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0007 Administrative Reorganization in Colorado

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THE GOVERNOR'S COMMITTEE
on
ADMINISTRATIVE ORGANIZATION

Presents a Report

"ADMINISTRATIVE REORGANIZATION IN COLORADO"

Research Publication No. 7

COLORADO LEGISLATIVE COUNCIL

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FOREWORD^{1/}

The Governor's Committee on Administrative Organization is composed of twelve members -- four members of the Colorado Senate, four members of the of the Colorado House of Representatives and four citizen members. Although each has had a considerable experience in or with the administrative organization and functioning of government at the state level in Colorado, it was deemed advisable to establish a beginning point common to all. Further, in recognition of the previous efforts to improve administrative organization in this state, the committee decided to have a review made of these efforts and their accomplishments. And, finally, there was the realization that throughout the country similar committees have studied (or are studying) the organizational structures in their own states and that some have met with considerable success in bringing about more efficient and economical state government while others have not been so fortunate. Thus, the Colorado committee was anxious to review the procedures and methods utilized by its counterpart in those states in which the efforts were fruitful in order to profit from their experience, and also to inform itself as to why in other states the efforts were fruitless---and thus seek to avoid making similar errors in its own undertaking.

The task of researching the above was accepted by Dr. Leo C. Riethmayer, Chairman of the Department of Political Science and the Graduate Curriculum in Public Administration of the University of Colorado in collaboration with Dr. Laird Dunbar, Instructor in Political Science at the University. The Governor's Committee is, indeed, fortunate to have had two such capable professional men work with it in this effort, and the committee wishes to express appreciation to Dr. Riethmayer and Dr. Dunbar for their efforts in preparing the report on "Administrative Reorganization in Colorado".

1/ By the Governor's Committee on Administrative Organization.

ADMINISTRATIVE REORGANIZATION IN COLORADO

I.

THE PRESENT ORGANIZATIONAL PROBLEM

The general administrative expansion at the state level for the citizens of Colorado has resulted in a near-fantastic growth in both the number of services offered by the state and the number of agencies established to perform these services. In 1950, the Council of State Governments found that Colorado's administrative structure contained nine "major departments" and 131 "independent agencies."^{1/} Since the time of that survey the state has been engaged in what may be termed "piecemeal" reorganization with the result that the 1950 figures give a very inaccurate picture of the present structure.

In other words, it may be said that there still exists a vast, sprawling, complicated administrative organization, characterized by a bewildering multiplicity of agencies which are, in their own turn, marked by an astounding diversity of organizational forms and degrees of accountability.

The problem viewed solely in terms of the number of agencies involved is immense.

To be added to this factor of pure number however, are at least three others. While in fact these points are somewhat interrelated, they may be artificially separated here for examination.

In the first place, the governor's limited power in such vital matters as the choice of heads of his administrative departments, budgeting, and fiscal control --

^{1/} Reorganizing State Government, The Council of State Governments, Chicago, 1950, p. 12.

not to mention actual "command power" -- complicates the general administrative situation. Administrative efficiency and effectiveness are so difficult to achieve under the optimum organizational conditions, that to complicate the matter further by the possibility of administrative heads of different view - even a different party - than the chief executive, is to put the problem in the class of the near-insolubles. At best, about the most that can be hoped for is that the various department heads will see their way clear to follow the lead of an energetic governor for the furtherance of their own ambitions.

Similarly, the present budget situation leaves much to be desired both in regard to administrative effectiveness and political accountability. Instead of following the generally accepted practice of making the budget office something like the chief staff aid to the executive, the present system is one in which the state budget officer is "off in a corner" of the hierarchy and relatively independent of the state's chief executive.

A second problem stemming from the multiplicity of administrative agencies turns not so much on the fact that there are so many agencies as on the manner in which these agencies are organized in relation to each other. They are not arranged in any logical grouping - least of all are they arranged into anything which might be said to relate to the function to which they purport to be organized. In other words, that administrative concept which students of public administration have come to call "unifunctional organization" appears to be completely ignored.

