Dear Js. 4/26/73

There is point in my sending this "OMB Reorganized by Ash" story. Because people like Broder are used to drafts from private industry, they fail to note significances in these new and quite important selections, needlessly from outside the government. In fact, for these jobs government experience is a need.

Note the ages, too, not just whence these characters comes. These men can be expected to hold these jobs for 20 years or more, during which they will impress the Nixonian philosophy on everything and everyone under their influence. It is impossible to imagine the kinds of quite influence this agency can apply, inside the government and out. They have much to do with who gets how much government money and for what purposes, with the agency budgets and with the Budget submitted to the congress. This is not a mere reorganization. It betokens a complete reordering and I think will be a major part of the foundation of The New Authoritarianism.

Sam Cohn is a favorite cousin of whom I've been able to see little. If his wife, aka Favorite Counsin (female), does not require major surgery, we'll be dining with them in a week. This will be the first year since the 40s that I will have seen him twice in a year. Most of the years between we have not seen them at all. I am the reason. Why and how may tell you something about the file cherks of repression, historically.

When I was in OSS I was asked for a recommendation by the White House. It wanted to send an elite crew to Germany (Berling had just fallen) to dismantle the cartels. I had done a rather successful series of investigations and stories on Nazi cartels. This included doing what all of the Department of Justice failed to do, what was too hot to get published anywhere (IGFraben-ESSO deal on synthetic rubber and manufactured synthetic gasoline). The White House people who asked my recommendation included those who knew me from this past.

I recommended Sam, who is a couple of years younger than I. Not because he was my cpunsin, or because we had been boys together in the heart of Philadelphia, perhaps a halfe mile apart. Because of his ability, his intellect. eal shapr mind, trained as a mathematician. He was then a sergeant at Wright-Patterson, doing the work of a general who did absolutely nothing. My recommendation seems to have been enough. (I don't think Truman remembered me from his war-investigating committee day, but I had taken date to him, esp. the IG-DuPont plexiglas-lucite deal) Sam's assignment to Berlin was ordered immediately, by wire, and he prepared to leave forthwith. SomethingI've never heard of in any other case them happened. Hap Arnold undertook to cancel Sam's reassignment. The White House got its back up, Truman told Arnold who was President and Commander in Chief, and Sam was despatched to berling, where he remained a sergeant.

There is a human-interest sidelight for which I digress. "hile he was there he father was hospitalized for a terminal abdominal cancer. "y uncle lingered. The family notified Sam. His brother Joe, in Nawaii, was shipped back. Clearance for emergency leave never reached Sam. Somehow, the Red Cross tried and could do nothing. Sam was agonizing in the rubble with a civilian friend over this whenthe friend, also co-worker, asked why the hell he didn't call Eisenhower and tell him. Sam decided to do it, returned to the office and by military phone asked for Ike. The operator connected him to Ike's quarters. Lucius Clay, then a colonel, told Sam to phone back in a half hour or so. When Sam did he was told where to go the next a.m. and to be sure to get extra copies of the orders that were bein mimeographed so he could use them as tickets. They were drafted so broadly Sam had Ike's amthorization to commandeer a piggy-back ride from any general he might see. He made his own flight arrangements as he went with those orders. He had to improvise. I think he had to get to Frankfort first. Anyway, he missed thefuneral by a day or so.

in what was then the Bureau of the Budget he phoned me one day and suggested we have lunch that day. I met he and he showed me a questionaire he had been given part of a security check. It included a question about details of how he knew and what he knew about listed people. As I recall now, all or almost all except one had been co-workers in the anti-Naxi cartel work. I was the exception! Sam knew about my adventures with the UnAmericans. The only way this could have been picked up was by shadowing, which is unlikely, or by checking his original WH files, whoch would have included my recommendation. Can you imagone any

of the spooks knowing me? Unlikely. The probability is that because of the nature of his Berlin assignment, the Nazi-minded spooks probably considered the work itself subversive and any who'd make a recommendation, naturally, a congenital bearded bamb-thrower.

The same curse of having a mothher who was my father's sister plagued his brother Joe, still does on every new security check. Unlike Sam, Joe had a radical college career. He Gor Religion. The last time I saw other politically conscious relatives was at the Bas Mitzvah (confirmation) party Joe threw at the synagogue for his daughter, about 7-8 years ago. Joe is a "macher" in the "schule", teacher unday School, etc., as I suppose many former radicals of that era do. I guess Joe had this plague inflicted on him because his brother's security file was checked.

Because of this, over the years we have felt it better in Sam's interest (he has two kids to send to college beginning this year) to see him infrequently. It has been possible for him to reture for some time. The is the top civil servant in the government, in rating (and honors). He is general at the arm of the director when he testifies. Had been for years. We seen him most on TV. I take it this story means he has found a congenial and worthwhile job or just has a distended gut. Maybe we'll know in a week.

We've both been circumspect, never discussing his work. Guess we'll be able to see them more now.

Such is life in the freest country in the world.

## 'Presidential Priority' Goals Set

## OMB Reorganized by Ash

By David S. Broder Washington Post Staff Writer

The Nixon administration has completed a major reorganization of the Office of Management and Budget, aimed at focusing both federal dollars and the bureaucracy's managerial skills on "presidential priority" goals for the next four years.

