

## **Exit Interview with Richard Pettigrew, Assistant to the President for Reorganization**

**Interviewer: Marie Allen, Presidential Papers Staff**

**August 15, 1977, Old Executive Office Building**

**Transcriber: Lyn B. Kirkland**

**Allen:** Mr. Pettigrew, could you begin the interview today by describing briefly your legal and legislative background prior to coming to the White House?

**Pettigrew:** I was raised in Jacksonville, Florida. I went to the University of Florida where I went to under graduate school. I majored in political science, then I went onto law school where I graduated from University of Florida law School in 1957. Went to Miami to practice law, joined a relatively large law firm at that time in Miami, Lawton, Lantaff, Schroder, Atkins, Carson, and Wall Law Firm. Congressmen Lantaff had been a former United States congressman, and he is the one who interviewed me and kind of took me under his wing. I became active in the Young Democrats and the Democratic Party affairs; and then ran for the state house of representatives at the time of the first major reapportionment in 1963. Thereafter, I, was re-elected to the House of Representatives until 1972. At that time I had completed two years of the speakership of the Florida house, to which I was elected in November of 1970; the same time that Rubin Askew was becoming governor of the state. Rubin and I were very close and my chief administrative assistant was one of his key campaign strategists for the corporate income tax and the like. The result was that we had a very close relationship and during that first two years of his administration a great deal of legislation in many areas was adopted. A lot of it originated in staffs in the House of Representatives. Prior to that time from 1968 to '70, I headed the Government Organization and Efficiency Committee of the House of Representatives which was in charge of reorganizing the executive branch of the state of Florida. Prior to that time I had served on the Constitution Revisions Committee of the state which recommended a new constitution to the legislature and it was a tremendous effort in which I was a key player. Put it on the ballot in November of '68 and in the final conference committee actions before this matter was booted out, this new constitution, the 1968 constitution for the state of Florida, I put into the schedule of the new constitution a mandate that the requirement that all executive functions be allocated to the not more than 25 departments, should be accomplished by July 1, 1969, which was one legislative session after adoption of the constitution. The incoming speaker, Fred Schultz, who is now Vice Chairmen of the Federal Reserve Board, gave me the assignment of carrying out that legislative mandate that the people received by adopting the constitution, that the legislature received as a result of the people adopting the constitution. We then, in conjunction with a couple of management consultants—we had Brunel and Hamilton and Arthur Anderson and Company assisting in the House in our committee and a strong committee staff effort put together a reorganization proposal, that took some 200 agencies in the state of Florida

and reduced them. Ultimately we were successful at passing a reorganization which could almost function in the 23 departments. It was a brutal, very controversial session. I, at the time, was the speaker designate of the Florida House of Representatives as a result of the Democratic caucus action, but I was almost undesignated as a result of the controversy. Nonetheless we succeeded.

**Allen:** And you did serve as the speaker.

**Pettigrew:** Then I was able to rehabilitate myself sufficiently to get elected formally by the Florida House of Representatives and then had a magnificent association with Governor Askew in the first two years of his administration. We call that his golden period. [Laughs] Thereafter, I ran for the state senate from South West Dade County and Monroe County which is down to Key West. I ran against a person who claimed sufficient pledges to be the next senate president. He was a veteran senator from the area and I barely beat him out and got re-elected, I mean got elected to the Senate. Two years later I resigned that seat—two years into the four year term—and ran for the United States Senate. I ran third in the Democratic primary. Now Senator Dick Stone of Florida edged me out by about 10,500 votes into the run-off, in the Democratic primary. In the summer of '75, former Governor Carter came by to see me and asked for my support in his presidential bid. After a short period of deliberation I pledged to him and began helping him, particularly in the Dade County area among my closest supporters. There had been very little visibility to my involvement on behalf of then former Governor Carter until the November straw ballot of the Democratic Party which was meeting in state convention in Orlando. That was shortly after the governor had shown support in the Iowa caucuses, county caucuses, then came the Florida straw ballot. Governor Wallace was expected to have strong support and others, and I was called up to speak on a Sunday morning in nominating speeches or endorsement speeches that each of the candidates was entitled to. That was the first time that many of my friends within the Democratic Party from all over the state knew that I was for Carter and it was kind of an electrical event in that I was reunited with them. I hadn't seen them since the campaign had ended and I had a very dedicated volunteer following who were also very active in the party around the state, so it apparently had some impact and impressed the Carter staff people. Therefore they were receptive. Ham Jordan and others were receptive, and Alfredo Duran, others from the Democratic Party in Florida were trying to find people whom the Carter Administration might recruit, suggested my name. I had not planned to come to Washington or to be involved in the administration. I had not supported President Carter for that reason, but when queried on it, I said under the right circumstances I might consider a reorganization assignment. I wouldn't be interested in heading an agency or something of that nature.

**Allen:** Go ahead.

**Pettigrew:** I was advised by Alfredo Duran that the President would like to interview me and I came up. I don't remember the precise date but it was sometime in February--late, the first time,

and was invited by Ham to consider the reorganization job and then the President asked me to come and help him. Unfortunately, nobody had told Bert Lance, or Harrison Walker, or Jim McIntyre, or anybody involved, that I was being invited to join in.

**Allen:** Oh no.

**Pettigrew:** So, after the President had made this invitation I pointed out that I had never met Mr. Branch or anyone.

**Allen:** What was the time? What month was that?

**Pettigrew:** I think it was in, it was either in February or early March. So, Bert had already pretty well been designating himself as the chief reorganization person. It was going to be done in OMB, and so needless to say that created some problem of trying to work through the relationship thing.

