

Richard Nixon Presidential Library  
White House Special Files Collection  
Folder List

<u>Box Number</u>	<u>Folder Number</u>	<u>Document Date</u>	<u>Document Type</u>	<u>Document Description</u>
1	31	12/19/1968	Memo	From RN to Roy Ash and Bob Haldeman RE: Maury Stans and the Commerce Department. Handwritten note added by unknown. 2 pgs.
1	31	12/10/1968	Report	Report detailing the activities, budget, and personnel of the Department of Commerce. 9 pgs.
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1	31	12/19/1968	Memo	From RN to John Mitchell and Peter Flanigan RE: cabinet appointees. 1 pg.
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1	31	12/19/1968	Memo	From RN to Bob Haldeman RE: California and Chicago and itinerary. Handwritten note added by unknown. 1 pg.
1	31	12/19/1968	Memo	From RN to Haldeman RE: "appointments to Commissions." Handwritten note added by unknown. 1 pg.
1	31	12/19/1968	Memo	From RN to Bob Haldeman RE: public relations. Handwritten note added by unknown. 1 pg.

December 19, 1968

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

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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~~

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
E.O. 12065, Section 6-102  
By MH NARS, Date 10/16/80

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

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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
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(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.

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## 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
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CC: RMW

December 19, 1968

MEMORANDUM

TO: John Mitchell/ Peter Flanigan  
FROM: RN

I think it is important to lean hard on all the cabinet appointees with regard to their responsibility to fill some of the political obligations we have in making their appointments. This not only provides an opportunity to take care of some of the people who deserve it but it also provides a good way for us to get people who are loyal to us in positions where we know they not only will do a good job but will carry out the Administration's program.

Let me know if you have any difficulty with any particular Cabinet officer on this score.

December 19, 1968

MEMORANDUM

TO: Bill Rogers *5pl*

FROM: RN

Attached is a list of non-career Ambassadors. You will note that under Johnson the numbers climb to over forty. I would doubt if we had that many people on our list who are qualified but I have asked Haldeman, Flanigan et. al to get that information to you as quickly as possible.

With virtually no exceptions I think the whole group of non-career Ambassadors should go out. You may recall that Kennedy kept hardly any of Eisenhower's Ambassadors in this category. It would be my inclination to make a gesture toward reducing the number of non-career ambassadors by about one-fourth so that we could make a few points with the Foreign Service. On the other hand, we do have some major contributors who want Ambassadorial posts and who are at least as well if not better qualified than some of the characters that appear on this list.

# # #

December 19, 1968

MEMORANDUM

TO: BOB HALDEMAN  
FROM: RN

In looking over the California schedule, a couple of additions are needed. On the morning of New Year's Day, if possible, I would like to get a haircut. A call should be made to Raleigh, my California barber, and see if he would be available that morning even though it is his day off.

Also, on that same morning or on the morning of the day we fly out to Chicago, if time permits on that day, I would like to try a one hour (no more than that) photographic session with Engstead, the photographer that I have used in California. Rose has the address.

December 19, 1968

NOTE TO:

HALDEMAN *sp*

FROM:

RN

I want somebody on the staff to make a very thorough check on the appointments to Commissions which do not involve fulltime assignments but which would mean some prestige for those receiving the appointments. There must be several hundred in this category and we need to have them on file as well as a list of good supporters who either have not asked for something or whom we have had to disappoint could get some recognition.

The way to get this is to do it through the present White House staff and then to supplement it with an independent study. I need this before the 10th of January.

# # #

Ddember 19, 1968

MEMORANDUM

TO:

Bob Haldeman *spd*

FROM:

RN

In looking over the people who might serve as the PR types within the agencies I was thinking that a fellow like Virgil Pinkley could fit in well. He now has enough money, I assume, to be able to afford government service and is experienced enough and vigorous enough to do an effective job, particularly with a relatively weak Cabinet officer who needs a build up. We ought to look around the country to see if there aren't similar people like Pinkley who are either publishers or editors and who might be induced to come in and help us.

At the other end of the spectrum, I am inclined to think that a very good advance man type like an Ed Morgan might be able to fit well into the PR job for a Cabinet man.

Incidentally, I assume we are being very hard-nosed on those five critical appointments which Bryce had on his list. Keep me posted on progress on this.