about the President as manager; not thinking about how to make things better for the veterans, but what are the real tasks of a President as manager. You start off with the view that he can't do everything, yet he's got to have confidence that those others things that are going on...

RHG: Um hmm.

RLA: ...aren't going to blow up in his face. Not that some things didn't, but at least those things I were responsible for didn't.  
[Laughter] Nothing blew up.

RHG: Now, one of the things that one hears frequently about the second term--and this is something, I think, Fred and I have both seen in some of the memoirs by Haldeman and Ehrlichman--[is] that certain things got started at the beginning of the second term, or actually after the election, and because of Watergate they all got dropped, is this true?

RLA: Well, I don't know all the things that Bob Haldeman does know of what was started and what wasn't started. But I do know that

after Watergate, especially when the President himself was personally under a lot of pressure, that his clout with the Congress was lessened. Which means the clout necessary to get things done, to the extent...

RHG: Um hmm.

RLA: ...they involve legislation was lessened. That slowed things down right there. I suppose in any President's second term, there isn't as much ground to be plowed as the first term. You're kind of smoothing over the ground you've already plowed deeply. If you haven't plowed it deeply the first time, you're not about to the second time. So I would guess it's a kind of a running out of agenda along with the President himself losing clout, especially with the Congress.

RHG: Um hmm.

RLA: That meant that we just didn't have the same traction on things going on. You just didn't feel that you were every day making the same headway.

RHG: Did his attention wax and wane as...?

RLA: The interesting thing, from my point of view, particularly in looking in retrospect, every time I met with the President, I saw him not only not distracted by things that must have been on his mind (and I didn't know it at the time) but intently interested and working with me on the things that I was working on. His brain must have been so compartmentalized that one side was agonizing about his other problems and the other was just as lucid and clear and thinking and discussing the issue of that moment.

RHG: Um hmm.

RLA: It must have been a hard job for him to do that.

RHG: Yes.

RLA: Only in retrospect was I able to see it, because I didn't know all that was going on until it became late; it must have been really burdening him.

RHG: Uh hmm.

RLA: Yet he never talked to me about the subject of Watergate. He just never talked to me about it. He probably spent lots of times with Ehrlichman and Haldeman on it, and John Mitchell and a few others. But he, he apparently had the ability to divide his attention very effectively.

RHG: And the presidency went forward, in 1973 and '74.

RLA: Yeah, except for the two things. A second term never has the same work to do as the first. Yet I don't know of stitches dropped for a lack of attention. I thought we did a pretty good job, under the circumstances, of keeping things stuck together. Near the end it was pretty rough. Al [Alexander M.] Haig did a good job...

RHG: Um hmm.

RLA: ...of keeping things stuck together near the end. There are a lot of people that would've willingly abandoned ship.

RHG: By the end, you really mean the last...

RLA: Yeah.

RHG: ...weeks,...

RLA: Last weeks.

RHG: ...rather than months?



RLA: I'm talking about the last...

RHG: Um hmm.

RLA: ...three months.

RHG: Um hmm.

RLA: He did a good job of holding things tight. They could've blown apart.

RHG: Now, I went back and looked at the President's message to Congress whereby he requested the reorganization plan number two of 1970 which set up OMB and the Domestic Council. He said, "The Domestic Council will be primarily concerned with what we do. The Office of Management and Budget will be primarily concerned with how we do it and how well we do it."

RLA: Um hmm.

RHG: Now, did it always stay this clean, in your experience?

RLA: No, never got that clean. [Laughter] It never got that clean, and it never stayed that clean. Partly because my predecessors, George Shultz and Cap Weinberger, really didn't either have or want to pick up my concept of presidential management in the first place. They continued budgeting as usual.

RHG: Um hmm.

RLA: So even after OMB was there, the word "management" meant something different to them. If my whole concept is wrong, then it doesn't make any difference how I view it. But if my concept is right, they didn't apply it, partly because neither of them had had any managerial experience theretofore, had no life experience that said, this is what management's all about. George Shultz has been a professor and Secretary of Labor, and

Cap Weinberger had been a lawyer.

RHG: Um hmm.

RLA: I drew from a business experience, even though I made a point to discipline myself, and to tell everybody else, what I'm not doing is bringing in business concepts of organization even though there are some fundamentals that run across business and government, concepts of responsibility and authority and accountability. But that doesn't mean that they are applied the same way in government as in business. But OMB really never got to the place intended, partly because of internal bureaucratic pressures, including by the OMB people themselves. I was there just one hundred days exactly overlapping Haldeman and Ehrlichman. On my hundredth day they left and created the Domestic Council vacuum. The Domestic Council's vote was to determine "what to do"; OMB's vote was to manage "how we do it" and "how well".

RHG: Um hmm.

RLA: So, OMB took over a large part of its function, too.

RHG: Uh hmm.

RLA: So OMB assumed responsibility for "what to do", along with "how to do it" and "how well to do it".

RHG: Ehrlichman told us that Ken [Kenneth R.] Cole never got the President's full trust in the way...

RLA: He didn't.

RHG: ...that Ehrlichman had had it.

RHG: Um, I just want to show you a couple of documents here. Of course the Domestic Council still had what it regarded as its

responsibilities.

RLA: It did, and it had a role to play; it wasn't without important things to do. It just did them differently. For that matter, another part of the problem is that when I arrived in OMB, my guys were worried because they also had read my definition of OMB's management role. They said, "Is that what he's going to do?"

RHG: Um hrm. Um hrm.

RLA: They didn't want to be relegated to just the position of "how to do it" and "how well we do it". They wanted an important role in determining "what we do". They didn't want the planned Domestic Council to have that role, and I can understand that what you do is seen as more important than how you do it...

RHG: Um hrm. Um hrm.

RLA: ...and how well you do it.

RHG: Um hrm. Um hrm.

RLA: If today, if I didn't have to worry about the internal bureaucratic pressures of things, I think I would create a strong Domestic Council, manning it with some of the very best people out of OMB.

RHG: Um hrm.

RLA: Take the good ones and give them the better job.

FJG: Um hrm.

RLA: Have them really work on the what you do, and then have an OMB work on the how you do it and how well you do it. But both John Ehrlichman's perception of what he was to do and Ken Cole's was a little different than even that definition. So, it never really

was clean.

RHG: When you say that you captured that part of it, largely for  
OMB,...

RLA: Yeah.

RHG: ...did...?

RLA: It took awhile after John left, Ken started off assuming his  
role.

RHG: Um hmm.

RLA: His role was declining...

RHG: That was down, for the tape recorder.

RLA: ...and mine was growing.

RHG: You were going up at the same time.

RLA: Together we got the job done.

RHG: Was it just a matter of Ken Cole's losing small battle after  
small battle and uh,....?

RLA: Well, it was a combination of a number of things. It was losing  
small battles; it was, he didn't have quite the presidential  
confidence. The President looked to him more for political  
assessment than substantive assessment. Besides, one thing I  
learned: OMB had the troops. If you've got the troops and if  
you've got the data,...

RHG: Um hmm.

RLA: ...you're way ahead.

RHG: The Domestic Council had maybe a dozen people, or something like  
that, and...

RLA: And...

RHG: ...just not the manpower.

RLA: ...different kind of people. They were--well, even John Ehrlichman one time characterized their work as mostly case work.

RHG: Um hmm.

RLA: In government, case work is taking care of a political constituent, constituent pressure of the moment.

RHG: Um hmm.

RLA: Like a Congressman has to respond to somebody that writes in and says,...

FJG: Right.

RLA: ..."How about my mother on social security?" So they had a lot of case work and thus a heavier political dimension. Not that political considerations shouldn't be brought into things. In fact, there were a few times when I got, I wouldn't say in trouble, but anyway, when people in OMB raised their eyebrows at least. Where I took one position as Director of OMB and another position as Assistant to the President for Executive Management. [Laughter] The latter taking into account the political dimension of a matter; the former presumably pure.

FJG: Could you tell us about a few of those?

RLA: Well I don't remember what they were, but I know there were some. I know that OMB people said.... [Laughter]

RHG: "Who's that man over there... [Laughter]

RLA: Exactly.

RHG: ...talking? He looks just like the man that's over here." [Laughter]

RLA: That's right. I don't remember what they were, but I know that I tried to avoid too many of those because it wasn't really the

best position to be in. But I felt that the difference in those two jobs, one was to do what a Domestic Council is supposed to do, consider the political dimension.

RHG: Um hmm.

RLA: OMB is supposed to be, and are, very good in an objective way.

I'm sure I inherited eighty percent, if not more, Democrats in a Republican administration. But I think they served the President exceedingly well in a totally objective fashion, without regard to their political affiliation. I must say that I was impressed.

RHG: I heard Richard Nathan and Paul O'Neill speak at the Hofstra conference and I was very impressed with the two of them. I found amongst our materials an exchange of memoranda between yourself and Ken Cole...

RLA: OK.

RHG: ...in October 1973.

