

Richard Nixon Presidential Library
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32	8	01/06/1969	Memo	Memo from Bob Haldeman to John Whitaker. 17 pgs including attachments.
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32	8	01/08/1969	Memo	Memo from Bob Haldeman to Pete Flanigan. 1 pg.
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32	8	01/03/1969	Memo	Memo from Bob Haldeman to Marje Acker. 1 pg.
32	8	01/06/1969	Memo	Memo from Bob Haldeman to John Ehrlichman, Pete Flanigan, Bryce Harlow, Dwight Chapin, and Ron Ziegler. 1pg.
32	8	01/06/1969	Memo	Handwritten notes. 2 pgs.
32	8	01/06/1969	Memo	Memo from Bob Haldeman to Dwight Chapin. 1 pg.
32	8	01/06/1969	Memo	Memo from Bob Haldeman to John Mitchell. 1 pg.
32	8	01/06/1969	Memo	Memo from Bob Haldeman to Peter Flanigan. 1 pg.

MEMORANDUM

January 6, 1969

TO: JOHN WHITAKER
FROM: BOB HALDEMAN

I think that you should include in your general area of responsibility the staff work in coordination of intra-cabinet groups that may be set up from time to time to deal with a specific problem and sometimes on a continuing basis to deal with a general area of responsibility.

Some of these groups, of course, will fall in the area of responsibility of one of the other White House staff people in which case he should handle it, i.e., Moynehan. Some, however, will not and when that situation develops, you are the logical one to step in.

One such example is the possibility of setting up a National Economic Council composed of the Secretary of the Treasury, Director of the Budget, Chairman of the Council of Economic Advisors, and Chairman of the Federal Reserve Board. This would be an informal group and the Secretaries of Commerce, Labor, and Agriculture might very well be asked to sit in from time to time.

Maury Stans and others have proposed the formation of such a group on a formal basis. It is RN's decision, at least at this time, that it should be set up as an informal advisory group and I would appreciate it if you would make a note to follow through on this in early February as a specific project. Don't do anything externally until we have had a chance to talk about it, however.

HRH

December 19, 1968

P2
H.
memo

MEMORANDUM

TO: Roy Ash/Bob Haldeman
FROM: RN

I am enclosing a memorandum that Maury Stans sent with regard to the Commerce Department. I think several of the recommendations he makes deserve support although from a political standpoint we probably would be unable to get the Congress to approve such moves as destroying the independence of the Small Business Administration even though it ought to be in the Commerce Department. My general inclination is to reduce the number of independent agencies and to get them into the departments and I think an overall study should be made on this score so that we could consider this in submitting any future reorganization plans. There are, however, some very grave political problems.

This memo, however, coming as it does from one who is sophisticated in the ways of government is an indication of the kind of in-put we are going to get from Cabinet officers and particularly from their staffs over the next four years. Our problem is to do our own thinking and submit our own ideas so that we can avoid having to arbitrate bitter fights for power within the Cabinet. One idea that does appeal to me is that of setting up a National Economic Council. This should in

no way be in derogation of the Chairman of the Council of Economic Advisors. He, as a matter of fact, should be the staff man for this Council and the Secretary of the Treasury should be its Chairman. (Or possibly RN should be the Chairman as is the case in the Urban Affairs Council and National Security Council in order to avoid conflicts between Cabinet officers.) It is possible that we might not want to formalize this. As I understand the present practice is for the President once a month to meet with the Secretary of the Treasury, the Director of the Budget, the Chairman of the Council of Economic Advisors and the Chairman of the Federal Reserve Board on an informal basis. I think these meetings should continue in any event. I believe that both Stans and Shultz could well be added to this group because both have special competence in this field -- Stans as a former Budget Director and Shultz as one of those so well qualified that we considered him as a possible member of the Council of Economic Advisors.

Haldeman should remind RN to follow through on this informal advisory group and I would like to get Ash's recommendation as to whether or not we should set up a more formal group.

#

December 10, 1968

~~CONFIDENTIAL~~

DEPARTMENT OF
COMMERCE

PRESENT
DIMENSIONS

Employment	26,000
Budget	
Maritime	\$400 million
Science	256
Economic development	275
Statistics	49
Business	<u>42</u>
Total	\$1,022 million

CONSTITUENT ENTITIES

Business and Defense Services Administration

Office of Business Economics

Bureau of Census

Economic Development Administration

Environmental Science Services Administration

Maritime Administration

National Bureau of Standards

Patent Office

United States Travel Service

Office of State Technical Services

Office of Foreign Commercial Services

Office of Foreign Direct Investments

Planning Options

Under a New Administration

1. Leave the Department as is -- relatively weak and without much purpose or movement.
2. Convert it to a Department of Economic Development (with or without an actual change of name).
3. Convert it to a Department of Economic Development and Communications (with or without an actual change of name).