Completely aside from such supposed advantages as the monetary economies which might possibly be effected by the removal of the opportunity for wasteful duplication of effort with its attendant dissipation of manpower and material, and

the full utilization of technical assistance, there remains, over and above these, a most important benefit of unfunctional organization. Lines of authority and accountability between the executive and the administrative agencies are clarified at the expense of such expendables as "buck-passing" and the myriad other forms of political and administrative accountability. The citizen can more easily determine the weak links in the unfunctional form of organization than he can in the heterogenous pot-pourri that is now presented him. And he can more intelligently take remedial action at the polls.

It should be pointed out that elimination of duplication may or may not effect savings in the taxpayers' money, so far as the total amount is concerned. It is reasonable to expect, however that more service per unit of money spent would be attained by organizing along lines related to the functions performed.

A third factor, apart from sheer number of agencies involved, is the absence of adequate overall staff and auxiliary agencies. It seems reasonable to presume that some of the more gross effects of such a large number of agencies could be mitigated if the governor could have sufficient assistance to keep track of them-- enough assistance to permit him to be "in more places at the same time."

The complexities of modern government are such that it is a physical impossibility for a governor to perform adequately the constitutionally assigned task of wielding the "supreme executive authority" as well as the ceremonial, social and political chores which also fall within his purview. It might even be said without irony that the present administrative organization makes even the adequate fulfillment of the administrative responsibility alone impossible.

An overall general staff agency could provide, even under the present organization, means by which the state's chief executive officer could, at least, obtain

the information upon which he could base such administrative changes as he is able to make, as well as a rudimentary machinery for keeping the administrative departments and agencies responsible.

A "cabinet", it should be added does not meet the need here. Its functions lie at what might be called the policy level, and it is naive to assume that department heads whose legal duties are full time can furnish the governor with the precise and detailed information needed when they themselves are without the proper "arms of management"- administrative research aides, personnel officers, and fiscal and budgeting assistants.

THE ORGANIZATIONAL PROBLEM OF COLORADO PRESENTS, THEN, AT LEAST FOUR FACETS: THERE IS AN EXCESSIVE NUMBER OF AGENCIES; THE POWER OF THE GOVERNOR TO CONTROL EVEN A LESSER NUMBER IS INADEQUATE; THE AGENCIES ARE NOT SO ORGANIZED AS TO BENEFIT FROM THE PERFORMANCE OF SIMILAR FUNCTIONS; THE GOVERNOR DOES NOT HAVE THE AID THAT HE NEEDS TO FURNISH HIM THE NECESSARY INFORMATION AND ADVICE HE WOULD NEED TO PERFORM HIS CONSTITUTIONAL TASK - IF HE HAD THE POWER TO DO SO.

THE SUM IS AN ORGANIZATIONAL PROBLEM OF NO MEAN PROPORTIONS-- ONE WHICH THE CITIZENS OF THE STATE, ACTING THROUGH THEIR REPRESENTATIVE AND PRIVATE GROUPS TO WHICH THEY BELONG, HAVE FROM TIME TO TIME TRIED TO CORRECT. THE RESULT OF THESE EFFORTS HAS BEEN GOOD. WHILE THERE IS MUCH TO DO, WE MUST REMEMBER THAT MUCH HAS BEEN DONE.

II.

DEVELOPMENT OF ADMINISTRATIVE ORGANIZATION IN COLORADO.

In the years since Colorado joined the Union in the Centennial year of 1876, the state has maintained a steady growth in population. The census of 1880 gave the state a total of 194,327 persons. By the year 1930, there were more than a million persons in Colorado and the 1950 figures were 1,325,089. The estimated population in July of 1953 was 1,456,000 -- an increase of nearly 10% since the last official census. While most estimates give a somewhat lower figure, it is not completely in the realm of fantasy to suggest that by around 1960, the state's population will have increased ten-fold since obtaining statehood. In 1953, only six states ^{1/} were increasing their population at a faster rate than Colorado.