**Allen:** Sure.

**Pettigrew:** If I were going to be involved. I didn't know whether that would work or not. I had reservations in light of the fact that they had not been aware that I was being brought up and invited to participate. So then after several subsequent meetings, we finally concluded that I should chair, as a presidential assistant, an advisory group of people from the outside who would come in on a voluntary basis, have the staff housed at OMB which would make presentations and would consider recommendations about priorities, develop priorities, present them to the President for approval.

**Allen:** Is that this unit on the chart? The Reorganization Advisory group? (You can hear papers being shuffled.)

**Pettigrew:** That was the original chart, that's right.

**Allen:** OK and you were to be the ....

**Pettigrew:** I was to be the chair of the group...the advisory committee.

**Allen:** What is this Executive Committee?

**Pettigrew:** Well, the executive committee was the President, the Vice President, the Director of OMB, Charles Schultz, because of his vast background, experience; Allen Campbell, within public administration over his professional career and the academic community and myself. That group was to consult with the President on all matters pertaining to the reorganization program and the project, as we called it.

**Allen:** Were you the chair of this committee too, the Executive Committee?

**Pettigrew:** No. I was supposedly the secretariat for it. Now, that was the original concept of my job.

**Allen:** This concept was worked out with who whom? Was this with [Pettigrew is talking and Allen is inaudible] and the President?

**Pettigrew:** It was something worked out with, really, with OMB, with Bert Lance, and McIntyre, and Harrison Russell. Then after spending a great deal of time evaluating the kinds of people who might be brought aboard and doing a lot of consulting around the country about the right kinds of mix, a variety of concerns... In the interim, I had come aboard and we were going to form this group. After several weeks of developing names and a short list of names of people,

**Allen:** For the reorganization project?

**Pettigrew:** We brought them aboard. Within OMB a lot of people began raising a lot of questions about such a group. Its role, to what extent its recommendations and activities might limit the President's discretion or foreclose him from considering a variety of options, and taking public actions that would circumscribe his flexibility. We had a meeting with the President, with OMB, and with a variety of people who were assigned to the reorganization effort, from OMB and others, and debated this question. I was in favor of continuing with an advisory group. OMB had concluded it was not a good idea.

**Allen:** OMB, was that Harrison Wellford, or a subordinate or Bert Lance?

**Pettigrew:** That was Bert Lance's recommendation to the President. Well, the President agreed with Bert that he didn't want to be circumscribed, limited, by the public recommendations of an advisory group from the outside who might not fully appreciate all the ramifications and so forth. So, that idea was abandoned.

**Allen:** This was about what time...that you had that meeting?

**Pettigrew:** Probably June. At that time the question was whether I was going to bring my family up or go home and a new role and relationship was established. I would be assistant to the President for Reorganization and what evolved as a proposal to me which I ultimately accepted was that I would handle the outreach effort for the reorganization project. I would test out the options that were being developed by the study teams, I would work with the media, I would work with the interest group representatives, and from time to time I would work with congressional staffs, or whatever. I would establish standards for public participation and involvement and we would do it on a study by study basis and I would be sure that it occurred, and in addition, I would be an independent advisor to the President on reorganization. That was a new role, one that I had not contemplated performing, but which I, nonetheless, ultimately accepted and agreed to. So, since that time I have been participating, doing the process. The

executive committee has remained intact and remained an evaluator of recommendations coming out of OMB and the project staff that Harrison Walker headed and we would evaluate the recommendations being made and have discussion with the President about them, and he would...he had the only vote.[Allen and Pettigrew laugh.]

**Allen:** How frequently did this committee meet? Did they meet about a dozen times?

**Pettigrew:** Yes, it did. More. And then gradually, after we'd established what studies would be performed, score a check list, the priorities and so on, it gradually fell into disuse, but it was reviewing proposed study areas, prioritizing them and making recommendations or evaluating what priority they should have, and then it kind of fell away and we would merely have project staff meetings which I, the OMB staff would be present. Occasionally other people would be brought in, depending upon the particular subject. Already in being was a reorganization study of the executive office of the President. That was going on. During this same period of time, during the early '77 period, a separate independent study was going on and had already been completed, pertaining to the creation of the Department of Energy. It occurred in OMB but was basically developed by Schlesinger who had authority from the President to go negotiate with Anders and others and come to him with recommendations, which he did more or less directly, by passing everyone.

**Allen:** And then the reorganization act of congress passed, that was in about April of that year.

**Pettigrew:** Right.

**Allen:** Were you involved in that?

**Pettigrew:** Not in securing its passage other than from time to time having brief conversations with Danny Fassell who was a key *spear carrier* in the house.

**Allen:** Uh huh, Fassell, who is....?

**Pettigrew:** Danny Fassell is my congressman from the south Dade area in Miami. He is an old personal friend of mine and he is the person with congressman Brooks, the chairman of the committee for government operations in the House who didn't like the reorganization authority, but Fassell carried it for the administration.

**Allen:** So it was a combination of people and states of origin.

**Pettigrew:** I really had no need to get involved and was just arrived in town when all that was taking place ----roles were being determined. So, subsequent to that time we had the beginning of the development of standards. We established standards that required each of the study teams to develop a plan of public participation which would systematically involve all the interested publics which we identified, both media, an extensive and then a short list of key interest groups

and key staffs and key members of the congress, key individuals who might be expert in a particular area due to former service in the government, or whatever, in a particular area, the John Gardners and others of the world. So, as relevant, these criteria would be evaluated. The plan that the study team developed for each study would include this public participation plan which we would monitor and evaluate.

