

Remarks by Mr. Robert P. Mayo,
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FEDERAL EMPLOYEE OF THE YEAR AWARD LUNCHEON
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I am highly honored to be chosen as your speaker today. As an old Federal employee with more than 20 years' service myself, I at least like to think I can share your ambitions and enthusiasms, as well as your frustrations, better than most. There is a certain devotion to the cause of better government that keeps all of us going even when the road becomes weary. My 19 years in staff jobs in the Treasury Department taught me much about the way in which the Federal Government actually works. That background served me well during the year and a half I served President Nixon as the 18th--and technically the last--Director of the Bureau of the Budget. You may recall that the first Director of the Bureau of the Budget back in 1921 was also a Chicagoan, Charles G. Dawes.

For many years, the activities of the Bureau of the Budget in Washington have included extensive management responsibilities for the President. The increased emphasis on executive office management systems brought about the renaming of the Bureau as the Office of Management and Budget last July, and served further to stress the importance of better management of the Federal establishment. Money is an essential ingredient in any Federal program, but money is often wasted or misdirected if the people who are actually running the programs--like you throughout the country--do not get proper direction from Washington or are so circumscribed by rules and regulations that your flexibility is impaired and your initiative dulled.

President Nixon has consistently made three salient observations about the Federal Government:

It costs too much.

It doesn't work as well as it should.

And, it is too far away from the people it serves.

In the past 25 years, the Federal Government has spent well over a trillion dollars on domestic programs and I think all of us agree that we should have realized a better return on that investment than we have. The Federal Government is the largest and most involved organization in the world.

Because of its clumsy structure which has grown to be almost unbelievably complicated during the last two hundred years, the Federal Government is frequently unable to focus its resources and energy in ways to produce results. Just as an example, we have perhaps 1500 Federal grants programs today and well meaning Federal agencies frequently trip over each other in carrying out their responsibilities. Nine of the Cabinet departments and 20 independent agencies are directly involved in education. Three departments help develop water resources, and six different agencies administer Federal recreation areas. I could go on and on, but won't.

Furthermore, for almost two centuries now, the flow of power and resources has been away from people and toward the Federal Government in Washington. This has been in part responsible for the financial crises now faced by many of our States and local governments. Spending priorities are set, in case after case, by "the people in Washington." Depending upon your point of view and whether you are being critical

or complimentary, "the people in Washington" can refer to an executive agency, the department of which it is a part, the Budget Bureau, the White House, or Capitol Hill. The administration of most of the services of Government, however, must be provided by State or local governments or by the Federal field offices. Reorganization, decentralization and revenue-sharing all have something to contribute in answer to these problems as Government tries to get the authority and resources necessary for effective decision-making closer to where the problems are.

Responding to the recommendations of the Ash Commission, President Nixon has proposed a wide-spread reorganization of the Executive Branch of the Government. Parts of that reorganization are well under way. But the major proposals are yet to be considered. I am convinced they have much to recommend them, but face an uphill battle because too many groups in our economy are convinced that they will lose their inside track if the organization changes substantially. And even the Congress is beginning to bestir itself organizationally as it recognizes its own shortcomings, particularly in the failure to pass vital appropriation measures in timely fashion.

Effictive decentralization poses one of the toughest organizational challenges our nation faces. Obviously, the Federal field service and State and local governments don't contain all of the wisdom and sagacity for solving all of our problems either. But I am sure that we, as a nation of taxpayers, have much to gain in the efficient use of our dollars if we work hard to improve the competence, the wisdom, and the authority of the people actually providing governmental services.

As you well know, in Chicago, and now in 24 other major cities, there are organizations in the Federal field service which are very much alive and are working diligently to lower the cost and improve the performance of Government as they bring the Government closer to the people. I refer, of course, to the Federal Executive Boards. These are not new organizations; in fact, Federal Business Associations as predecessors of the Federal Executive Boards were around when General Dawes started up the Budget Bureau in 1921. But because they fit so well into the President's programs for management improvement and his desire to bring Government closer to the people, the Federal Executive Boards have taken on a new importance and are receiving increased attention in Washington.

The need for a stonger, better coordinated voice in the field will continue. Federal Executive Boards supplement normal agency reporting relationships by providing broader perspective, mechanism for coordination, and a joint service for voicing common concerns. While I was Director of the Budget, we transferred the secretariat responsibility for the Federal Executive Boards from the Civil Service Commission to the Executive Office of the President. The Federal Executive Board is looked upon today as an important channel of communication between the Washington headquarters and the farspread Federal field establishment. That means communication in both directions and involves broad issues of Federal policy as well as management. We were able to get the President himself, as well as many senior officials, to meet with the Executive Board chairmen. Progress is continuing. Under the direction of my successor, George P. Shultz, the Office of Management and Budget has created a Program Coordination Division, and

liaison with the Federal Executive Boards is one of its important responsibilities. I understand that teams of Washington officials are this week, and next, visiting the Federal Executive Boards to explain the President's program in greater detail.

All of this represents a long step forward, for by strengthening the Federal Executive Boards the President can indeed help improve Government's performance, cut its costs, and bring it closer to the people. If the Federal Executive Boards have been successful, and I think they have, it is in these same three areas. I applaud the Federal Executive Board concept generally, and the Chicago Federal Executive Board in particular, for what it has done, and for what it can do.

As Americans, we are proud of the fact that our nation has been blessed with generous natural resources and by a productive and inventive spirit which has brought our free enterprise society to a position of world leadership abroad and to an enviable standard of living at home. Our Government can do much to insure the future of our nation. Our needs and our demands for a better society are seemingly endless as we strive mightily to improve our environment, become better educated, more adequately housed, and healthier. But we must make sure that we don't just perceive our challenges in such a narrow way as to throw money at them without really solving them. Each of you has played some small part in your day-to-day efforts toward achieving a better life for all Americans. I urge you to meet our challenges of an even greater nation, through your contribution to a more efficient government.