Like the nation, Colorado is growing, and increased population inevitably leads to increased need for administrative services and facilities.

The administrative services rendered by the state of Colorado have expanded, as have the services of other states, in order to meet the demands of the state's citizens. As is also true in case of the other states, this expansion has been in three general directions - or, it might be said, for three different reasons. In the first place, the state has expanded services which it has always performed; secondly, the state has responded to the needs of its citizens by undertaking completely new services; and, thirdly, the state has taken over, or perhaps, merely insisted upon supervising, services which were being performed by the various units of

^{1/} Current Population Reports, Series P--25, No. 89 (Bureau of the Census, Washington, January 25, 1954), p. 4.

local government.

For an example of the first type of expansion, one need only look to such fields as higher education, and the care of the mentally ill. The creation of various specialized schools through out the state is an example of the case in point - schools of education, mining, and agriculture - and the very current example of changes in the status of the Fort Lewis school is quite pertinent. Similarly, the old "insane asylum" is, happily, no longer considered adequate in the light of advancement in the fields of diagnosis and treatment of the mentally ill, and as a result this field of state service has been forced to expand.

Colorado is particularly rich in examples of the second type of administrative growth. The publicizing and promotion of the state's abundant recreational resources is an excellent case in point. Colorado's citizens have come to realize the economic potential of their natural resources and their elected representatives have responded with such services as conservation programs, fish and game stocking activities, and promotional services designed to inform both residents and others of the extent of these services.

It is in the third type of growth that one finds the most sensational administrative expansion. The phenomena of the state, whether entirely taking over a specific function, or of insisting on some degree of control over the local units that perform the service, are universal throughout the field of state administration. The example of highways leaps to mind. For decades road building and maintenance had been viewed as a purely local function. With stimulus from the federal government in the form of grants-in-aid, the states entered the highway field with a vengeance. Each year sees this activity become more and more an example of the first category - expansion of functions already performed - since the super highway

and the toll-road movements seem to have yet to reach their maximum point of adoption.

The fields of public welfare and relief for the needy provide still other examples of the state adopting responsibility for services previously considered to be pre-eminently local in character. So also, for that matter, does the administration of elementary and secondary education. State departments of education are today exercising a degree of control of local school systems which would have been thought to be impossible a generation ago.

And so state administration has grown in response to the needs of the times as expressed by the demands of the citizens of the state. Colorado has had, one may suppose, neither more nor less demand, generally speaking, than the other states. The proliferation of state agencies that one now finds would certainly indicate that, at least, the demand in Colorado has not been less than it was elsewhere.

The way of meeting these demands seems, again, to have been no different in Colorado than it was in the other states. Agencies were created by the legislature and "tacked on," as it were, to the existing administrative structure. Some of these agencies were placed under single heads; others were placed in the hands of boards or commissions. Some of the agency heads were to be appointed by the governor; sometimes with the consent of the Senate, sometimes not. Some of the new agencies were placed in existing department - actually or merely "on paper" while others were given a status ranging from what one might call "semi-independent" to one which is obviously free of any effective executive controls.

Some of the boards which were created were really ex officio in character,

and the duties assigned these boards frequently merit a form of organization that grants a degree of authority more commensurate with the magnitude of the activity than can be mustered by a board composed of officials with other full-time obligations.

Functions that in any logical arrangement could be expected to be given, at the very least, some formal machinery for coordination were left to go their comparatively independent ways.

On the personnel side, sound practices such as position-classification and in-service training programs have been slow to find root in Colorado administration, in spite of a constitutional provision for the merit system dating back to 1918. Other practices which have been ignored include the establishment of a positive and vigorous recruiting system to draw capable young people into the service of the state. On the matter of finance and budgeting, the picture is no better - the state still lacks a budget organization that can operate as an effective staff aid to the chief executive.