**Allen:** Did you draw up a different plan for each task force or did you give them written standards that they then applied?

**Pettigrew:** We gave them written standards and they would come back to us with a plan for public participation and we would critique it, review it with them. I recruited Tom Belford who was to specialize in interest group consultation.

**Allen:** I talked to Tom too.

**Pettigrew:** Right. I also recruited Chris Mathews to handle media and then Hamilton suggested that I retain Jay Beck because of his public relations background and experience and I interviewed Jay and retained him and he helped with scheduling, with out of town media, regional media, and has done a wide variety of special projects and is a very diligent worker who most lately has been doing all of the interest group consultation in the trucking area with Tom's assistance---trucking and other deregulation, regulatory reform efforts. So, basically throughout my tenure, I have had three policy level people. During civil service reform, during the year of 1978, however, I added one additional person at the policy level, Freddie Wexler, who had a long involvement in the women's movement, had a lot of credentials there.

**Allen:** And her first name was?

**Pettigrew:** Freddie. And she was responsible to work with me on the veteran's preference issue of civil service reform which probably was our hottest and most difficult battle, and one we ultimately lost, but we made a big fight about it and came very close in the House of Representatives to passing---the vote to delete it from committee after we sustained it in committee, the administration's program to modify its experiments, open up federal service to Vietnam veterans to a greater extent and to women to a greater extent, and to minorities as well. We almost carried that fight, but in any event, I had Freddie during the period that civil service reform and the veterans' preference issue was taking place because I was, among other things, devoting a lot of my time to working that issue on the Hill. Office after office I would brief staff members on the issue.

**Allen:** And you found that most of the Civil Service Reform Act was not very controversial except for veterans' preference?

**Pettigrew:** Veterans' preference and the collective bargaining issues. The senior executive service was an in house controversy. It became controversial in that some people like Senator Matthias were very concerned about it and had a lot of senior executives, or potential ones, in their districts and they got involved with that issue. With the public employee unions the firing provisions were controversial with certain, with specific people who were concerned about the senior executive provisions, certain members of the House and Senate. That was a controversy. And the labor management issues were ones in which we consulted extensively. Tom and I worked with Business Roundtable and others, Common Cause, and working on, we also developed support from Common Cause and Business Roundtable for the whole effort and then I split my time off with working with Freddie Wexler on the veterans' preference issue which as far as the public was concerned, or as far as the members generally were concerned in the House and Senate, was the most controversial issue.

**Allen:** Uh huh. Uh huh. You fought many a hard fight then on that subject in the office.

**Pettigrew:** Yes, we had a variety of offices, the women's caucuses on the Hill. The staff sponsored a couple of meetings in which we briefed all staff who were interested in the issue. I went around the country talking to editorial boards on it, generating editorial endorsements. I got sued along with Hamilton, and the President and others by veterans' groups in Colorado for violating the lobbying act limitations. It was a brutal fight which the traditional conservative veteran's organizations locked arms and fought against any change and I worked very extensively with a group of Vietnam era veterans who formed a caucus in the House. Congressman Bonner was the chair of that caucus and I carried out extensive negotiations and negotiated out precisely what amendments we would accept in order to get that caucus's adoption--endorsement. It was... a very critical success in that fight was to get people who were identified as strongly supporting the Vietnam era veterans to come out publicly in favor, so we got most of the Vietnam veterans caucus members to endorse, and the caucus itself to endorse, but it remained a very, very difficult fight but it drew a lot of heat and attention away from everything else. And that was important as well and that shouldn't be underestimated either. That fight...it was a lightning rod and most people didn't get involved in the other details outside of the committee members. I was very active with Pat Schroder and others on the committee, both getting her off of our back on some other issues, particularly labor management issues, by getting her deeply involved in the veterans' preference fight which she felt so strongly about. She became more and more, after being initially hostile, a supporter of the overall bill. So that was another part of why this fight was very helpful. It survived in the committee to the surprise of those who were opposed to modification who thought they could defeat us in committee. So that was.....I also worked as part of the task force that was in charge of civil service reform and was handling its management in the congress. I worked on many issues.

**Allen:** The civil service task force. Scotty Campbell was the chairperson for that or was it?

**Pettigrew:** No, Les Francis was.

**Allen:** These.....

**Pettigrew:** Scotty was the spear carrier, obviously, and was incredibly good. Jule Sugarman ably backed him up and supported him and Richard Poston certainly helped. Scotty was crucial. He was the public person involved. He was the person who dealt principally with Lewisky and other members of the committee from time to time. He was the person who.... [Tape stops]

**End of Tape 1A**

**Begin Tape 1B**

**Pettigrew...**who would cut the deal and so forth. He had the lead, really.

**Allen:** He went around the country too selling the program.

**Pettigrew:** Oh, yes. I would...he went all around the country as well. He contacted the academic community, got broad support there and did a great deal of meeting with editorial boards as well. I hit editorial boards he wasn't hitting. I don't think we duplicated one another very much. Wherever I was traveling, for any reason, I would try to hit relevant media--- editorial boards, and brief them on civil service reform. Sometimes I would specifically only be doing that. Other times I might be talking about some other subject---also on the reorganization agenda.

**Allen:** In the fight on Capitol Hill, I'm interested in some of the stories arising out of that fight. You mentioned Pat Schroder and the way you were able to turn her around, working with the women's caucus, working with Vietnam vets. Were there other specific incidents that you remember that were part of the success in that fight? I guess appointments...