Mr. Nixon, in a letter to department and agency heads signaling the start of the new drive for what he called a "sharper focus on results" of federal programs, directed each unit to give "particular attention to objectives which you consider to be of presidential-level importance."

The President, in his April 18 letter, ordered each agency to prepare within the next month a work plan specifying its "major goals and objectives for the coming year."

The reorganized OMB — with major new jobs filled by management experts from private business, and teams of trouble-shooters ready to move into any lagging agency to cut bureaucratic red tape will be responsible for seeing that Mr. Nixon's objectives are met.

OMB Director Roy L. Ash said in an interview that the reshuffling of his office and the President's letter to the

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## OMB Is Reorganized by Ash

BUDGET, From A1

agency heads reflected the conviction that "we have to get out of this business of saying, 'Let's all work hard and see what happens.' '

"We have to set specific targets," Ash said. "Every agency has hundreds of goals and obimportance to the President; may have 100 things he wants process.' to accomplish in the year. agency's attention on his priority goals."

Ash, the former Litton Industries head who became budget director in January, by setting an April 15 deadline directors and two new assist-

for reorganizing OMB. "The and directors for management, has won him wide respect at 16." he said.

cast OMB from a two-sided ment employee. structure, with most of its manpower directed to budget review and the rest working veteran of the Veterans Adon program management, into a single line of authority has been named associate dijectives. Some of them are of which Ash said would "make rector for human and commumanagement improvement an most are not. The President integral part of the budget

Instead of splitting the two We're going to help the Presis functions between a deputy dident do it, by focusing the rector and an associate director, Ash's deputy, Frederic V. Malek, will coordinate both budgetory and management responsibilities of the agency.

Key jobs under Malek are said he had tested the theory four program area associate

President cleared it on April organization and operation. Only one of the six jobs will enue. The basic change is to re- be filled by a career govern-

> The career man is 37-yearold Paul H. O'Neill, an 11-year nity affairs.

> The other three associate directors, all newcomers to government, are described as "\$100,000-a-year class" men in the civilian economy. Their new posts pay \$38,000 a year. They are:

> · National security and international affairs — B. A. (Dolph) Bridgewater Jr., 38, of Chicago, a lawyer, a graduate Harvard graduate of the school of business administration and, most recently, senior partner of the management consulting firm of McKinsey and Company, Inc.

· Economics and government-Walter D. Scott, 41, of Chicago, a graduate of the Coschool of business and senior ments. managing director of the investment banking firm of Lehman Brothers.

· Natural resources, energy and science-John C. Sawhill. 36, of Baltimore, a Ph.d. rom each composed of ten people, York University school of business and senior Bridgewater, vice president of the Commer- and Sawhill. cial Credit Corp.

the departments for the two both career officials and outnew assistant directors who side management specialistswill coordinate governmentwide management activities. Both were with private management firms before entering the government in 1971.

Dudley C. Mecum, II, 38, who has been assistant secretary of the Army, has begun work as head of the management and organization branch, and Frank C. Zarb, 37, will move over from his present labor to become assistant difound.

While the new men are com- from their government." ing aboard, OMB sources also disclosed the pending shift of two of the office's best-known and most highly respected career officials.

Samuel M. Cohn, a 26-year veteran of the bureau and for the last seven years assistant director for budget review, is retiring from the government.

Cohn, nicknamed "Mr. Budget," has headed the corps of career budget examiners which has been the backbone of the agency, and his expertice on federal enending plans

both ends of Pennsylvania Av-

Other notable departure is that of assistant director Dwight A. Ink, who has headed the OMB's work in program decentralization and ministration and OMB, who simplification and government reorganization. Ink is taking another government assignment outside OMB

Ash said the major purpose of the reorganization of OMB is to "broaden our definition of priorities in managing the government."

"In the past," he said. 'setting priorities has meant deciding where we spend our money. Now, we're saying that setting priorities also means deciding where to spend our management resources, for those, too, are in limited supply."

Ash said the President's directive to the departments and agencies to put on paper their objectives for the year would "initiate a continuing review" by OMB of the perlumbia University graduate formance of those depart-

To give OMB the managerial muscle for its new role, Ash and Malek are putting together five teams of "management associates " who will work under Mecum, O'Neill, Scott

Units of varying size from Ash and Malek reached into these teams- made up of will be available to take on what one OMB official called 'special projects of high significance, where there are for management."

The President told the department heads in his letter that "I am confident that this conscious emphasis on setting goals and then achieving results will substantially enjob as assistant secretary of hance federal program performance . . . (and) help us rector for operations as soon give Americans the kind of reas a replacement has been sults, reliability and responsiveness that they deserve

There is now no doubt that Howard is ending me what WG he sees in NYTimes. Today's take thru 4/30. Anything in Sun.'s that will interest you I'll forward. I may be getting into another time bind and with a w week away it may be worse ... Last night I think GL's kite flew to Berchtesgaden im CatOc tins about 8:30, with the jockey so rattled his landing light was on this far away. The same kind went back about 2:30 p.m.... This time he is rattled, scared and I think showing it. ex ain't ruce and this is Seven. Best, HW 5/2/73 图 4 1973 4