General Recommendations for
Strengthening Role of Secretary of
Commerce in Economic Policy and
Development*

1. The Secretary of Commerce should be a policy making spokesman for the dynamic qualities of the private enterprise system. The Secretary's relationship to the President as a maker of economic policy is central to this question. Decisions effecting our national economic policy traditionally have been led by the Secretary of the Treasury, Chairman of Council of Economic Advisors and the Director of the Budget. In order to expand the resources available to work on these policy questions, a National Economic Council should be created by the President using the three previous government executives plus the Secretary of Labor and Commerce and the Chairman of the Federal Reserve Board. Their joint roles should be similar to the National Security Council and their responsibility one of counseling the President on overall economic policy required by the factors of the times.

2. The Secretary of Commerce should be the prime force of analytical information on the economic health of the nation without denying other departments intelligence-gathering functions essential to their own special needs. Much of today's analytical work comes from his department

(Census Bureau, Office of Business Economics and assorted industrial analysis work). But far more coordinated work would result from assignment of the Bureau of Labor Statistics and the Industrial Production Index responsibility of the Federal Reserve Bank to the Department of Commerce. In this fashion all of the major generators of economic indices would be under one roof and feeding coordinated analytical information to the economic policy makers throughout the government.

3. The Secretary of Commerce should be a catalyst for inducing greater contributions from the private business sector towards the solutions of general public problems. The increasing amounts of business involvement in the unemployment situation, the urban crisis, housing rehabilitation, generation of new business opportunities in small towns and rural America and for minority groups -- all require a central point in the federal establishment to which they can turn for financial and policy assistance. This might require the reassignment of numerous existing assistance programs to a coordinated position within the Department of Commerce from other agencies.
4. The Secretary of Commerce should be a stimulator of economic development in the domestic business field. He has, under the Economic Development Administration and the various larger economic development communications, the nucleus of an organization capable of fulfilling this role. Many duplicatory organizations

exist in other parts of the government away from the Secretary's control but subject to his coordinated responsibility.

5. The Secretary of Commerce should be a prime protector of American business in the international economic field. This responsibility should enhance both the promotional and catalytic responsibilities of the federal government. The Secretary should be charged with responsibility for improving our international position so as to enable a phasing out of controls on U.S. direct investment abroad.

If the intention is truly to provide a central position of policy leadership and program direction which would be responsible to the total requirements of the American business community, then the organizational structure supporting the Secretary of Commerce requires the kind of drastic strengthening such as outlined above. To call for a more responsible role and a more dynamic individual without providing such a reorganization would be only to seek the impossible.

*Excerpted from paper by Key Issues Committee, based on suggestions by Maurice Stans and Senator Percy.

Specific Organizational

Changes

1. Transfer in Small Business Administration
2. Transfer in Export-Import Bank
3. Transfer in various regional economic commissions
(Appalachia, etc.)
4. Create an Office of Consumer Services (to replace White
House unit)
5. Transfer in Office for Emergency Preparedness
6. Designate an Undersecretary for Economic Opportunity
7. Liquidate Office of Economic Opportunity, transfer
its social programs to HEW and its economic
development programs to Commerce
8. Consider transferring Maritime Administration to
Department of Transportation

Additional Potentials

1. Transfer in the Director for Telecommunications Management from White House staff
2. Create an Office of Communications for policy making and coordinating in communications, spectrum management and telecommunications

December 31, 1968

ROY L. ASH, PRESIDENT

Mr. Maurice H. Stans
Secretary-Designate
Department of Commerce
c/o President-Elect Nixon Headquarters
Pierre Hotel
New York, New York

Dear Maury:

I certainly agree with you that the Department of Commerce, as presently constituted, encompasses only limited functions relating to the interests and operation of the private enterprise system in this country.

Certainly, with all the pressures for redistributing the national "pie" of goods and services output, maximum effort toward increasing the total of that pie may -- in the last resort -- be the only way of reducing those pressures to manageable dimensions. Thus a redefinition of Commerce Department functions, as they may serve this end, is a timely one.