**Pettigrew:** Well, one of the other things that we had was the general problem of getting the bill out of committee and getting the committee to act. It was a committee very hostile to the civil service reform program and its pro management tilt. It was a pro union committee, pro employee committee and this reorganization was designed to give managers greater flexibility in firing, two sets of incentive pay systems for systems with automatic pay increases. So, one of the things that I offered and we spent a lot of time on early on was briefing key members of the House outside of the committee trying to get them to exert peer group pressure on the committee members to make clear to them that this was a major opportunity for the House to respond to a lot of public concern and to encourage the members to, in effect, lobby the members on the committee to get something out. What effect it had, I don't know, but at least it made a lot of people aware a long time in advance that the bill coming out, that this is a major priority for the session and one of our efforts was to make it impossible not to deal with the subject in that short span of time that we had in a single legislative session to maneuver through both houses a major

new proposal. Very difficult in the legislative process from our own experience to move new ideas that are bold and controversial in one session through an entire congress. It usually takes two or three runs up the Hill before you can develop sufficient momentum, understanding, support to do it.

**Allen:** And they get used to it. It seems to be frightening

**Pettigrew:** That's right. And it was, I think, a great achievement of the administration. The President was, of course, deeply involved in it. He would call specific members. We had many member meetings with the President, both key leaders, key subcommittee chairs, and then all the Democrats, then separately all the Republicans.

**Allen:** Who were you working with as you had the President involved? Were you working with the Congressional Liaison Office or were you working with the appointments secretary? What was your vehicle working the President into this?

**Pettigrew:** Well, it was this task force group. We would recommend that he be involved and that he do a variety of things and then Les would schedule that.

**Allen:** Uh huh, uh huh. Was he involved in one particular time or when the fight to get the bill out of committee or was he involved from the beginning?

**Pettigrew:** Well, he was very much involved from the very beginning in developing it, in developing and approving the strategy in the labor management area, for instance. There were some very tough issues there. At the same time there had to be enough flexibility granted to Scott Campbell to negotiate with Congressman Ford and Clay and Udall and Kaminski and I would meet, for instance, from time to time with people like Congressman Clay and I would ask him for help on veterans' preference and he would unload on me on the labor issues that he was concerned about and I would report back to the task meeting on all that he had said and so on. That would be a part of the input. We would meet virtually daily and keep abreast of what each other were doing

**Allen:** Now, the proposal for civil service reform was sent to Capitol Hill in about March of '78?

**Pettigrew:** That's approximately right.

**Allen:** About what time period are you talking about the task force meeting daily and working?

**Pettigrew:** I think at first we were meeting less frequently and as things got down to----as we began to have public hearings we would have daily meetings.

**Allen:** All through 1978?

**Pettigrew:** Not all through but at all times when there were crucial things going on; on the Hill we would be meeting constantly and daily.

**Allen:** How did the task force serve as a vehicle for this purpose? I mean, was it a ....?

**Pettigrew:** Chris, on my staff would work with the media and we would develop a media strategy and the task force would approve it and Tom developed a strategy for working with the interest groups and to see what interest groups we could either nullify, get aboard, actively participating or combat. Wexler would develop a variety of approaches on the women's preference thing and I would work with each of them in these.

**Allen:** The economic task force. Were you the representative from the office or were Tom and Chris or Freddie?

**Pettigrew:** We were all on it. We were all on it.

**Allen:** What size group was it? Just approximately...about a dozen?

**Pettigrew:** About a dozen. Just about a dozen key people because all my staff, my policy level staff and I were devoting all our time on it because we had in effect abandoned everything else and decided this is what had to move and we did not have the resources and the man power to do a bunch of other things. And so, everything else that was done was relatively minor other than the EEOC reorganization which was very important and which got hung up with Senator Ribbicoff for a while. Those were the controversial battles during '78.

**Allen:** Was this unusual in that this was a reorganization proposal that didn't really come out of OMB? Wasn't it primarily in Scotty Campbell's shop for the development of the program or was it still OMB?

**Pettigrew:** No, what happened was that in '77 in the summer there was established a joint Civil Service Commission, OMB group to conduct the study, to manage the study. It went outside the government to Dwight, Inc. Hired him as the project staff director for that study. Dwight recruited personnel experts within the government and some from outside the government which is the Honeywell personnel manager, the vice president for personnel management, and they did their own study. The Dwight Inc. group under general guidance of OMB and Civil Service Commission did their own study, came up with their own recommendations. They presented them and then Scotty, McIntyre, others of us participated in making recommendations to the President about what the final shape of the total program should be. For instance, they also made recommendations, the personnel management study, also made recommendations about pay, pay reform. Scotty and Jim McIntyre and others decided that, that was too controversial to go and recommended to the President it not be included as part of the package. So, the final shape of what the components were, were a product of review after the personnel management study and

its series of task forces within that study group had already compiled their final reports and submitted them. Dwight then got--became ill and he was kind of out of commission for a while. So, it kind of moved from the study teams which were disbanded into individual task forces; several of them looked at specific issues and prepared reports. They were passed on by Dwight and became part of the basic recommendations and those recommendations were evaluated and it was converted to a legislative proposal by others who were looking at the politics of it and other things.

**Allen:** In the task force and turning it into a piece of legislation.

**Pettigrew:** Right. Now the original personnel study group had its own public participation program which it carried out. They were very experienced people and they knew how to do it, so we had very little involvement in their outreach program. They did their own. They helped us understand some of the ways you could do some things. It was an outstanding job, but then some of it was too much to include, such as the pay package, so it was split off. I personally thought that we should try to go with the pay schedule at the time because that reform was so needed, but Scotty and others thought it was too much and the President agreed, so it was deferred to this year. You know, it's pending now...but that part of the program, essentially.