RLA: What were we arguing about? [Laughter]

RHG: This is the angriest exchange of memos...

RLA: [Laughter]

RHG: ...I think I've ever seen.

RLA: [Laughter]

RHG: You might be interested in this because the one on top, I think, is the one you got. And the one underneath was the earlier draft.

RLA: [Laughter]

RHG: It's even worse.

RLA: Yeah, we had a little....

[Shows Mr. Ash memos]

RHG: Now that's the one that you didn't get, the one on top is the one that you got. But clearly you two are fighting about who gets to decide the "what" question on domestic policy that you were describing.

RLA: I've even forgotten what this was about. I wonder what we were arguing about? Let's see, no, these are all dated October 18th.

RHG: Everyone was mad here. [Laughter] I think the last document in that case....

RLA: I must've initiated something. No, he must have initiated it; wonder what it was about? Well, we should start with the very last...

RHG: Right. I think you made a brief...

RLA: Right.

RHG: ...comment that he took offense to there. I tried to underline in red the...

RLA: Yeah.

RHG: ...more dramatic comments.

RLA: Then he improved it slightly, I guess, huh?

RHG: It became a....

RLA: That, that's the final, let's see, that's the original draft.

RHG: Right. Well, that's the initiation of the exchange.

RLA: OK, that's the initiation, and then I responded.

RHG: And then....

RLA: [Reading from document] "In fact we changed the first page yesterday to read studies in which...."

[Mr. Ash inspects memos]

RLA: I thought my part was pretty good. [Laughter]

RHG: Clearly this thing is happening that you were describing,...

RLA: Um huh.

RHG: ...where you're discussing, as two very angry gentlemen, still gentlemen but very angry, who gets to run domestic policy.

RLA: I've forgotten all of this. [Unintelligible].

RHG: Any comments that you wanted to make on this?

RLA: Well, first, I didn't remember it, but it does reflect in general the sense of balance or imbalance between the two organizations.

RHG: Um hmm.

RLA: The guys in OMB and Paul O'Neill--when was that in '73?

RHG: October.

RLA: Was Paul Deputy Director by that time?

RHG: Fred [Frederic V.] Malek? I think.

RLA: Fred may have still been there. But Paul and the other Associate Directors, because they were closer to the substance of things, really had a lot of momentum on this, on all these domestic.... By that time, those guys could run circles in all kinds of ways...

RHG: Um hmm.

RLA: ...around the Domestic Council. Around then intellectually, or certainly had all the information and had lots more troops. They were just feeling their oats: We got this one going and intended to keep it moving. But it clearly is different than the concept that I had outlined in the--that's my language--in that President's State of the Union, or whatever that was. Turf and power is interesting, in the way they are played in Washington. As an example John Connally was part of the Ash Council, making



recommendations on organization. One of the things we did was set up CIEP, Council on International Economic Policy,...

FJG: Right.

RLA: ...in the White House for good reason at the time. And I hope you've got some background on that. Yet shortly thereafter, John Connally became Secretary of the Treasury. He conveniently forgot his participation in recommending CIEP. Quite the contrary, he took it over and put it into Treasury. [Laughter] He'd been a part of setting it up outside of Treasury. Just the same as, when I was looking at it totally objectively, I saw a role for the Domestic Council defined differently than when I got into OMB. [Laughter] So that's how it came about. With John Ehrlichman leaving, with Ken Cole not having the President's backing to that same degree,...

RHG: Um hmm.

RLA: ...and not having the troops, and not having the information. And having a focus more on, on the politics and case work of things.

RHG: Um hmm.

RLA: It was a big vacuum. So OMB walked in.

FJG: Let me ask you a philosophical question. You spent a lot of time preparing your reorganization plan, but it seems that what you're saying is, that in the end, it depends on the people.

RLA: Sure. Absolutely.

FJG: And the personalities involved, that no matter what plan is evolved....

RLA: Absolutely, it depends on the people. Among the people it

depends on importantly, if you're talking about structure in and around the White House, is the President. So long as I was in my OMB function, the President supported me exceedingly well. I have not only no complaints, he probably supported me when he shouldn't have, and maybe he's got complaints. But nevertheless, [he] supported me very well. The President supported the CIEP for a while, nicely. But the CIEP, a part of the White House, was destined to atrophy without substantial presidential support on a continual basis until it became a part of the system. If you set up a office and it has no troops of any consequence, and you have the State Department and Treasury and Commerce and everybody else fighting over the substance of the work with zillions of troops, and you setting there with a handful of people, presumably to integrate these things for the President, you need most of all the President's support.

RHG: Um hrm.

RLA: As you've seen, the CIEP kind of atrophied and now is a part of the USTR [United States Trade Representative] and is not quite the function it was, although the center core is still there. It depends on the people, but it also depends on, in that very heady atmosphere of the White House, it depends on the President. He's got to give a signal of whom he supports. He supported me in ways that allowed me to go out and perform my function. In fact, [to] do things that I'm sure a number of Department heads and agencies didn't want to have done to them. They had no choice because the President supported me. That's why it would have taken ten years of good solid presidential support to get OMB

really working as a useful managerial arm to the President. It didn't go for ten years.

RHG: What was Melvin Laird's place to be within the domestic policy formulation?

RLA: When he came back in?

FJG: Yeah.

RLA: He came back in when the President was under some Congressional pressure for Watergate. Melvin Laird was brought back in, given the domestic policy job with an expectation he would largely help deal with the Congress, where he had such credibility, on domestic and/or other issues, including issues directly related to Watergate. The President needed people that could help deal with a Congress that otherwise would have just turned their backs.

RHG: Um hmm.

RLA: Melvin Laird helped in that equation. Melvin Laird wasn't very happy in the domestic policy function, because he never really got his hands on any domestic policy issues of substance. He was mostly working the [Capitol] Hill.

RHG: Right.

RLA: For a broader agenda than even those particular ones.

RHG: So he did not interfere with your work.

RLA: No.

FJG: Did he try?

RLA: Not a lot, no. He was a part of the loop but he didn't really have a big part of his activities oriented my way. He was working other things because the President needed everybody that

he could get that had credibility on the Hill to help make up for his own declining credibility there.

RHG: Um hrm. Um hrm.

RLA: On all kinds of issues.

RHG: In April 1973 you sent a memo to the President in which you described, in what you called in this memo, a new initiative, and later on I saw it described as the Presidential Management Initiative.

RLA: Yeah.

RHG: Can you describe this...

RLA: Sure.

RHG: ...and tell me what its purpose was?

RLA: That's what I think is the missing ingredient even now. Well, what it was, is that here is a President who is, in my judgement, properly spending his own personal time on the important things. At the same time he wants everything to run consistent with his policy, reasonably well, with no surprises and no problems. And with some degree of cohesion of who's trying to do what and with proper priorities. So the process that I conceived and [that] we put into effect was for OMB (and this could well have been the Domestic Council under a different concept, but in this case OMB), working directly with each Department head--and not [his] staff--to establish and state for the President what its objectives were: what is each trying to accomplish this year, say, in HEW [Department of Health, Education and Welfare], what are the priorities of HEW?

RHG: Um hrm.

RLA: As I recall, one of them in HEW was to get the SSI [Supplemental Security Income] system working.

[END SIDE TWO]

[BEGIN SIDE THREE]

RLA: First, the goal was to get the President's arms around everything significant so that we had at least a recorded statement of what everybody out there was doing and planning to do. I personally and, the staff people, worked with each Department head through a successive iteration, three or four successive iterations, to establish for each what his departmental goals were for the year. What are they trying to get done? This is [going] back to where we came in.

RHG: Um hmm.

RLA: You need explicit objectives if you want to have a sense of whether you are going in the right direction. After all, [if] the Department head thought he was going one way, and the President thought he should have been going [another] way, we should figure it out before he's gotten down the line too far. In fact we found a couple of occasions where they were going in opposition, [laughter] two Departments going in opposite directions, contrary to each other. I've forgotten the particulars.

So, I worked with each Department head to establish what were called, for each Department, its presidential objectives. These are the goals that we understand each was trying to accomplish. They included various kinds of policy issues, operational issues, whatever was important. If it was important enough for the

Secretary to have it in his mind, it was important enough for the President to know what was in his subordinate's mind, and for the President to agree or disagree with the priorities, tasks, and goals for that Department. [We] started off with a big list of maybe a thousand objectives across the whole government, narrowed it down to about two hundred and fifty and stated each in writing. [I] worked hard, but not terribly successfully, not to have this whole process called MBO, "management by objectives". Because it had followed PPBS [Program Planning and Budgeting System] and it followed Zero Base Budgeting, and that followed something else. The moment you put a procedural label on these things, all the chief executives whether it be in OMB or in the Departments, delegate them down to their staffs. It's a process, we'll have a staff department for it.

RHG: Um hmm.