It seems to me the threshold questions go like this:

1. Should one Department (Commerce) have a prime responsibility for the main relationships between the Federal Government and the private production sector (i.e. industry and commerce)? As you have recognized, a main relationship can hardly be an exclusive one. For labor and employment policy; tax, monetary and fiscal policy; trade and tariff policy; and various regulatory activities also substantially condition the environment of the private sector.
2. Should the basic perspective of the Commerce Department (however augmented with other functions and whatever entitled) be to represent the private sector interests in the various councils of government which deal with matters affecting the private sector, or should it lead with its own initiative in formulating, sponsoring and administering national policies and programs to:
 - a. Assure the most effective operation of the country's private enterprise "machine" for the benefit of the nation's economy and its citizens, consistent with other national objectives.



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December 31, 1968
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- b. Maintain the strength, viability, and other qualitative aspects of the private sector in both domestic and international environments.

While the choice between the lobbyist and the initiative taking role need not be completely an either-or one, nevertheless determination of the main emphasis seems essential so that the proper "mentality" can permeate the Department. If the choice is to represent industry to the Government then I can see why the Labor Department desires its separate status. The recent discussions regarding the consolidation of Labor and Commerce undoubtedly had these kinds of considerations in mind.

As one person's opinion, and in the context of broader organizational changes probably desirable in the Executive Branch, it would seem to me that the long term goal would be to create one Executive Department having the prime responsibility for national policies toward the private production sector. It would, of course, have important interfaces with a number of other departments. Yet it would operate from a perspective broader than just a partisan one representing industry to the Government. This obviously requires legislation. Yet, if this is a desired long term objective, short term actions can be geared to this end.

As to the General Recommendations you sent me:

- (1) I would think that a new National Economic Council should come into being concurrent with, rather than preceding, the restatement of the "new" Commerce functions. In fact, if it precedes, it might be just enough of a crutch to delay or cloud the need for a more concerted solution to the need, yet not effective enough to accomplish much real good. There is nothing now to preclude ad hoc discussions among the potential participants named; or for that matter, the present Council of Economic Advisors can be instructed to solicit input from Commerce, Labor and others in its deliberations, or even can redefine its activities so as to encompass the need suggested.

Of course, my own bias is toward minimizing the use of councils or committees of all sorts if there is a reasonable and workable alternative of assigning the equivalent responsibilities to an individual, including the responsibility for conferring with others if the subject demands. If there are to be committees then it seems essential to determine whether each is, primarily:

- a. Policy forming and decision recommending or making; in



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which case the specific authorities and responsibilities as between the committee and its individual members needs to be spelled out;

- b. For interdepartmental communications, with each member retaining his individual authorities and responsibilities;
or
 - c. Therapy for its membership, from which nothing substantive is expected.
- (2) Certainly, if any department is to have responsibility for administering any aspect of national policy, it needs the mechanisms for information feed-back and for evaluation of the effectiveness of those policies and of its operations. Without knowing what those presently responsible would say, it would seem reasonable to aggregate industrial and business data accumulation and analysis under one authority.
- (3) Commerce's proposed role as a "catalyst" to induce the private sector to help solve domestic problems (by providing financial and policy assistance), is as we both know, easier said than done. The primary "assistance" will undoubtedly be in the form of tax credits, grants, or even contracts, difficult for Commerce to lead in. If new "outputs" are desired from industry, i.e. training and employment of the marginally qualified, housing rehabilitation, etc. it would seem that the department responsible for seeking that output would work directly with industry. The parallel situation is that of Defense which works directly with industry for its needs rather than through Commerce. It would seem that Commerce should be more concerned with enabling the means of production rather than determining or contracting for the end product output.
- (4) Commerce is a natural agency to "stimulate economic development". However, as an example from my own experience, I asked our Litton people in Greece to define "economic development" as they were charged with accomplishing it in portions of that country. Only after three days of full time work of a number of us, were we able to describe (for that country at that time) what we all meant by use of that term. Until then, our undue ease in loosely using the term "economic development" hindered the more rigorous thinking necessary to know what we really should be doing. I'm sure your

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leadership can define and develop this role better than it now is being performed. I would say, if economic development is to develop industry, trade and commerce per se, the responsibility should be Commerce's. If the objective is to redirect industry's efforts toward new social "products", the "buying" department (again analogous to Defense) should be responsible. The SBA, theoretically, is an example of the former; the OEO may be more of the latter.