**Allen:** Were there other things that were loped off? Do you remember?

**Pettigrew:** Well, there were a variety of amendments to that study that were made by Scotty and others who felt that some of the recommendations were not quite either saleable or what they were comfortable with.

**Allen:** Who was the OMB person on the task force that was involved?

**Pettigrew:** Wayne Vanquish was the person who worked with Scotty most on this stuff. Si Lazarus was the lead from the Domestic Policy staff. So, this task force was Domestic Policy staff, OMB, Civil Service Commission, my staff, and Congressional Liaison staff.

**Allen:** I hate to interrupt at this point but I know that you have a meeting at 11:30 and that is only four minutes. Can I come back at some time?

**Tape 1B ends.**

**Tape 2A begins.**

**August 15, 1979**

**Allen:** I think we were coming to a conclusion in talking about civil service reform. We had talked about the task group. I want to ask you one more question about how effective was the task force format in making changes in that proposal, the initial proposal that you got from

Dwight Ink and then made amendments. Was that the basic civil service reform act that you stuck with or as a result of the task force input from many different places did you mold and change it in other ways?

**Pettigrew:** We came out very close to where we had started from. Some of the things that had been put in the original legislation were deliberately put in as bargaining points to fall back upon—the burden of proof provisions and dismissal pieces was much broader and more comprehensive than was intended to be the final bottom line. The labor management submission was a bare bones conversion of the existing executive order to statute and there was some but not a great deal of flexibility about that. So, generally Campbell had discretion to develop a compromise position in the labor management area that remained essentially close to where the President had wanted to be. So, as an evaluation of our political situation evolved, adjustments were made and fall back positions were adopted. For veterans' preference, I kind of was given authority to negotiate an amendment that would be acceptable to the Vietnam caucus and I think that was Congressman Bonyer.

**Allen:** Congressman?

**Pettigrew:** Congressman Bonyer, from Michigan, that was the chair of the Vietnam caucus. I personally was very concerned about some of the language of the draft because I was afraid that little test about discharge for the efficiency of service had such bad case law that it should not be used again in the statute because it would automatically pick up all that case law and regardless of other statutory changes concerning dismissal, all those cases would be cited to the administrative law judges and they would be misled about congressional intent because of the continuation of that language. So, at least in the area of performance, I finally got that taken out. That whole language was eliminated and the judges would not be misled as to our intent, which was really to get rid of that whole back log of cases that through time placed a very heavy burden on the government in dismissal cases, particularly dismissals for inadequate performance which was the heart of what we were trying to amend.

**Allen:** Uh huh. I'm glad you said that...explain the intent, the reasons for which you did that, the purpose behind it.

**Pettigrew:** The general counsel for the civil service commission, Henry Wade, at that point... that language should be removed, at least from that section, and it finally happened.

**Allen:** Before we leave civil service reform...

**Pettigrew:** (Interrupts) So, what I wanted to .....the point of all that was that there was just a lot of impact ---there was the political evaluation and then there was the substantive critique from time to time, just depending on.....it was a very flexible instrument for managing.

**Allen:** Using the task force instrument?

**Pettigrew:** I thought it was for that particular assignment, I thought it worked extremely well. It was a little cumbersome at times but when all the players that inevitably get involved, you need that kind of day to day intimate coordination. And it was effective. Les Francis did a very good job of coordinating that as chair. He worked very well with Scotty and the rest of us and Scotty was deferred to by all to do the negotiation and make the final calls. Wayne Vanquish did an outstanding job from OMB. Si Lazarus was a tiger.

**Allen:** Were there task forces for each one of the major reorganization projects?

**Pettigrew:** Yes and no. I mean, it depends on how major they were. There was for education, for instance, and to limited extents there were in other areas, but reorganization plans were essentially non-controversial just to acquire that kind of coordination and involvement.

**Allen:** Were you on other task forces?

**Pettigrew:** Well, I or my office was always represented on anything that was going forward. Chris, throughout, more and more, became gradually involved to be the person who was doing the press strategy for not only the overall reorganization effort, but for specific presidential statements on it or for preparation of the releases explaining to the public particular reorganization plan or proposal. He would serve on individual task forces such as education or whatever. I was involved in a variety of ways, for instance, in the Federal Emergency Management reorganization, we tried to move out of Commerce the fire prevention, I don't know the name of the fire prevention group, a little organization that worked with volunteer and professional fire fighters all over the country, assisting in standards training and a variety of things. Well, for a while, they were a group who were going to bitterly fight to transfer that out of Commerce. We suspected that the Commerce Department was hurting us a little bit in that effort. So, for instance, I went out to their major national convention and made a speech about the overall reorganization and what we were trying to do in the emergency management area and why in my judgement their long term interests were better served by being put together with other emergency management functions of the government rather than being in one of the miscellaneous collection of agencies in the Commerce Department and I think it helped quell the concerns that the few people were stirring up. Those are the kinds of things that I would do in making speeches. In addition to the education area, I made numerous speeches to more deeply involve a variety of educational groups in the Department of Education to be sure they realized the high priority being attached to it by the administration, rekindling enthusiasm when things were slowing down. That's an example of the kinds of things I was doing.

**Allen:** Did you do heavy congressional lobbying?

**Pettigrew:** In education, not too much. On specific issues, at times there might be a flap over a civil rights committee or someone else, but I did not have a heavy legislative assignment or responsibility in the Department of Education. I would also deal with some of the Florida congressmen that I knew, trying to bring along some that were undecided or negative. I worked with Governor Graham, I worked with Terry Sanford-- a variety of people who we were trying to get to lobby the congress. That way I participated. I did not have.....The congressional load was carried by Terry Strobe of the White House staff and some of the OMB congressional liaison people.