The resulting situation in Colorado, as in most of the States of the Union, is an administrative structure which, although created to fulfill the expressed wishes of the citizenry, may actually impair the effective answering of the citizens' demands.

In other words, the problem of meeting the political demands of the times has left the states - Colorado, like the rest - with an organizational problem of the first magnitude.

III

A REVIEW OF PROPOSED AND ACCOMPLISHED REORGANIZATION IN COLORADO

The legislators and the citizens of the state of Colorado have not been unaware of the need of reorganizing the administrative structure of the state's government, and from time to time - with increasing frequency in recent years - have undertaken the task of doing something about it. Their efforts have met with varying degrees of success.

The legislative session of 1915 passed an act,^{1/-} establishing a committee authorized to conduct a survey of the state's governmental structure with an eye to securing increased efficiency and reduced expenditures. Composed of two Senators, two Representatives, and three non-legislators appointed by the governor, this Survey Committee on State Affairs submitted its Report in February of 1917. The report was actually 18 separate reports on various offices and functions of the state governmental organization. In the main, it recommended integrating the administrative agencies of the state under the governor, and it proposed a budget system. A budget device was adopted in 1919 - although one not bearing much resemblance to that recommended - but no action was taken on any of the other proposals.

In 1922, after having successfully campaigned for, but not yet having assumed the office of, governor, William E. Sweet obtained the services of two members of the staff of the New York Bureau of Municipal Research to undertake a study of Colorado state organizational arrangements and to make recommendations for such consolidation as seemed necessary. The report, submitted to the legislature in the form of a speech by the governor, proposed a far-reaching reorganization.

1/ Chapter 161 of Session Laws of 1915.

All administrative agencies were to be consolidated, as far as was permitted by the constitution, into nine departments, each of which was to be headed by a person appointed by the governor and subject also to removal by him. Some seventy bureaus and commissions were to be eliminated or reconstituted. The heads of the nine departments (Finance, Taxation, Agriculture, Mines, Labor, Trade and Commerce, Public Works, Public Welfare, and Public Health) were to act as a "cabinet" for the governor. The authors of the report estimated that adoption of the reorganization plan would lead to savings of about a half-million dollars annually.

The chief result of the plan of Governor Sweet was the introduction of a counter-plan, known as the Lambert Bill, which provided for some degree of consolidation. There was to be a seven man administrative cabinet, the members of which were to be elected by the people. The Lambert plan might best be described as something closely akin to the type of government found in commission governed cities.

In the legislative battle which ensued, neither plan survived to become law.

In 1932, Ed. C. Johnson successfully campaigned for the governorship on a platform which included reorganization of the state's governmental structure. Upon election, he appointed a committee, which was to be headed by ex-Governor Sweet, and gave it the task of presenting a reorganization plan.

The result was an administrative code bill which attempted to do as much reorganization as was statutorily possible. In addition the committee proposed two amendments to the constitution. These revisions of the constitution would have provided for a short ballot, on which only the governor, the lieutenant governor and the auditor would be elected - 12 department heads were to be appointed - and an amendment to constitutional civil service provisions. Neither amendment was

acceptable to the citizens of the state. The code bill had more success.

Some twenty-five boards and commissions were transferred to six administrative departments. These departments were headed by elective officials as shown below.

Executive Department	Governor
Department of Finance and Taxation	State Treasurer
Department of Auditing	State Auditor
Department of Law	Attorney General
Department of State	Secretary of State
Department of Education	Superintendent of Public Instruction

These department heads, with the exception of the Superintendent of Public Instruction, were also to serve as members of the executive council. This council was divided into three divisions - budget, accounts and control, and purchasing - with the result that the great bulk of the control of the state's fiscal matters rested with this executive council. The various divisions passed on the governor's budget, reviewed practically all of the state's purchases, and established the accounting procedures for all state units.