- (5) An increasingly important need is a cohesive and concerted foreign trade responsibility. It is true that State, Treasury and others have much to say on trade policy but the present fragmentation of responsibility in this regard is harming our national interest. Meanwhile, other countries with more unified trade policy responsibilities are able to serve their national interests much more effectively. There are some present proposals to further unify trade policy responsibility, but outside of Commerce. I believe the key as to where it should lie is the caliber of leadership that can be demonstrated for assumption of a unified responsibility. It would be very natural for that to be in Commerce and include agencies and offices with pertinent responsibilities now outside of Commerce.

As to Consumer Services, the idea of bringing them under a new Commerce is appealing. For if its job is to deal with the effectiveness with which the private production sector serves the consumer (quantity and quality), Consumer Services is a very relevant function. Of course, the FTC has somewhat related activities too.

While I believe that there is merit for transferring Maritime Administration to the Transportation Department, it is regrettable that Transportation was set up separately in the first place. There will be many industry pressures to leave Maritime where it is, although on balance, I believe industry's case is unsupportable.

If one Department, Commerce or the same by a different name, is to truly embrace the mainstream of factors bearing on industry, trade and commerce, the subject of its relationship to the Labor Department has to be of primary consideration. If short term action such as merger of the two Departments is impossible, the ground should be laid for longer term possibilities.

Maury, it seems to me the time is right for a restatement, at broad policy

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level, of the role for the "new" Commerce. Out of this can come the rational basis for the rearrangement of individual entities. If you would like I would be happy to meet with you to exchange further thoughts on the subject. With this "new" Commerce mission clear and understood by all those concerned, implementation will be easier.

Sincerely yours,


Roy L. Ash

MEMORANDUM

January 8, 1969

TO: JOHN EHRLICHMAN

FROM: BOB HALDEMAN

One of the hang ups on Ray Bliss is that he is most anxious to be accorded the customary courtesies of the National Chairman at the inaugural. He says that these include sitting in the Presidential box at the parade, and going with the President to all of the inaugural balls, and being presented thereat.

In view of our efforts to work out the other problems, it probably would be wise to accord him these courtesies, if at all possible. You may, however, want to check out at least the latter one with RN first.

HRH

MEMORANDUM

January 8, 1969

TO: PETE FLANIGAN

FROM: BOB HALDEMAN

RN asked me to have you check to be sure that we are putting a good man who is totally loyal to us in as head of GSA.

HRH

MEMORANDUM

January 8, 1969

TO: JOHN EHRLICHMAN

FROM: BOB HALDEMAN

Fred LaRue has requested an opportunity to talk with RN about the general national political situation. RN has agreed to see him after the 20th but would appreciate your talking with LaRue now on the basis of your asking him for advice and review of his opinion of the general outlook, etc., so that LaRue will feel that he is being given an opportunity to be heard.

HRH

MEMORANDUM

January 8, 1969

TO: JOHN EHRLICHMAN

FROM: BOB HALDEMAN

Bob Ellsworth informs me that the last batch of astronauts would like very much to be invited to the inaugural as President Nixon's guests and I think we should work out some way of arranging this if at all possible.

HRH

MEMORANDUM

January 8, 1969

TO: PETE FLANIGAN

FROM: BOB HALDEMAN

I talked with Bob Ellsworth about the personnel material he wanted re independent agencies, etc.

I think he is agreed now that he does not need to have this material but I have assured him that your office will answer any specific questions he has regarding staff openings and that sort of thing that he may find necessary in conducting his investigation of the agencies. This in no way implies that he needs to be given any of the names of candidates but rather information regarding openings, and he may want to suggest some specifics regarding candidates or ask about types of people being considered.

HRH

January 3, 1969

[Handwritten signature]

TO: ~~Frank Haldeman~~
FROM: ~~[redacted]~~ → Marje Acker

John Davies called here this afternoon to indicate that he would like to talk with you when you return from California.

whenever he wants

His Company is interested in knowing his date of resignation and he is interested in knowing his starting date, etc.

Jan 21

He plans to start driving from California around the middle of next week.

He probably will call you sometime Saturday, either at the office or the Wyndham.