**Allen:** So, the involvement you had in the Civil Service Commission, you didn't match in the other areas? It was more toned down.

**Pettigrew:** Not in congress, not in dealing with congress. That's right.

**Allen:** I wanted to ask you about a survey that I understand originated in this office of congressmen's constituents and their problems with the government.

**Pettigrew:** The case work survey?

**Allen:** Yeh. That originated from this office, the idea for that, I understand. How did the idea originate and who carried it out?

**Pettigrew:** Chris Mathews thought of it and I liked it very much and pushed it and got concurrence throughout that we should do it and we plunged in and did it.

**Allen:** I understand without a lot of support initially on that idea.

**Pettigrew:** The instinctive reaction within a bureaucracy is always not to raise problems. If you surface problems, of course, when you do that, then you have to do something about them. So, there was that kind of apprehension. We then tried to get through a presidential directive the agencies to clean up the problems that had been identified and the President signed an order communicating all the information. Communicating the information to the agencies, we gave them the raw data of our findings. Some of the agencies were conscientious about it. They found it an invaluable critique on the policy level of what their problems were and they recognized that these were congressmen who were receiving these complaints and it was creating a perception of their agencies that they may not have completely understood, so I think a lot of these agencies dealt effectively with these complaints. One of the things it pointed out was their own complaint handling procedures. On the other hand we wanted to have a strong oversight of the correction of these matters by the Office of Management and Budget and their OMB did not really feel that they had the resources to do that. What we wound up with was an ambiguous reporting requirement that really did not effectively, in my judgement, require the agencies to tell what progress they were making. It was too vague and could be interpreted different ways by

different agencies. We lack here either any responsibility or mandate to conduct the oversight, no OMB oversight responsibility, so, soon that reporting that I had seen under that presidential directive, what OMB really is getting back are major reorganization changes that are being made within the department rather than management improvement teams.

**Allen:** I'm glad you brought that up because I wanted to ask you how you feel about process reform as opposed to structural reorganization in the federal government in particular, or just in general.

**Pettigrew:** I think both are essential. I think in those massive programs that are now being conducted by a single department anyway, where there are problems the focus has to be on improving the management within those problem areas and that can be far more important to the average citizen than any of the structural changes that you might want to make. On the other hand, if you are talking about improving off shore oil leasing and better developing the off shore in a safe and effective manner but within some orderly time schedule that achieves your development objective, we're in a mess, and we're in a mess structurally, and only, in my opinion, by structural change are you likely to bring about the fixing of responsibility in such a fashion that you are going to really be able on a continuous basis, to insure that you are going to get a job done. When we created the Department of Energy, Schlesinger and Andrus agreed on a split of the oil lease responsibility in the off shore, and a number of leasing responsibilities were transferred from the Bureau of Land Management and Interior over to the Department of Energy. On the other hand the National Oceanic and Atmospheric Administration and Department of Commerce has major responsibilities such as endangered species legislation enforcement, the Marine Sanctuaries Act, coastal zone management and soon will have deep sea bed mining. You can't have all that array of responsibilities in the off shore and have that separated off departmentally, in my opinion, in an efficient manner with leasing when you have that kind of interdepartmental fracturing of responsibility. So, I think there are a lot of places that need tidying up in that respect and it's an ongoing process. You never can get it all done and there are always certain cuts that you have to make on a functional basis that create other problems of coordination. It exacerbates coordination problems in other respects perhaps. But, nonetheless, I think that is a major problem at the federal level. It gradually developed a scatterization of functions that continues to need addressing. One of the areas that I would like to have seen us get into and I suspect that we never got into principally because of the whole Lance matter is the bank inspection problem. The multiple bank inspection responsibilities are scattered from the Comptroller's Office, the Treasury, the Federal Reserve Board—uh, and there is one other major player in that. We have three bank inspection systems operating concurrently and differing interpretations.

**Allen:** How did Bert Lance's departure effect the reorganization effort?

**Pettigrew:** Well, I think it hurt the visibility of the effort for quite a while. It delayed the resumption and momentum. It interrupted the momentum of the effort significantly. Jim McIntyre was put into the breach and he had tremendous budgetary alert that tended to preoccupy his attention. And, so that was some delay in getting back to the momentum that we might otherwise might have had. Jim has done a good job and we got back on track, but then we begin, because of these delays, to have to slip things like the natural resources reorganization had to slip. First because civil service reform was taking all our time and because of this slack in momentum that occurred and so we had to postpone it to the following year and then when we tried to take it up this spring we found a deeply divided White House staff. The Domestic Policy staff, Wexler's staff, and the Watson staff were strongly opposed to the reorganization proposal in addition to serious departmental opposition.

**Allen:** The Natural Resources proposal, are you talking about?

**Pettigrew:** Well, there was actually pretty much the same concern about both Natural Resources and Development Assistance from the whole recommendation perspective.

**Allen:** How was that?

**Pettigrew:** So we watered down the natural resources, taking out the water resources reform. We still found it to be heavily controversial and had to ultimately abandon the whole proposal, even after the President had announced that he was going to make the recommendation to congress in a short period of time, I mean the specific submission of legislation. The developmental system reorganization died of mourning, never announced. In my judgment it was a very solid proposal. It ran into both congressional resistance and strong resistance within the bureaucracy and the White House staff.