RLA: People kept calling my plan MBO. I tried to say that isn't what it's all about. We were just trying to say, "What are you planning to do, and how're you doing toward getting it done? Let's forget big formalized systems." All we want is to state in writing what it is you're trying to do. So, we had about two hundred and fifty presidential objectives, across the government that represented the main work planned for a year. I remember my first meeting with then Secretary of State Bill [William P.] Rogers. I asked, "What do you see your job for the coming year, the most important things you're working on during the coming year and that you want the State Department to achieve?" He said, "Well, that's easy. I have just got one objective: keep

peace in the world." [Laughter] And I said, "I'm not sure we can really work on that one. [That's] a little too abstract for our purposes." [Laughter]

Actually it was merely a reflection by him and by a lot of others that they didn't want this approach imposed on them at all. There was a fair amount of that yet not one of them refused to participate fully, because the President wanted it and we were going to do it. I went over to call on Bill [William E.] Simon and he also was unenthusiastic. Let's stop that and go back just a bit.

After I set up the presidential objectives, then in a round robin process, every three months, I would circulate back to the Departments and ask, "How are we doing toward those objectives we set?" The last thing Bill Simon wanted to do was to be accountable to me on the things he was trying to do in Treasury. But we continued the review every quarter: "how are we doing? Are we still on our objectives? Making any progress?", yet trying to avoid formalized reporting that can readily be delegated to staff people. [I] kept it going so long as I was there. It was dropped thereafter, probably because it was either not a good idea in the first place or from too much pressure [from] those people that didn't want it. The Department heads didn't want it, there was no question about that, although some of them not only adopted it but created within their own Departments Secretarial objectives, which were the next cut down. It was, as you can see, imposing a kind of a discipline upon some pretty strongheaded people, as most Department or agency heads

are, either before they get those jobs or after they get them, certainly. This kind of accountability they could do without.

I tried on a couple of occasions--and I would hope I would've had a lot more--to get the President to go to the Departments at this quarterly review time and participate in the "how [are] we doing?" sessions. Incidentally, in order to not make the accountability sessions demeaning to the Department heads I would always go to their offices. I'd never summon anybody to my office; that would have been adding insult to injury. I went to the Departments and got the President, a couple times, to come with me. The idea was that if we could just engage a little bit of the President's time on these "how [are] we doing?" sessions, everybody will benefit. It'll be [a] tremendous morale builder in the Departments. When he went to HEW, what a reception! Presidents don't appear in HEW very often. [Laughter] So the basic idea of presidential objectives was simple: a President should have, as part of his managerial process, somebody on his behalf observing (with a fairly light hand but not an ineffective one) how all Departments [and] agencies are doing toward what he and they agreed they should be doing in a given year. Even though I did the staff work in establishing the objectives they were his, he signed off on all two hundred and fifty. That was the general idea, and [it] ran a while. When I left it appears to have been abandoned.

RHG: Um hrm.

RLA: Maybe it wasn't a good idea. I thought it was a good idea, I thought it was certainly very useful for the President and would



have been for anybody else wanting to have a running overview of the important tasks of government at any one time. It is always useful for a President to have a sense of what is going on; where he may have potential problems, and opportunities.

RHG: Um hmm.

RLA: One of the potential problems I remember particularly was SSI. It was just going in, that whole supplemental security income program. Just going in, a tremendously big task, operationally to start mailing out millions of checks on "day x," [an] HEW project. This was one of their most important objectives. Had that fallen on its face, and ten million people didn't get their check on some Monday morning, the President would have heard about it; it would have been his problem. We tried to pick out things that either the President wanted to have done, his initiatives, or ones [which], if there were a problem, he would be brought into it--and [it would] be laid on his doorstep. Those are the things that we tried to encompass in the two hundred and fifty. He either chose them as his explicit objectives, or he might [at] some time in the future wish he'd chosen them, because if they were a problem, they wouldn't be somebody else's problem, they'd be his. That was to be the central core of the thing called "M", management.

RHG: Just to keep a presidential hand in his Departments,...

RLA: Right.

RHG: ...understanding what they're doing and...

RLA: And how well, yeah.

RHG: ...making a dialog,....

RLA: I avoided bureaucratic formal reporting. I personally went out to each Department head. Altogether there were twenty-five, twenty-eight, maybe, Departments and agencies that were a party to it. So if I circled around to only nine a month, to make it around every quarter, that would be two a week. That's a lot of my time, just covering two a week. They would be two to three hour sessions each time. So I was spending ten percent of my time personally with the Department heads on it. A President, if he is truly to be the Chief Executive, should not only know what's going on but he should have some sense that what is going on is aligned with his goals and priorities and some sense of how well his subordinates are doing toward accomplishing what they've all agreed they should be doing. But not a rigid reporting system that can be stuffed into and turned over to a computer. Management is a personal matter. It is the essence of the executive function. The relationship of the executive to subordinates, their responsibilities and accountability for getting things done, toward the ends they're together trying to achieve is what management is all about. That was the essence of it, but either I didn't express my views right, or maybe they weren't good ones, but the idea has certainly been reduced to zilch by now.

FJG: Who did that function for OMB?

RLA: Who did it for OMB?

FJG: Did you have internal system to check yourselves?

RLA: Let's see, did we check ourselves? We did. That's right, we had goals for ourselves.

FJG: Who evaluated you? [Laughter]

RHG: OMB got a very good evaluation.

RLA: We had our own, now that I think of it, yeah.

RHG: It sounds like it was really intended to be a dialog between the President and the Departments to substitute perhaps for what looks like the weakened position of the White House staff.

RLA: O.K. not just weakened, it was to substitute for the time the President didn't have to do it himself. And the necessity to do it.

RHG: Um hmm.

RLA: George Washington would have done it all himself.

RHG: But who would have done it in the first term?

RLA: Nobody, it didn't get done.

RHG: It just wasn't done.

RLA: No President's done it since the time a President could do it himself. The President's job has been getting bigger and bigger and bigger and it has not been done.

RHG: It sounds like there's lots of opportunity without something like that, for the President to become isolated from what his Departments are doing.

RLA: And for them to become isolated from what he's thinking,...

RHG: Um hmm.

RLA: ...his directions and goals. Also there is a degree of motivation of the Departments. If, every quarter they have to say to somebody, this is how well we're doing, or how poorly we're doing, there's going to be a little more attention to doing it. A current management statement is "everything that gets

measured gets improved." There's really something to that. In effect, if you're accountable, and that's clear all around, and there's a process to discuss it, performance improves. Why do boards of directors of companies exist? Managements may think it's a waste of their time to have to take a day a month, say, to prepare for and meet with the board. Yet it isn't a waste of their time. The very fact that they have to prepare for and meet with the board means that they are forced to look over closely their own operation and bring them up to snuff, or concentrate on them, or give special directions, or something. It is a time that some people think is waste, but I've been on both sides now for forty years. It's important to account for yourself from time to time.

RHG: Did Nixon agree with you about the desirability of this process?

RLA: Yeah, he was part of the process.

RHG: It wasn't intended to develop new programs, was it?

RLA: No.

RHG: To monitor the existing ones.

RLA: No, this was not intended to develop new programs as such unless a Departmental objective--and some were--was to develop a program as a part of that Department's goal for the year. It wasn't to be the developer of the program but, if the President and the head of "x Department" agree, "We want an initiative on this subject by that time," it was to establish that as a presidential objective.

RHG: Um hmm.

RLA: But somebody else, including people at OMB, would work on the

policy development. The presidential objective process was to make sure that the agenda of things to be done by the Department was to develop a policy position by a particular time. So that it wouldn't just happen, it was there because it was deliberately planned and agreed and understood: that's one of the most important things we were working on.

RHG: Now at the same time that this new management initiative was beginning the so-called "Super Cabinet"...

RLA: Yeah.

RHG: ...was reporting for duty to the White House,...

RLA: Yeah.

RHG: ...and you had Counselors coming in. So, you're going out to the Cabinet, and the Cabinet's coming in to the White House.

RLA: Well, it's just at the time the "Super Cabinet" was kind of coming to an end. There was disagreement about the "Super Cabinet". I never thought and still think it cannot possibly work. John Ehrlichman apparently thought it was a good idea. I had just come aboard at the time and I wasn't going to dig in my heels in my first week in office. So, I went along with it. I knew in my own mind it wasn't going to work. And it didn't work, and it can't work. Even today it can't work the way they're doing it. That's not doing at all well.

RHG: What was the fundamental problem?

RLA: Well, in arriving at policy positions and decisions, there are a lot of advocates around with arguments that it should be this or it should be that or it should be something else. If you have an issue, as so many do, that cross Departments, each Department for

various reasons has its own advocacy position, either that of its outside public constituents, or its own bureaucracy, or its own head, but it's got a set of positions. So have another Departments. So you come to this "Super Cabinet" forum where there are all these advocates and then take one of the advocates and make him the judge. You know whose argument he's going to favor! This is the nature of a "Super Cabinet." One of the advocates is at the same time the judge. Well, you can't do that. Besides, you can't do good policy work by a lot of Department staff work that is guided primarily by its own advocacy position. The top policy making staff must have the President as [its] only constituent. The President must have staff people work for him who have only one constituent, the President. The moment you get executives and staff who have other constituencies making Presidential policy...