It should be noted that here again is something very closely resembling a commission form of government - one in which executive responsibility is very poorly concentrated, and one in which a large number of agencies were merely "attached" to one of the six administrative departments. Under this reorganization it was nearly impossible for the elective department heads to exercise anything more than purely nominal control over these agencies technically placed under their authority.

By 1937, the inherent defects of the 1933 administrative reorganization were becoming quite apparent, and it was widely agreed that the admitted "transitional" features of the earlier revision needed either bolstering or, perhaps, even more extensive changes.

As a result of these sentiments, the nationally known firm of Griffenhagen and Associates was engaged to undertake a comprehensive survey of the state's administrative organization.

The resulting survey was probably the most comprehensive study of Colorado government that has ever been compiled. The report was in 22 parts, each of which dealt with one major administrative office or function. Each report included an analysis of the various agencies involved, as well as a critical appraisal of their functions, organization, staff and financial requirements, and procedures in addition to recommendations for improvement.

The proposed reorganization of the executive branch may be summarized under six major headings.

1. Short ballot. Only the governor was to be elected. All other officers were to be appointed by him - with the sole exception of the state auditor, who was to be an appointee of the legislature.
2. Centralized Executive Authority and Responsibility. The governor was to have complete power over, and full responsibility for, the administrative operations of the state. He was to choose his major assistants, who were in turn to choose their aids under civil service standards and regulations.
3. Unifunctional Departments. The plan proposed about twenty departments, to be organized on the basis of some fundamental function of state government; e. g., education, health, welfare or highways. Closely related activities would be organized into divisions, headed by persons appointed by and responsible to the department head.
4. Abolition of Independent and Semi-Independent Agencies. There is no room in the "unifunctional" concept for agencies independent of a .

responsible head, and the whole proposed plan of departmentalization depended upon the abolition of agencies free of such control, and the transferring of their functions to one of the departments.

5. The Principle of Single Responsibility. Division of authority was to be avoided by never employing boards to perform duties which were administrative in nature. Those boards for which the plan did provide were to operate in a purely advisory capacity.

6. Establishment of an Advisory Cabinet. The heads of the various departments were also to act as the members of the governor's cabinet. This cabinet was to be a coordinating body, designed to prevent duplication and overlapping of duties, and it was also to serve as a source of administrative information for the governor.

Although for the purposes here the Griffenhagen plan for reorganization of the state's fiscal administrative facilities is presented under a separate heading, the plan was actually part of the overall attempt to make the operations of the whole executive branch more effective. This was to be achieved by giving the governor both control of, and responsibility for, the expenditures of appropriated funds. The fiscal plan may be summarized under two main points.

1. Department of Finance. The Department of Finance was to (1), operate as the governor's financial staff agency and (2) be the sole control unit for the state's fiscal operations. The department was to have five divisions - tax collection being left to a separate department. The divisions were to be:

1. General Supervision and Control.
2. Budgeting.
3. Pre-Auditing.
4. Control of Receivables.
5. Purchasing and Property Control.

2. Independent Auditor. This official was to be appointed by the legislature and his function is to be rigidly limited to that of post-auditing.

The only action of a reorganizational nature undertaken by the 1939 legislative session was to amend the provisions concerning the Budget and Efficiency Commissioner so as to place this official under the civil service. Although he was to

be appointed by the governor, he no longer was to serve at the pleasure of the chief executive.

In the two year period from the time of the Griffenhagen report to the meeting of the 1941 legislative session, various civic groups kept warm the idea of reorganization. The result was the Administrative Code of 1941.

This act created seven administrative departments:

1. Executive Department.
2. Department of the Treasury.
3. Department of Taxation and Revenue.
4. Department of Auditing.
5. Department of Law.
6. Department of Education.
7. Department of State.