**Allen:** When you say development assistance, are you talking about the development of natural resources?

**Pettigrew:** No! I'm talking about economic development assistance. There were two studies going on concurrently. One was for economic development assistance and the other was natural resources reorganization. Both were attempted to be moved along at the same time and the delay in getting a review and a decision on Development Assistance delayed Natural Resources reorganization which should have gone very early in the year if it was going at all. The delay hurt it very badly. We had as a result of the work there internally several months delay of the various options and finally we lost the whole thing.

**Allen:** Was this internally because of the groups that were opposed?

**Pettigrew:** The departmental concerns, the group concerns, the interest group concerns, and congressional concerns. The longer you get into an administration the more difficult it is to get

cabinet members who are strongly committed at the beginning of the administration to support the President's reorganization proposal to actually do so. More and more they become captured by the bureaucracies in which they are housed.

**Allen:** Uh huh, uh huh.

**Pettigrew:** The one guy who never was a victim of that, in my judgment, was Bob Bergen. He was absolutely superb throughout all the whole reorganization discussions. He was for whatever the President wanted to do. He would lay out the facts and he would not try to undermine either the reorganization project or foreclose the President's options. I could not say the same in other areas.

**Allen:** You mentioned some of the differences within the White House staff and the reorganization project as far as what projects should be pushed and were widely supported. Was the civil service reform act kind of unique in the wide spread support that it got?

**Pettigrew:** Well, I think it struck a very responsive chord nationally in both the press and it fit easily into the response to a public concern out there that was very deep. What we constantly had to do was resist the temptation to overstate what we were doing or to demagogue it. We tried to strike an appropriate balance, recognizing there were serious problems that needed to be corrected while not demoralizing the public employees, most of whom are very dedicated people. We had to overcome the fierce opposition of the public employee union and others who were trying to kill it in the congress and overcome the apathy that can set in unless you build up a head of steam and public demand for change.

**Allen:** Very delicate.

**Pettigrew:** A very delicate operation.

**Allen:** Yeh, yeh. There was a time in the winter of 1978, I think, when the Vice President, on the President's behalf, began an agenda setting process with the President. Did this have an impact on the reorganization efforts?

**Pettigrew:** Well, it reduced the number of reorganization efforts that could claim the President's attention and gave the Vice President more of a reason to way in on specific studies. And there, he again, had great reservations both about Develop Assistance and Natural Resources reorganization. I think he was basically sympathetic to civil service reform and very helpful there. He supported the Department of Education, but beyond that did not seem to have a broad personal agenda in reorganization, at least not in structural reorganization. Now, he was always frustrated by process problems and I think genuinely concerned about regulatory reform problems, but Natural Resources reorganization, Development Assistance, when we would have

meetings with the President he would be on the other side [Laughs] from those of us who were trying to persuade the President to go forward.

**Allen:** So, what was the effect then? You chose...did some of the projects die at that point?

**Pettigrew:** The President tried to get us to get our act together and develop some consensus, at least about the facts, and where specific mayors and others were on these proposals and we went through an extensive process trying to do that. We still couldn't always agree because we found certain mayors were telling different things to different staff, depending on what they knew they wanted to hear. [Laughs] And, in the development assistance area, the economic development assistance area, here we were putting mayors on the spot who were applying to various agencies for aid and quite legitimately fearful that they would suffer retribution if their opinions became known or their recommendations. So after a couple of confidential meetings then we started this process of rechecking with some people. I never will forget, we tried to get Neal Goldsmith and he was so angered by this whole process of having two people call on the same phone to discuss what he really thought about economic development assistance that he wouldn't take the call. He wouldn't communicate [Laughs]. He'd only been willing to communicate on a highly confidential basis. And then when we started opening up this process with multiple staffs, he was offended, quite legitimately, I think. I thought that was an awful spectacle that we had to go through. I know it was a very difficult situation.

**Allen:** At that time the steam was beginning to die down for a reorganization effort.

**Pettigrew:** Right. The only big steam out there was for trade reorganization because of the MTM agreements that moved along and the congressional demand, for a change, that there be a reorganization to effectively administer these new agreements, because again, they had such scatterization of function

**Allen:** And that included the structural reform, structural change in process, reform in the trade area.

**Pettigrew:** Yes. So we think we have a pretty broad consensus now to move forward about reorganization. But we have, Tom Belford and I, others from the study team on trade reorganization have worked very, very extensively with a very wide array of interest groups. I've made speeches. This room has seen numerous interminable meetings on trade options and the refinements of trade options and follow up briefings and the like, in this area.

**Allen:** What about regulatory reform. Have you been involved in that?

**Pettigrew:** Yes, I have had a great deal of interest in the Administrative Procedures Act and how it might be amended. The state of Florida had done a lot of work in this area, so early on I took a study team, an interagency task force

## End of tape 2A

## Beginning of tape 2B

down to Florida to visit with all the key people who had developed the Florida Administrative Procedures Act. It was regarded as one of the two or three best reforms in the country at a state level, so they could get a feel for what the states were doing and see whether or not it was relevant.

**Allen:** Hmmm!

**Pettigrew:** I think it was necessary that they pick out a few of the best states and do that. They found basically that there wasn't much that was highly transferable. I don't think it helped too much in developing the work product, but it was a part of the consultation process that they needed to go through to make sure that there weren't innovations out there that should not be incorporated at the federal level.

**Allen:** Let me ask you one final question that is...

**Pettigrew:** [Interrupts] Let me say that the whole trucking, rail, airline deregulation....other deregulation efforts I think, have been, other than Jay Beck, we've been heavily involved with. I've made a number of speeches around the country about the whole program and I've commented very extensively on last year's executive order on regulatory reform and had significant input into it. This year we tried to convert that to statute. I have not had a great deal of involvement in it, but it is a very good program and I think the key part of it has been to gradually force the agencies to think through internally how they were developing regulations, how they could simplify and how they could reduce the economic burden of the paper work involved. It is a consciousness raising process that has been very important in improving the quality of regulations.