RHG: Um hmm.

RLA: ...you're lost. They're going to reflect those other constituencies, for all kinds of good reasons. A Department head has to reflect his Department bureaucracy's view or he can't be very effective in his Department. If he has all these guys saying here's what we think you, the Secretary of our Department should do, and he goes to the President and advises otherwise, he loses his clout back home. Or from another angle, President Nixon when he put Earl Butz in the job said, "Your job is to represent the farmers to me."

RHG: Um hmm.

RLA: He said, "You're the advocate for the farmers."

RHG: Right, then he brought him into the White House and said, "Well, now you've got another job, and you're supposed to make dispassionate decisions."

RLA: So you have this whole conflict between advocates and their staffs and their pressures, and they're real. Their own bureaucracies, their own outside pressures, even the Congressional pressures bear back to the Department heads. Department heads and their subordinates have continual relationships going back and forth with Congress. They want to keep those as oiled as they can, and the way you do it is to be mindful of their advocacy interests, too. So all these advocacy views are flowing in. The President doesn't have time to listen to all of them as they come directly to him personally. He's got to interpose policy people who have him and him only as a constituent...

RHG: Um hmm.

RLA: ...and aren't pressed by the others. Who have enough staff who can hear, analyze, take into account the advocacy views, synthesize them, integrate them and pass them to the President, but pass them in a way where their arguments are still there, but where at least they have some calibration applied to them.

FJG: Is that the function of the Domestic Council?

RLA: It should be the function of a Domestic Council as the Ash Council proposed its creation.

FJG: Um hmm.

RLA: Although it isn't as simple as that because the Domestic Council, at least in my view of it, should concentrate mostly on new

policy when a lot of policy change is incrementalism. OMB is pretty good at incrementalism, but if you're going to have a whole new welfare initiative, the Domestic Council should work on it. But, where does one leave off and the other begin? They have to work together.

FJG: Have you read Dick [Richard] Nathan's book about the Nixon administration, The Plot that Failed?

RLA: I don't think so.

FJG: Nathan, in that book, says that the reason for the creation of the "Super Cabinet" positions...

RLA: Um hmm.

FJG: ...was that the Domestic Council had vastly overextended itself, that in attempting to make policy--and maybe talking about incrementalism in policy too--they had gotten down to the point where they were conducting operations, because operations in many respects is policy. This is Nathan's point.

RLA: Yeah.

FJG: And they could no longer actually make decisions on policy; they were busy making operational decisions.

RLA: That's the point I was making earlier, case work. They were doing lots of case work.

FJG: Um hmm.

RLA: The Domestic Council never was created with real policy-makers. Never. But it didn't have a staff like OMB staff. It didn't have a staff that was intellectually oriented toward the analysis and thinking through of broad policy issues. They were too much oriented to the operational, the case work, the political. Not



that that isn't to be done; it is to be done. But, if you're going to have a whole new policy thrust you should be able to think it through. A good example is the NSC [National Security Council]. NSC was very good on policy formulation, Henry Kissinger personally, and people he had. What I think the Domestic Council should be is a counterpart of NSC with the kind of intellectual brain power and orientation like that in NSC. You need an NSC for top policy making, notwithstanding [Alexander M.] Haig's view of being the vicar of foreign policy. The Secretary of State cannot be a vicar of foreign policy, because it includes [Department of] Defense, it includes CIA [Central Intelligence Agency] and includes in some cases, on economic issues, [Departments of] Treasury and Agriculture and Commerce, and who knows whom. Foreign policy at its highest level has to be done out of the White House by a strong NSC. As a matter of current interest, Colin Powell used to be in OMB.

RHG: Yes, I saw his name come up.

RLA: Um hmm.

RHG: I was quite surprised.

RLA: He worked in OMB as a White House Fellow.

RHG: Um hmm.

RLA: A good guy.

RHG: Um,.....

RLA: That's the Domestic Council I would have. It never was that from day one. It never perceived itself and outfitted itself with that kind of ability.

FJG: Let me continue to play the devil's advocate.

RLA: O.K. I may be wrong, I'm just telling you my views. They could be....

FJG: No, no, I'm not saying that you're not correct, but in talking to Ehrlichman we asked him, "Did you ever do any long-range planning?"

RLA: Yeah.

FJG: He said, "Sure, I started doing it. Ed [Edwin L.] Harper did it. Nixon found out about it and stopped it. Nixon's purview was,...

RLA: Well,....

FJG: ...'How long are we going to be in office?'"

RLA: That's a question of what long-range planning is. I didn't do any long-range planning. First, I wouldn't call anything long-range planning. Never around President Nixon and probably never around any President do you ever call anything "long-range planning," but it doesn't mean that you can't have major initiatives. Nixon was very interested in major initiatives. Yet they need to be introduced where they can be meaningful. I can't think of anything that I did that was oriented beyond what we then thought was going to be Nixon's whole term. In fact, part of the whole idea of getting these goals and objectives out was to have ones that could be accomplished within his term. Rather than ones that were going to be accomplished ten years later. "What do you intend to get done this next year?" was basically what it was. Of course, policies to be developed in the year ahead would have major impacts over the long term. In that sense, we engaged in long range planning.

FJG: Um hrm.

RLA: Long-range planning is not a word that one should use in serving, I think, any President. For good reasons they are working for their own term. That's it. And maybe their successor's if they think he can be of the same party. What are they working [for]? They're working for the history books. So what they accomplish in their term they expect to have long lasting effect. It's short term planning for long term effect.

RHG: Actually the [Ronald W.] Reagan administration has followed one of the patterns of the Nixon administration in that in the first term you have a fairly strong domestic policy and in the second term you try to meet with the Russians.

RLA: Um hmm, um hmm.

RHG: Nixon started that a little earlier...

RLA: Yeah, um hmm, yeah.

RHG: ...and tried to make peace in the second term.

RLA: Anyway, let's see, we're on what subject?

RHG: The "Super Cabinet" was put in place.

RLA: The "Super-Cabinet," oh yeah.

RHG: Earl Butz, James Lynn, Caspar Weinberger...

RLA: The "Super Cabinet" was dumb.

RHG: ...came over, they got offices in the White House.

RLA: Yeah.

RHG: What happened? They just withered?

RLA: Yeah. It wouldn't work. It didn't work, it wouldn't work.

RHG: Um hmm.

RLA: Ehrlichman and Haldeman thought it was a good idea. I remember being up at Camp David just as I was coming aboard, and we spent

some time--the three of us--and they were pressing this idea. I was just new, and the last thing I was going to do was to dig in my heels on something that they, I saw, so strongly wanted.

RHG: Um hmm.

RLA: You've gotta ride with some of these things a while, you know.

RHG: Did any of the "Super Cabinet" people try to make their new jobs work?

RLA: Probably. But they didn't have the resources--people and information. How could they do it?

RHG: Yeah.

RLA: There was no way for them to succeed. They couldn't use the staffs of their own Departments because those advocates weren't even privy to the kind of things that went on. They couldn't bring all those staffs in, and, besides, they were advocates. There was no way it could work. Even now, you've got these same things. What you can do is what the NSC does. The same is possible for the Domestic Council. The domestic Department heads can be members of the Domestic Council. In fact, that was what was created, either the first step or the second step, I've forgotten which. But just as the NSC, where they're all members, there is also a separate executive director, call him whatever you will. He has a staff; the Cabinet members' resumes show they're members, but the independent staff is key to policy making.

RHG: Um hmm.

RLA: How does the NSC operate? It isn't done in a collegial sort of a way--that is, just among its Department head members. The staff

does all the work and gets them to ratify that at the end.

RHG: Um hmm.

RHG: It seems potentially that the "Super Cabinet" could have conflicted with your management initiative...

RLA: Yeah, sure.

RHG: ...because you would go to Caspar Weinberger and say, "I want you to let me know what you're doing," and he says, "Well, I've got an office in the White House."

RLA: I introduced mine just as that was withering down and mine started up. There were a few little overlaps where that was said.

RHG: Um hmm.

RLA: I just kept going anyway. [Laughter] That one was going down and I went up. It was destined to fail, it couldn't succeed, in my view. It didn't succeed.

RHG: The Domestic Council, I think at the same time, was setting up I think they call them Domestic Council Committees?

RLA: Those were the "sub" things I was talking about, yeah.

RHG: Those were bringing in agency heads as well.

RLA: Yes.

RHG: Caspar Weinberger I know was on some of those.

RLA: They were trying, since they found this whole policy making task just too all-embracing to do much with. It was broken down [into] smaller bites. So at least, when the people came together, they have some commonality of what they'd be talking about.

RHG: In a couple of these memos--I'm not showing you all of them--OMB

and the Domestic Council are clearly locked in a deadly embrace. Ken Cole will say, "Well, the Domestic Council has got this committee with Caspar Weinberger at the head, and we're dealing with this issue."