213 Frontier 7-3777

MEMORANDUM

January 6, 1969

TO: JOHN EHRLICHMAN
PETE FLANIGAN
BRYCE HARLOW
DWIGHT CHAPIN
RON ZIEGLER

FROM: BOB HALDEMAN

Secretary-designate Schultz is planning to announce the appointment of his Under Secretary of Labor on Friday, January 10th, at 11:30 a.m. at the Pierre. The announcee is James Hodgson of Lockheed Aircraft in California.

Schultz feels that he has completed the necessary clearances but Harlow may want to check with him on this. Flanigan may also want to assure himself that all the proper steps have been followed, including notification of the Governor, National Committeemen, and State Chairman in California.

Ehrlichman may wish to arrange an appointment with Hodgson prior to his announcement, or at least have a phone call with him, to set up the conflict clearances. Hodgson's business phone is 213-847-6682; his residence is 213-344-4094. He will, I understand, be coming to New York Thursday evening.

Ziegler should contact Schultz and confirm with him the arrangements for the actual announcement on Friday morning. Chapin should put this on RN's schedule for Friday. Schultz and Hodgson will arrive at the Pierre at 11:15 to see RN for a few minutes before going downstairs.

HRH

R. Helmsman

I suggest the following tenor of remarks to be made by Mr. Nixon to Robert Mays:

1. As Mr. Mays knows, the subjects of plans and programs, the budgets and executive organizational mechanisms necessary to effectually implement them, and the increasingly complex interdepartmental coordination required, are of prime importance in ~~effectively~~ managing today's government.

2. Mr. Mays, as Director of the Bureau of the Budget, has considerable breadth of responsibility in these areas and will substantially determine the level of success achieved.

3. Mr. Nixon, too, regards these matters as important ones, but also has other equally pressing requirements on his limited time. He wish he could spend full time on plans, programs, organization, etc. but regrettably can't.

4. In order to augment his capabilities to perform his own responsibilities, Mr. Nixon will have the ~~aid~~ assistance of Mr. _____ . Mr _____ will, on Mr Nixon's behalf - but with the time Mr Nixon could not spend - work with Mr Mays on these important matters.

5. There will, of course, be matters where Mr Nixon will want to work directly with Mr Mays and Mr Mays will always have access to Mr Nixon's (over)

Office. On other matters it would be desirable for
Mr Mayo to work as closely ^{and be an advisor to,} with Mr. _____ as
he would to Mr Nixon himself.

6. In fact, in such a way, he - Mr Mayo -
can be assured of getting even more assistance from
the President's Office available to him and his needs.

7. This working relationship in no way affects
the definition of authority and responsibilities
of the Director of the Bureau of the Budget or any
of his people. It is instead a way the
President can get his own job done and be
more helpful to the Budget Director in doing his.

PLA

A. Haldeman

Arthur Burns and I discussed his recommendations regarding
Government Organization. I completely agree ^{with him} as to the
necessity for obtaining ^{the} reorganization authority he recommends.
As a result of our discussion he will revise the
sections on "Hoover-type Commission" and "Office of
Executive Management". He endorses the ideas I
earlier submitted on these subjects and will incorporate
them in his revised report. ~~in place of the present~~
~~recommend~~

I recommend a very timely reading a portion of
an article in the Jan 4 New Yorker, wherein the
urgency of considering, ^{and changing,} governmental organization at this
time is clearly and articulately stated. Mr Nixon
will find it further support of his own convictions
to act now.

R. A. C.

MEMORANDUM

January 6, 1969

TO: DWIGHT CHAPIN

FROM: BOB HALDEMAN

For long range schedule planning, RN suggests as a possible event in the future, a meeting in the form of probably a cocktail party of the Russian kitchen cabinet group.

This should be brought up for planning consideration for a June event.

HRH

MEMORANDUM

January 6, 1969

TO: JOHN MITCHELL

FROM: BOB HALDEMAN

RN suggests that you might want to consider Sam Witwer of Illinois as a candidate for a post in the Justice Department. He was, as you know, a candidate for the Senate, I believe in 1960.

HRH

MEMORANDUM

January 6, 1969

TO: PETER FLANIGAN

FROM: BOB HALDEMAN

RN would like you to check out Dwyer of Illinois, who lost for Lieutenant Governor, as a possible second-level appointee. Apparently Bill Fettridge can give you the dope on him if you need it.

Also, RN was asking what our plans were for Don Jackson. He suggests that he might be very good at one of the Congressional liaison jobs for a department and if this is not possible perhaps an appointment to the Subversive Activities Control Board.

HRH