**Allen:** Airline deregulation has certainly been a popular thing in this country, hasn't it?

**Pettigrew:** It has been among the general consuming public, not necessarily with the well paid professionals who go by air at a client's expense and who are principally concerned with space and easy ability to get on an airline because they are so crowded. [Laughs]

**Allen:** [Makes a comment, but Pettigrew laughs over it making it inaudible.]

**Pettigrew:** It's not even easy to get on first class anymore. [Laughs] You can't just walk out to the airline and get on like you used to be able to do. So, I am getting some negative feedback from that group of travelers, but basically, you know, statistics speak for themselves and we have a two and a half billion dollar savings to date.

**Allen:** I have two questions I would like to ask you then before you leave. I have at least a dozen more I would like to ask you, but I'll settle for two. Maybe only one. That process of reorganization, looking back at the way the process has operated. The President has characterized the process he wanted to see here as being incremental, bottom up, prioritized and open. Those four terms I have seen used over and over again from what I've read. Looking at your experience with the process, is that the way it has happened? Would you use those four terms to describe it and what are your comments about that as a process?

**Pettigrew:** Well, I think the President has the greatest power to achieve reorganization on his initial coming into office. He's got a new group of high level appointees who are essentially loyal to his program and whatever he wants to do, less captured by their own bureaucracies, so my advice to future presidents is to do it at the beginning of the term as rapidly as possible. The second thing that I have become convinced of is that unless there is a significant congressional interest and demand for it, particularly reorganization, or some action for some mechanism that structural reform will remain the toughest of all to get done and in my own view sun-setting of not only regulatory agencies but of all agencies and a requirement that they be reviewed by governmental affairs and governmental operations committee and their very existence be reconsidered and that like functions, wherever they are, in a number of agencies be reviewed at the same time would give you the best opportunity to force the kinds of changes that need to be made structurally. I don't suggest for a moment that structural reorganization solves a lot of policy questions but it facilitates the development of better policy and it gives a single accountable policy level official an opportunity to make things happen that often does not exist with the scatterization of functions among agencies as we now have it. We have done some things that are very important--- civil service reform. I think the Inspector General's program are among the most important on a long term basis in changing management at the federal level. I think regulatory reform will have long term benefits in this consciousness raising process in changing the attitude of people developing regulations and administering them as to their true responsibility. The structural has been the most modest of the achievements. I am hoping that before this term is over that we can go ahead and transfer NOAA from Commerce to Interior and complete that much of natural resources reorganization. On exit, I am going to strongly recommend that the President go ahead and do that. The structural changes have been the least dramatic of the achievements and we leave a lot of unfinished business.

**Allen:** What are the forces, identify some of the forces, that make reorganization so difficult as a President gets into his term?

**Pettigrew:** Each categorical type program in the government tends to get isolated into a particular bureau chief's area or responsibility. The congressional subcommittees are constructed in such a way that they tend to relate to one or two or three or four or a handful of categorical programs which they have developed, they are committed to and they care about.

They don't care about human services generally or how the client of social services is treated at the delivery end of the system. They care about the quality, as they call it, of the particular narrow program they have developed. They do not understand that it may, in order to give comprehensive service to a family with multiple needs, they have to go through a gauntlet of agencies, services, eligibility requirements, and the like in order to get any kind of comprehensive delivery service. They don't understand how wasteful the process becomes under that system. Their concern is much narrower in focus and the staff's very existence on that subcommittee is dependent on the continued identity of that program because otherwise you would collapse the continued identity of that program, so that becomes one of the great obstacles, that subcommittee, and since the rest of the congress doesn't know much about that categorical program, the congressmen tend to rely on those two or three individuals in the congress who care about the program and who defend it, so unless you can somehow overcome that perspective problem and work through those individuals, it is very hard to avoid the mode to overcome them unless you can have your reorganization effort conducted in a committee not of jurisdiction, in other words a government operations or government affairs committee. Even then it is very difficult in my view to get those people in governmental affairs and governmental operations to give the kind of attention they should give to those kinds of perspectives and problems because they kind of view it, pretty much view it, as an executive branch problem.

Their oversight has become much more specific than that. They are not looking at the comprehensive impacts of programs. These committees of government operations and governmental affairs are not, internally within the congress, regarded as the top committees to get on. They become the second or third choice of most of the members and that is a problem. The prestige and the power and the clout of those committees is a problem Vis a Vis the substantive area committees. They still weigh in very hard on any of these changes, so, in several of the reorganizations we've had terrible problem with multiple committee jurisdictions, in addition to sub-committees, multiple committees--- natural resources, agriculture, energy, and natural resources, etc. The clientele groups of all these categorical programs form a close relationship with the subcommittee staff in the congress, individual congressional members who get money and support from these groups and identify nationally with that program, and with that bureau chief and the problem is of the policy level generalists to impose the broader perspective from the bureau chief who feels far more loyal to the subcommittee staff and to the clientele group and the associations that he is dealing with in these areas, who are his advocates for his programs from a budgetary standpoint, statutory changes and the like, than he is loyal to the secretary. [Laughs] So, it is a very tough problem, so that is why I say a sunset type mechanism, I think, is essential to see a much more comprehensive change occur, except in response to an overwhelming crisis in a particular policy area.

[Tape stops though it does not appear to have ended the conversation. There is no audio of tape 2C as a follow-up.]