RLA: Yeah, that's right.

RHG: "So, this isn't your issue."

RLA: Yeah.

RHG: So, were there conflicts like that for very long?

RLA: Not long, no, we just kept moving. [Laughter]

RHG: Just said, "It's our issue," and file this away.

RLA: We had very, very few discussions with Ken Cole or with anybody about who has what authority and responsibility. There's no point in making it an overt discussion. We just kept moving.

RHG: Um hmm.

RLA: We didn't worry about talking about who had what responsibilities.

RHG: But if they had the....

RLA: It's best to just do them. Don't argue about who has them.

RHG: If they had been as strong an agency as you were, then you would have been confronted with the difficulty.

RLA: Yeah. Then we'd need the President to resolve it.

RHG: Um hmm, um hmm. It didn't happen.

RLA: I just kept moving. We just didn't argue the theory of who does what. OMB just kept doing more, the Domestic Council less. If I were doing it again from scratch, I'd create a good Domestic Council, and I would take care of the OMB people's concerns by having some of them be the central staff of a working Domestic

Council, because those guys are good at policy thinking. And they were able to run circles around Ehrlichman's and Cole's people, in the knowledge and the substance of policy.

RHG: It sounds like the problem you had had was that your two predecessors are not activist Directors. The White House staff had been accustomed to doing all these things.

RLA: Well, they all reported to John Ehrlichman.

RHG: Right.

RLA: My predecessors both reported to John Ehrlichman. So when George Shultz and Cap Weinberger reported to John Ehrlichman, and so did Mayo, before them, they had a difficult time moving aggressively against the guy to whom they were reporting.

RHG: Did Ken Cole ask you at any time, or just assume that you would just report to him in the same way?

RLA: No. It was quite clear that there was to be a strong signal that I wasn't reporting to any of them. It was a new era. My additional role as Assistant to the President for Executive Management was to help make it clear that there was something else going on. It wasn't to be business as usual. It could have worked out differently had John Ehrlichman stayed because he might have put together a stronger force there.

RHG: I know at the same time the "Super Cabinet" was being brought in, there was to be a strong White House staff, which was presumably to oversee all of these little bits and pieces of reorganization. The four people who were to be the White House side of the decision-making were, besides the President, Kissinger, yourself, Haldeman and Ehrlichman. Within a couple of months Haldeman and

Ehrlichman were just gone.

RLA: Um hmm.

RHG: It sounds like the rest the system was floundering around.

RLA: Then Al Haig came in, though, shortly after Haldeman left.

RHG: Um hmm.

RLA: It narrowed down, as time went on. In Nixon's latter days it narrowed down to Al Haig who kept the whole place together.

RHG: Um hmm.

RLA: Which was a terribly important role. It must have been a nightmare, keeping it all from flying apart. Henry Kissinger did the national security work pretty much all by himself, and I did everything else pretty much all by myself. [Laughter]

RHG: So you really took Ehrlichman's position after a time?

RLA: Yeah, in fact, Henry Kissinger and I divided up the substance, and Al kept the whole thing together. Al kept it stuck together and we divided up the substantive things.

RHG: Were you physically most of the time in the White House complex...

RLA: All the time, yeah.

RHG: ...or in the OMB offices?

RLA: Never in the OMB office, always in the White House office. Well, I walked across the street to see the guys over there. Fred [Frederic V.] Malek, my deputy, had the office that classically has been occupied by the head of OMB. Way back to Bureau of the Budget times, that one on the second floor in the center of the Old Executive Office Building: the best office in the whole place. I never got it, I had a little old office in the White



House.

RHG: In the west wing?

RLA: West wing, yeah.

FJG: People would die for those offices, you know. [Laughter] What was Ron [Ronald L.] Ziegler's role in the administration during that time?

RLA: PR [public relations].

FJG: Was he seeing a lot of the President? I get the impression from some of the books I've read...

RLA: Well, probably....

FJG: ...that he he, and Haig spent a lot of time with the President.

RLA: Well, particularly when, when the Watergate thing was....

RHG: Right. This was after Haldeman and Ehrlichman left.

RLA: Yeah, I'm sure he did.

RHG: All right, we've got you established now as the John Ehrlichman of the second term, if that's all right. So now, just a few questions of what to do with domestic policy in the second term. They're not quite in chronological order, but I found one memo from yourself to the President, and it says May 7, 1974.

RLA: O.K.

RHG: It was quite late. It's about new initiatives.

RLA: Yeah, I listed about ten or fifteen things, didn't I?

RHG: Yes, well actually it was quite a long list initially, and then you said you only found eleven that were worth thinking about.

RLA: I don't remember what they are, but I know that was an attempt to regroup forces, with all the turmoil going on, and just stop for a moment to reorient ourselves to what's important. Under your

heading of long-range planning this was trying to--I don't think I used the term long-range planning there any place; I hope I didn't--it was trying to get some, some North Stars out. Where are we heading anyway. We've been so discombobulated by all these goings on, let's take aim again.

RHG: What were the goings on? What was happening?

RLA: Well, all the Watergate stuff and Ehrlichman and Haldeman leaving and the loss of influence up on the Hill and time being spent on other things. Just, just get started again. But I've forgotten what the document said.

RHG: Well in this memo you found eleven proposals worthy of forwarding to the President. By my reading, none of them had much size to them, except there was one called the Homestead Act for the twentieth century in which you were trying to send population into the underpopulated areas of the country. I mean, it was visionary....

RLA: That couldn't have been in one of my popular eleven! How could it have been?

RHG: Well, [laughter] I'm afraid the evidence is.... I'll show this one to you. And I should say that...

RLA: I haven't the least idea what that one's about....[Laughter]

RHG: ...I wanted to....

RLA: Homestead Act. We couldn't've done that...

RHG: Well, when I looked at this I said, "This is visionary in the hopeful sense of the word." Let me see if I can find it.

RLA: There must've been ones that [were] more meaty than that!

RHG: [Laughter] Well, it's from the State Department, it's right

here, number five. But it's after all one of only eleven.

RLA: The State Department proposed it? Why should they? This must have been a compilation of Departmental proposals. Is that, these eleven categories--oh, each of the eleven Cabinet Departments was asked to provide three major new initiatives for the final thou-.... Oh yeah, that was the thousand day thing. Their original submissions are attached. Proposals which merit consideration. I guess we had to throw one to State, huh?

[Laughter]

RHG: Well, the initial list is of course much longer, but you forwarded those [eleven].

RLA: It came down to these.... But, I sure don't remember that one. We had a thousand days to go. This was orienting toward the President's term. What can he do in a thousand days? I remember counting down. I think I was the one who discovered it was a thousand days and decided it was a good peg to do something like this. And ask all the Departments, and that was the way to get the Departments to respond. A thousand days has a, it's kind of a peg for them, rather than it's just some more bureaucrats up there wanting to know what you think. A thousand days, President's term: what can we do to make it go out great? In retrospect, were there any good ones among them at all?

[Laughter]

RHG: Well that was the only one that took my eye, actually,...

RLA: Maybe none of them were any good, for that matter.

RHG: ...and that wasn't going to happen. Five of the eleven ideas were either entirely or in part OMB's. So. So what this was

saying....

RLA: See, there's the judge favoring the advocate's good ideas.

[Laughter] We'd worked over welfare, over and over, as you know from way back in the Burns and Moynihan time, where they were on that, the negative income tax idea. We'd worked over welfare, up and down, with Bob [Robert H.] Finch and Moynihan and Burns; everybody worked over welfare. So there was not much to do on that. Energy had its own kind of course because of the special problem that it was at the time. Vietnam and China and all of those things had, they'd run their course pretty well. There wasn't anything great to come along there. We'd kind of run out.

RHG: So, it was getting hard to find a focus?

RLA: Well we needed, we wanted something that had a little pizzaz in it, like Reagan's now looking for something.

RHG: Um hmm.

RLA: Something that hadn't been thought of. Do you have a copy of the memo sent out to the Departments? That might shed some light on the state of mind that was behind it, asking them to put forth their views.

RHG: Um hmm. No, I don't have that.

RLA: That would be a useful one, if it's possible to get it. I don't have it. That's right, we asked them all: "We've got a thousand days to go, you're on your last lap, what can you do that's important?"

RHG: Now the, the Defense....

RLA: Homestead Act of what year? [Laughter]

RHG: This is May 7, 1974.

RLA: It relates to the Homestead Act of when?

RHG: Oh, well it was to be a new Homestead Act...

RLA: Oh, a new Homestead Act.

RHG: ...for the twentieth century.

RLA: Oh really.

RHG: A subsidy for a hundred new middle-sized urban communities away from the seaboard.

RLA: Kind of a dumb idea.

RHG: The goal was....

RLA: The President would never buy that. He's not going to subsidize a hundred new urban communities.

RHG: Well it was better than what the....

