The President
The White House
Washington 25, D. C.

Dear Mr. President:

The Federal Executive Boards which you ordered established in your memorandum of November 10, 1961, have become a reality in ten metropolitan centers across the country (Atlanta, Boston, Chicago, Dallas-Fort Worth, Denver, New York City, Philadelphia, St. Louis, San Francisco and Seattle). Through these newly created Boards more than 500 managers and commanders of Federal field establishments have joined forces to improve program operations throughout the Federal service. Although it is too early to claim significant achievements for these Boards, it is my privilege at this time to report on the organizing phase of this new instrument for improved management effectiveness.

Responding promptly to your original instructions, Federal officials in the ten cities, supported by their department and agency heads, cooperated in establishing the constitutional and organizational base for the Federal Executive Boards during the early months of 1962. The creation of these Boards has resulted in marked improvement in communications between Washington and field managers on matters of special Presidential interest and Government-wide significance. For example, I have used this Board structure to forward directly to responsible field managers such documents as the report to you on "Government Contracting for Research and Development," the study of the Federal Council on Science and Technology entitled "Competition for Quality," and the report on "The First Nine Months" of your Committee on Equal Employment Opportunity. This direct channel of communication appropriately supplements existing organizational channels and offers field administrators timely information identified with Presidential leadership.

The Boards have helped expedite implementation of new Government-wide programs. Representing a cross-section of the Executive Branch at the operating level, the Boards are useful for interagency exposure and discussion. For example, the Boards have actively supported the program for equal employment opportunity through sponsoring workshops, arranging meetings with minority leaders, conducting hiring surveys, and explaining reporting requirements. Similarly, the Boards have helped Federal people in management positions develop an understanding of the new program of employee-management cooperation. In support of the
Government-wide drive to attract high quality talent, the Boards have fostered cooperative talent searches in the colleges and universities.

Board leadership has represented the Federal community in seeking the integration of eating facilities in buildings leased by the Federal Government. The scope of potential cooperative ventures of this type is broad through the proper functioning of these Boards in the Federal community.

The Boards are already formulating plans for pooling experience and resources to achieve increased management effectiveness. Thus several Boards are exploring possible interagency use of existing electronic data processing equipment — a pilot project of such joint use of Government equipment is currently under way in a number of areas. It may well prove desirable to utilize such equipment for the processing of payrolls and other administrative operations for several Government units or through pooling of equipment to provide competent service to additional activities. Through Board studies we are considering interchanging personnel across agency lines to meet the chronic problem of peak and non-uniform workloads and emergencies. Surveys of available resources in the entire Federal community are underway to identify printing services, transportation equipment, medical facilities, and office supplies which could be more economically utilized across agency lines.

An important emerging Board activity relates to a wide range of community participation in the cities where they have been organized. They have assumed responsibility for coordination of the Federal response to charitable fund raising. They have given support to significant civic affairs, thereby demonstrating Federal concern for progress at the local level. The Boards have been establishing Federal liaison with state and local government officials in areas of mutual concern to improve the quality of intergovernmental relationships.

The cooperative activities undertaken by the Boards have been proceeding primarily on the initiative of the individual Board members. Consequently, each Board has pursued a somewhat different line of inquiry and endeavor with general guidance provided from my office. To demonstrate your interest in the successful functioning of these Boards, Lee White of your staff, Bill Carey of the Bureau of the Budget and I have visited nearly all of these Boards since their establishment. In these visits we have emphasized your views on budget policy, manpower utilization and greater efficiency. It is our judgment that this demonstration of Washington participation and support is important in stimulating a free flow of information and ideas between Washington and the Boards. I plan to invite the chairmen of the Boards to Washington for a briefing on the Administration's management goals early in 1963,
and hope that your schedule will permit a brief meeting with these officials to convey your personal interest in the objectives of the Board program.

I believe that it is also essential that strong interest in the Board program be demonstrated by heads of departments and agencies in their relationships with the field service. It is hoped that in the coming months the Cabinet members and other Presidential appointees will evidence this interest in communications to their field representatives and in possible visits with the Boards when they are traveling.

The interest and vitality of Federal managers across the country give confidence and promise to the future of Federal Executive Boards. The very fact of their creation has resulted in greater awareness on the part of Federal managers of the need for more creative leadership on their part and of their responsibility to Government as a whole. With such a beginning and with support of department and agency heads in Washington I have high hopes for continuing progress in realizing the potential of these Boards. When next I report to you at the end of the fiscal year, I can indicate in more specific terms whether these hopes are being realized.

Respectfully yours,

John W. Macy, Chairman