FJG: Actually that's not a new idea. The President heard that idea before from John Ehrlichman.

RLA: I bet not many of these are.... Well actually we got, we solicited also whoever was left of the Domestic Council for this. They had something to do with this.

RHG: I have a memo from them.

RLA: I've forgotten what their role was.

RHG: Let me just....

RLA: Yeah, they had something to do with that: either objected to it or said they've already done it or something. I've forgotten what.

RHG: This is another indication of the relationship here. This is Tod Hullin writing to Ken Cole and others. May 8th, next day. "I understand that OMB is running an exercise with the Departments and agencies seeking new legislative initiatives. Without

knowing why this is going on or how this got started, [laughter] I would like to say," and then he says, "Paper exercises like the one the Departments and agencies are running through now divert time, energy and attention from the history-making initiatives proposed by this President." So you've still no friends over there.

RLA: So they hadn't known about it ahead of time then? They only objected, yeah.

RHG: No, they didn't seem to understand why it was going on.

RLA: When was it made, which date?

RHG: The seventh.

RLA: Interesting, of [nineteen] seventy...

RHG: Four.

RLA: ...four.

RHG: Not much time left.

RLA: And they, and by that time the Domestic Council wasn't much either. It had run down. Its clock had pretty well run to a stop by that time. [Laughter] So they were hanging on apparently for anything they could hang on to.

RHG: All right now, another one. Now this actually--and I'm sorry for the chronological inversion--this is....

RLA: Are any of those eleven any good, in retrospect?

RHG: Let's see. I'll tell you that the Homestead Act is a real flyer compared to what the Defense agency sent you. The Army, Navy and Air Force, all included, and they only had three suggestions to you and they included...

RLA: Bigger Army, bigger Navy, bigger Air Force!

RHG: ...improvement of Navy capability, improvement of Air Force capability, and the Army was more original, increase combat capability. [Laughter]

RLA: This is like Bill Rogers saying, "Keep peace in the world."  
[Laughter]

RHG: There weren't a lot of ideas out there. Now this other one,...

RLA: They must have been at the bottom of the barrel by that time.

RHG: ...this other one is earlier. This is in the summer of 1973. I'm sorry for the chronological inversion. This is you, you are writing to Al Haig here, August 8, 1973. You had reviewed the agency presidential objectives and you were upset that they were bottom up statements rather than top down ones. That is, they didn't identify any unifying doctrinal policy goal,...

RLA: Um hrm.

RHG: ...and you concluded that the President needed updated and better articulated goals to work from. You say, until the President provides them, you will. That amused me. It does suggest a bit of vacuum going on here.

[END SIDE THREE]

[BEGIN SIDE FOUR]

RHG: You say it at the end of the memo,...

RLA: Um hrm.

RHG: ..."The work must be done",...

RLA: Um hrm.

RHG: ...and it wasn't being done.

RLA: It isn't even now being done, for that matter.

RHG: Um hrm.

RLA: This is again where my concept of the Domestic Council should have been applied. It wasn't. It never was, partly because, in my judgment, Ehrlichman didn't perceive it that way at all. There was some exchange (and I've forgotten when) where we compared notes of what each of our policy statements might be. We found that we were working on two different levels. One was much more operational, political and case work; I'd like to think mine rode above that at a higher, more conceptual level. Maybe too high, for that matter.

RHG: The one idea that I think you felt still had some life in it--at least you suspected it did--was the basic idea of the Nixon domestic policy announced very early on in the first administration and that was the "New Federalism."

RLA: Yeah.

RHG: You sent a memo to the President (this is September 24th 1973) saying that OMB was conducting an extensive review of the "New Federalism" in order to develop recommendations about how to carry it forward. And [that] there was a review under way to be completed by November 30th. What happened to that?

RLA: Which year was that, '73?

RHG: '73.

RLA: I don't know what happened to that. Did anything ever flow from that?

RHG: Alright. I have a later memo. That was September 1973 and the study is under way, trying to revitalize an idea that was regarded as still alive. This one Fred Malek is writing through you...



RLA: Um hmm.

RHG: ...to the President, April 5th 1974 (so that's about six months later) regarding the "New Federalism." This document, which I do have here, it's rather long, is a major retrospect and prospect document. These are what the "New Federalism" has accomplished,...

RLA: Um hmm, um hmm.

RHG: ...and this is what we have to look forward to. I read this document as equating the "New Federalism" with decentralization, which is not what I understood it to be initially. What, what was your...?

RLA: It's not what you understood "old federalism" to mean. [Laughs]

RHG: What was your concept of the "New Federalism"?

RLA: A degree of decentralization, in that it was based on the premise that not every issue that exists is a proper subject for the federal government to assume responsibility for and spend money for. That we should, as best we can, recognize the role of the states and of other levels of government and nongovernment activities. I was drawing conceptually from a parallel that I had seen in business forty years ago. Over the years because the federal government had presumed to be in everything, we ended up with state governments that were less and less competent and capable of doing things, because there was not as much for them to do. We ought to have a program that not only placed responsibilities closer to where the problems were, but that over time would allow the generation of better competence at lower levels to deal with those problems.

RHG: Um hmm.

RLA: Years and years ago, in the Bank of America, an organization with a headquarters and a thousand branches, authority had gradually become centralized into headquarters. After a few years of that, branch managers became senior clerks. There was no point of being a banker if you didn't have any banking to do. Then, when it was decided that the business would be improved by delegating a lot of those functions back to the branches management found that the branch managers were not competent to receive them. So it's necessary to have a slow process of reversing responsibilities so as to build competence in parallel. So, "New Federalism," through decentralization, is recognizing that there [are] a lot of things that have been, over time, taken to the federal government that can best be performed elsewhere. Decentralization is probably as good a word as any.

RHG: In the first term the "New Federalism" had included such an idea as the Family Assistance Plan, which really was a decision being made that this was a function that had to be conducted at the national level.

RLA: Yes, that's one function [which], even though it would be nice to have it decentralized, can be performed effectively only centrally. There are some limited ones that must be. The business of block grants to the states was a reflection that certain monies can be better collected centrally but better spent decentrally.

RHG: Did you sense that the "New Federalism" was being reshaped in the second term? The President wanted it reshaped or you were

advising him to reshape it?

RLA: I don't think it really got more than just a passing nod of anybody's attention.

RHG: Um hmm.

RLA: But partly because it was perceived (my recollection of how I feel about it) as something interesting to talk about but not something that practically you could do much about beyond what had been done.

RHG: Um hmm.

RLA: Although a few things had been done. Actually you look over the long period of time, governors and mayors are better than they once were.

RHG: Richard Nathan, in the book that Fred was mentioning, writes that there was a lurch to the right in the Nixon second term in domestic policy.

RLA: What has he in mind? What kind of a lurch to the right, what policy would have been right lurching?

RHG: I think he's referring to the emphasis on decentralization,...

FJG: Right.

RHG: ...that the government just shouldn't be doing any of these things. That wasn't the emphasis in the first term as I understood it.

RLA: We didn't decentralize much in the second term. What did we decentralize?

FJG: I think perhaps Nathan there was referring to the decision-making process where, by sending out White House staff members such as [Jeb S.] Magruder, [John C.] Whitaker, [Egil M.] "Bud" Krogh and

others into the Departments, the decision-making process would somewhat be taken away from the White House staff. These trained, able young assistants who presumably had been imbued with the President's ideas would be sent out to the Departments directly.

RLA: To influence them...

FJG: Right.

RLA: ...in the President's rightist directions.

FJG: Right. I think that's Nathan's....

RLA: I don't think it had much effect.

FJG: Well, unfortunately most of them were caught up in Watergate and didn't stay very long.

RLA: Well, let's see, what, what...?

RHG: What I had in mind was more emphasis on something that had always been there. More of a anti-government attitude that, that Nixon didn't always voice during the first term. I don't know that this happened, I was just asking....

RLA: I'm trying to think of any specific thing that would say so, because I know that, in contrast to today's administration, we didn't have an anti-government attitude directed at bureaucrats and process. We did say there are some questions about some of these programs. A good example was education: "Is grade school education a subject of the federal government?" And the answer was no. But our thinking wasn't directed to "we've got a bunch of dumb people and bureaucrats" and all of those things. Or even inefficiencies. We didn't really concentrate on those either. I'm not sure, beyond block grants to the states, what else did we

really do? I know one thing, although that has now been reversed. We put representatives of the various Departments dealing with domestic affairs in the field; there were field offices.

RHG: Um hmm.

RLA: So that those people would get out there and get a local feel and a local sense and have closer connections, communications with the people that were facing the problems rather than sitting in Washington.

RLA: [We] had in ten or fifteen cities around the country a small office of four to eight people each, one from each Department who had significant activities in that area, they were the local field offices. So that the Department of Transportation, if they had some need, [would] have somebody there, and HEW would have somebody there. That was hardly a thing called federalism, new, old or any other thing. But it was an attempt to get some sense of how things really were out there, rather than "let's all sit here and kind of mastermind how it must be out there." And have people on the spot for local governors, mayors and others to talk to about federal programs.

RHG: Did the President voice concerns to you repeatedly if something was on his mind?

RLA: No, no.

RHG: We've got to do this or that?

RLA: No.

RHG: To this return to this memo again, Fred Malek through you to the President,...

RLA: At least, I don't remember any.

RHG: ...Fred Malek through yourself to the President April 5, 1974 regarding the "New Federalism", that's the one where we started talking about decentralization. This is a major document. It looks like you want to say, "This is our main proposal," and you're sending this to the President, or from Malek through you to the President, saying, "What do we do on this from here?" Nixon never saw this memo; there's a note on the top, the President didn't see it. This looked to me to be potentially a very, very significant attempt to get domestic policy moving again, but the President did not read the memorandum.

RLA: What date?

RHG: April 5, 1974.

RLA: That's when he was pretty busy on a lot of other things; that would be an Al Haig note. There's another interesting [thing] about it as well, you've already identified it: it was from Fred Malek through me to the President. It was an institutional OMB proposal, if I can make the contrast to my own memos. There was a strong input, and it was basically an institutional OMB thing.

RHG: Um hrm.

RLA: And not that it wasn't a good idea, it was a good idea. But Al Haig probably, he would have been the one who wrote the memo that the President didn't see. Did I write it or did Al Haig write it?

RHG: It's just a note on the top of it.

RLA: Can you recognize the handwriting?

RHG: No.

RLA: I'll tell you, it's either mine or Al's.

RHG: Unfortunately it ran off the page when I xeroxed it, and I just wrote it in.

RLA: It was either mine or Al's, it wouldn't be anybody else.

RHG: Then there was a follow-up to this. This initial memo is April 5th and it included several options for the President to agree or disagree on.

RLA: Did he not see those either?

RHG: No. He never saw the entire document.

RLA: Things were getting pretty crusty about that time in '74.

RHG: A month later, roughly May 13th, Fred Malek sent a memo to Haig following up on this one and he says, "I sent this very important memorandum to the President."

RLA: Oh, yeah. I think I remember that.

RHG: "A month has passed and..."

RLA: What happened to it?

RHG: "...and I haven't heard a thing." Of course, that strikes the historian as rather strange to begin with, but then he says some people--Ken [Kenneth W.] Clawson and Jim Holland--were anxious to move ahead on a presidential message and PR effort in recommendations four and five. He says, "Accordingly, we plan the move ahead on each of the recommendations unless you have any objections." [Laughter]

RLA: Now this was from Fred through me or not through me in this instance?

RHG: No, this one's just to Haig.

RLA: Yeah.

FJG: Malek to Al Haig.

RHG: Yeah.

RLA: I wonder what four and five were that we were going ahead on without any.... [Laughter]

RHG: I think these were in public relations.

RLA: I remember vague discussions with Fred about that, and I think I recommended that he send it directly because I didn't want to be a part of that flap. [Laughter]

RHG: Four was a recommendation for a major address by the President.

RLA: Not the Homestead Act.

RHG: On "New Federalism", no, not the Homestead Act. Number five was that the White House Office of Communications in conjunction with OMB and the Domestic Council, were to make a major public effort to raise the level of awareness of "New Federalism".

RLA: Are you going to be able to talk to Fred Malek at all on this?

RHG: We'll certainly try.

RLA: I think that it would be very useful. I think he can shed a fair amount of light on that, now that I think of it.

RHG: Yeah, but it does look as if there were just not any "New Federalism" ideas or any others percolating....

RLA: No. By that time they were manning the barricades. The President's time was not available on new things. He was either working with other people on Watergate or my involvement with him was basically problem-solving, that is, an issue arose and needed a presidential response, rather than "let's initiate something out of the President office." He didn't have time, and probably wasn't even of the state of mind to be initiating much. It seems



to me, as I vaguely remember, the only times that I spent with him then were things that might be case work in a sense. They had [arisen] and something had to be done...

RHG: Um hmm.

RLA: ...rather than we're going to initiate something--I can't think of many initiatives of any kind. I doubt if we even initiated those two, for that matter. We didn't. Wonder what Al Haig's answer was to that? Probably was to go forget it. Well now, Fred left about the next day didn't he?

RHG: I'm not sure.

RLA: That's just about the time Fred left. This was his last, this was his work, this was part of why this went directly around, this was Fred's project.

FJG: You were throwing him to the wolves but knowing he wouldn't be around to be eaten by the wolves later, right?

RLA: Well, no. Fred wished he'd had my job and he didn't get it. I had to give him some exposure. Fred did a very good job. He did an excellent job in his work, but he got no exposure. He was sitting there working his head off and nobody even knew it. You've got to let something come out of it that has his name on it. So it would be useful to talk to Fred. Fred put his head down and worked so many hours a day and so intensively and so effectively. He should have gotten more credit than Fred got. He didn't get much to show for it.

RHG: I have one topic here that I think we'll not be able to discuss in that amount of time and that is the budget process and the so-called battle of the budget that occurred partly during...

RLA: Um hmm.

RHG: ...your tenure at OMB.

RLA: Yeah.

RHG: Does OMB, by the nature of the way it works, tend to take the view that whatever the government is doing can be done for less money and more efficiently?

RLA: OMB's institutional view is to be challenging if not skeptical of all Departments' money proposals, in effect, shifting the burden of proof as much as it can to the Departments. This does lead to the sense, and certainly to the perception, that OMB's sole business is to cut twenty percent off of everything, of whatever comes in. It leads to the idea that games are played by Departments going in with twenty percent more than expected knowing twenty percent's coming off. Still, it can be productive to look for unnecessary dollars in everything, on the assumption that, in the Departments and agencies, their interest is served by getting as many dollars as they think they can get by with.

RHG: Did you feel that very often as Director of OMB or did your subordinates come to you very often with the message that this budget request is exactly proper, and this is how much we should provide to the agency?

RLA: Some. They had the agencies and the people in them calibrated fairly well.

RHG: Um hmm.

RLA: After they'd worked with each of the people and their agencies-- OMB doesn't turn over so it's the same people there--they developed a pretty good sense, agency by agency, of which ones

you could take almost as they came in and which ones you better look at carefully. It was just a cumulative sense that the OMB people gained. I don't remember any budget request in particular that OMB said, "Let's take it as it is," but I know there were a lot that didn't have much change. But generally a part of the whole budget review process was looking for dollars. You have access, I hope, to all of the program review meeting materials, the preliminary submissions for the budget and their iterations until they finally were resolved.

RHG: I would suspect that would be in the National Archives records rather than in the Nixon Project records.

RLA: O.K. It would be a good story to look through the iterations: the Department comes in with this and goes out with that. I can think of some where we've added onto programs. On almost every Department and agency we added on money under the heading of management, defining it in a way to enhance Department management. For almost every Department, for a year or two in a row, we added on something for management improvement. Fortunately that doesn't cost as much as a lot of other things. [Laughter] So we probably added on out of what we saved some place else. Sure, money is a key part of budgeting. OMB starts off with an assumption that each Department, to different degrees, has one or the other motive to ask for a little more than they expect to get, let alone need. So you play the game out.

RHG: One reason I ask this question, in fact the thing that brought it to my mind is that I read an interview with Caspar Weinberger.

RLA: Um hmm.

RHG: The interview was about--I should say it was done a few years ago, and it gave me a chilling feeling when I was reading it. It was about the decision to develop the Space Shuttle. Which Weinberger was very actively in support of.

RLA: I was not, and I lost.

RHG: He was describing the way that NASA [National Aeronautics and Space Administration] had submitted the proposal and that everyone else at OMB was opposed to the Space Shuttle and Weinberger was in favor of it. And it went forward. Nixon, I think...

RLA: He was for it.

RHG: ...was for it, right. But Weinberger was very proud of how they had worked with the proposal and how it had been supported but it had been scaled back to a considerable degree, but not in such a way that it couldn't go forward and that the product wasn't very good. He was speaking very proudly--this was some years ago the interview was conducted--and I kept seeing the explosion in the sky and I was saying, "If you'd given them another thirty-five dollars they could have bought a good gasket for that thing." Is that, am I just mistaken to feel that way?

RLA: Well, they wouldn't have spent it for that anyway; they would have spent it for something else. But I don't think that one turned on money at all.

RHG: Um hmm.

RLA: I was against the whole idea, but I, unfortunately, wasn't in the government. It was only arguing it from the outside.

RHG: Right. That was already decided by the time you became the Director.

RLA: Yeah. Then I tried to slow it. Maybe I did it by slowing it. I tried to slow it, but I must say I really got overwhelmed by Jim [James C.] Fletcher, who now is back in and was there then.

RHG: Um hmm.

RLA: He saw me squeezing down on him, and he went to the New York Times. He got such good publicity, it circulated all over Washington, and I had zilch chance of making it. [Laughter] He beat me through the New York Times. So I gave him his money. [Laughter]

RHG: Did Nixon ever talk to you about it? Saying give them more money or anything like that?

RLA: No, I don't think that was one that came to the President's level. I think we worked it out.

FJG: Did the press really have that much influence on these issues? That's a stunning statement you just made that someone could go to the New York Times or presumably the Washington Post and get this kind of pressure on you and get a decision made.

RLA: Yeah, it was enough so that when it was picked up and the Congress got his version of the story, my position couldn't have won. Just like [Admiral Hyman G.] Rickover, you could never beat Rickover because he had the Congress on his side. So you not only gave Rickover what he wanted, but you gave him things that weren't even his, as a part of his pressure. We gave him things that had nothing to do with nuclear submarines. Other programs that he wanted. He had such leverage, just [as] J. Edgar Hoover

in an earlier time. Rickover had such leverage up on the Hill. The whole defense budget was negotiated with Rickover. That's a slight exaggeration, but at least more than nuclear submarines.

RHG: Um hmm.

FJG: On the Space Shuttle project then, what you're saying is that Fletcher had support in the Congress and he was able to mobilize this support through the use of the Times.

RLA: He was able to hype it through the New York Times. He learned, through preliminary budget discussions, we were considering cutting the budget of NASA. So his response, through the Times article, was to go out and get everybody on his side to say, "Oh, no, horrors!" [Laughter]

RHG: Did you open your paper that morning and say, "That's the end of my attempt to...?"

RLA: I fought it awhile, but it was obvious that that was the turning point. He did a good job, I have to give him credit for figuring out how to do it. [Laughter] He gets bureaucratic credit for that. He just beat me on it.

RHG: Now....

RLA: I didn't think much of the program anyway, right from the beginning.

FJG: Why not?

RLA: A totally inefficient way to accomplish our space missions is a shuttle. It's proven right now. I don't mean the accident, but the number of missions they said they could have per shuttle. They could never have had the ones that they'd been promising over all these years. It was physically impossible to do it all.

I came out of a defense industry before, and I had some insight into that kind of technology, before I was in government. It physically couldn't perform as planned. The economics were worse. Better to shoot off expendable missiles for the missions planned.

RHG: Um hrm.

RLA: If you need people, that's O.K. If you really need people on missions, send them in, but bring them back in the same vehicle. That was the technology of those times. Maybe we can start a Space Shuttle with today's technology and have it about the year 2010 or something. Anyway I may be wrong too, but I was against the earlier shuttle program right from the beginning, before I was in government.

RHG: Will you describe the battle of the budget that occurred?

RLA: Sure. I resigned as president of Litton Industries on December 8th 1972, I think, and immediately came to Washington and, even though not officially here, started to work learning about the budget. I didn't know anything about the budget except what I'd gotten through my part-time work on organization. [I] sat in a few of the budget review sessions as an unofficial observer, the sessions where Cap Weinberger was running them, trying to learn a little but not enough to make any contribution, as I really didn't know what I was doing. And shouldn't have made any contribution, and didn't, fortunately.

It was his budget, the budget of '75 was submitted right around the time that he was confirmed as Secretary of HEW, and I came into the OMB job. I had his budget and had all those

hundred-plus impoundments that he and the President and Ehrlichman and everybody had all worked out, and I found that I knew near nothing about the actions they had proposed. I was up within a week testifying before Sam Ervin, the constitutional expert in the Senate, on the constitutionality of what I was doing. [Laughter] Sam was the expert. Fortunately there's only one sentence in the Constitution that I needed to remember and quote that bore upon what we were doing, "The President shall take care that the laws be faithfully executed." Then I elaborated on that, of how there were different laws in conflict and we had to resolve them in the way we did. But I was thrown in to defend a budget that I had nothing to do with and didn't even know. [Laughter] When I was testifying, I did the best I could. You might want to look at the testimony to see how it might look in retrospect. I fought the battle as best I could, the battle that was laid out for me to fight. Whether or not I believed in it, it was mine to fight. Of course, we generated a lot of law suits. Bob [Robert H.] Bork was the lawyer that tried to save my day. I guess I had a hundred law suits in the first few weeks, lost almost all of them except the one on the Highway Trust Fund. We finally threw in the towel. Out of it all came the Congressional Budget Act of 1974. Congress had been wanting to become more involved in budgeting but didn't quite have a vehicle or an occasion to do anything about its desire. When we hit them with that budget, that mobilized the Congress. They now could all get together. They did and passed the Budget Control Act of 1974, setting up the Congressional Budget Committee and



all its budget processes and CBO, the Congressional Budget Office, and the committees in both House and Senate. It all grew out of that. Not that it wouldn't have been created at some later time, because it was latently there anyway. But we really precipitated it--Cap and John Ehrlichman and the President's decision. In many respects the decision to impound funds was a very good decision, to do something to call attention to these unnecessary expenditures, we thought.

RHG: What was the motive, exactly?

RLA: There were a hundred wasteful programs on the government's books. The Rural Electrification Administration, to pick one--and there are others like it--came into being in the [Franklin D.] Roosevelt administration to provide electric power to the rural areas instead of depending upon horses and engines for their power or have no power. That was in 1933 or so. The Rural Electrification Administration was created and the act was passed and they were spending money. Forty years later, 99.8 percent of the country was electrified and, even adjusting for a constant dollar, we were spending more money for rural electrification, doing all kinds of other things under the rubric of rural electrification. That was one agency if it was going to exist at all, it should have existed for what it was really doing, not riding in under the heading of REA. We had a land development program for farmers. The Agriculture Department pressed farmers to take a grant each year to build ponds, or other land enhancing projects. The average farmer got four or five hundred dollars a year, and it kept the local agricultural agent in good standing

with the farmers. He was passing out money. The true justification had long since gone. Oh, there were a hundred of these kind of programs that had their political constituent value but were--in my judgement, the President's judgement, others' judgements'--not good use of taxpayers' money. Not big in dollars, they didn't add up to a lot but they vividly demonstrated that, once a program is created, it can never be killed. This was an attempt, finally, to try to kill some.

RHG: Um hmm.

RLA: It didn't succeed. It didn't kill them--REA's bigger yet now.

[Laughter]

FJG: Was there any attempt to target the "Great Society" programs? I know you were accused of that.

RLA: Were any of them among our hundred?

FJG: I'm sure a number of them were among the "Great Society" programs.

RLA: Probably, could have been.

FJG: Was there any direction given to you...

RLA: No.

FJG: ...like, "Let's get this Johnson program, let's get it out of here"?

RLA: No, we were just concentrating on what we saw were wasteful programs. The Appalachian Commission was one in which monies go out and are divided up among three governors to do with as they choose. It's political for these three governors who divide it up, West Virginia and Kentucky and whoever else. There's a hundred-plus of those kind--of the thousand plus domestic

programs in total. That hundred, ten percent of the programs had maybe, one percent of the money. Nevertheless, I didn't make the decision, others made it, but I must say I supported the idea.

I'm not sure we went about it the right way.

RHG: Did anybody anticipate the whirlwind?

RLA: I don't think so. I don't know, but I don't think so.

RHG: Um hmm.

RLA: But we really got it. [Laughter] And I was the one on the spot.

The others all turned around and walked away. There I was, alone, trying to make all these cases. Well I got Bob Bork to help but, even with that great help, we didn't win. [Laughter] In retrospect, I'd say it was a good thing to have done. It raised the issue in a very vivid way. It did create the Congressional Budget Act, which the President was against when he signed it. It came down in '74 and President Nixon was against it, but it was going to go, so he might as well sign it. I think it was a good idea, because it was good to finally engage the Congress in a responsibility for macroeconomic macrobudget matters. That was the battle of the budget. Actually, it wasn't really a battle: it was a skirmish of the budget, but it had battle-size headlines. We're talking about near nothing in dollars.

RHG: Um hmm.

RLA: But we were talking about a principle: that programs can end and that the President has the authority to decide, we believed. Theretofore the Congress authorized and appropriated money, allowing the President to spend it. Now the law mandates the

money be spent, so authorization and appropriation means to mandate that amount of expenditures unless a particular process is followed. Processes called deferrals and revisions have to be followed to avoid an expenditure. So in that sense the executive branch lost, because now the Congress mandates an expenditure; it does not authorize and appropriate an amount for presidential expenditure. The process of not spending money is very awkward even now. But the battle of the budget in 1973 did get the Congress involved in macrobudget policy issues, which is what it's hung up on now. It also changed the structure within the Congress. The budget committees in the Congress are now very powerful, more so substantively than the authorization and appropriations committees, which rankles the authorization and appropriation committees, because those were the important jobs until these budget guys came in and took over all the important decisions, just like they do in the executive branch. So that's what happened. Money is kind of important in government.

RHG: Well, thank you very much, Mr. Ash, for giving us so much of your time.

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 conducted by Raymond H. Geselbracht and Frederick J. Graboske  
 at Ardarra Farm in Middleburg, Virginia  
 on January 13, 1988

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