Each of these departments was organized into divisions, e. g., 18 in the Executive Department, 4 in the Law Department, and 6 in Education. In the Executive Department was placed a Division of Budgets, the duties of which included the preparation of the state budget for each fiscal year of the coming two-year appropriation period, the recommendation of inter-agency transfers of funds between appropriations, as well as the examination and approval of work programs and quarterly allotments of the various departments. The head of the division, the State Budget and Efficiency Commissioner, was given the task of preventing duplication of work and function, in addition to being given the power of revising the budget estimates of administrative agencies. It might be noted here that the functions of this office are absorbed into the Division of Accounts and Control in the 1947 fiscal reorganization.

In some of the departments, the reorganization provided for the use of boards instead of divisions. For example, the Department of Education contained the boards of Examiners and Vocational Education. The Division of Registration,

placed in the Department of State, was to control the licensing activities of 19 boards. Included were the boards of Cosmetology, Pharmacy, Shorthand Reporters, and Medical Examiners - as well as the State Boxing Commission.

The numerous divisions of the Executive Department were given control over still other boards and commissions. For instance, in the Division of Conservation, the reorganization plan provided for the inclusion of three commissions, ~~one~~ board, and, surprisingly enough one "department."

The code also provided for the establishment of a Governor's Council, which was to be composed of the Secretary of State, the Treasurer, the Director of Revenue, the head of the Department of Education, the Attorney General, the Budget Commissioner, the State Purchasing Agent, plus such other administrative officers as the governor might care to choose.

The reorganization of 1941 must be realistically viewed as a "paper" reorganization. Many agencies were either left independent of the executive authority, or were placed under the governor's control in a nominal sense only. An example of the superficiality of the reorganization is to be found in the Division of Registration of the Department of State. This division - for which no head was provided, incidentally, - was composed of the boards in charge of the licensing of occupations. Although in the Department of State, the control of the head of that department, the Secretary of State, over these boards is, at best, to be described as "nominal". A more realistic term would be "non-existent." Even omitting such a consideration as this, there still remained the fact that it is exceedingly difficult to maintain the constitutional premise that the governor shall exercise the "supreme executive power of the State," in view of the fact that the bulk of the members of his Council are chosen on the long ballot.

Nonetheless, the Administrative Code of 1941 marks the end, for the time being, at least, of the overall approach to state reorganization in Colorado. From 1941 until the present, the problem has been given a piecemeal treatment.

The first step in this direction was taken in 1946, when the Sub-Committee on Health of the Post-War Planning Commission, recommended that the Division of Public Health be replaced by a Department of Public Health. This department was to consist of two divisions; the State Board of Health, and a Division of Administration. The Board was to have nine governor-appointed members, who were in turn to appoint the State Director of Health to head the Division of Administration.

The duties of the Board of Health, acting through the Division of Administration were to exercise control of sanitary standards of drinking water, irrigation water used in market gardens, the treatment and disposal of sewage and trade waste material, the inspection of dairy products, and to act as the state's dissemination center for public health information.

In March of 1947, Governor Knous signed a bill which abolished the office of Budget and Efficiency Commissioner of 1941, and placed the fiscal administration of the state in the hands of a Controller, who was to head the newly created Division of Accounts and Control. This Controller was to be appointed under civil service regulations and was to be accountable to the governor. This fiscal reorganization had 5 purposes:

1. To provide a budget system through which the governor could intelligently forecast the needs and resources of the state for the coming appropriation period.
2. To provide continuous budgetary control for the fund already appropriated by the legislature.
3. To provide continuous budgetary appraisal of operating costs and the efficiency of state agencies.

4. To provide tighter internal control of expenditures as a safeguard against both mismanagement and misappropriation of funds.

5. To provide an adequate record system by means of which the other purposes of the act could be effectuated.

The Accounting Section of the new Division was given the responsibility for reorganizing the state's accounting procedures.

During the same session, the Colorado Legislature created a temporary agency, called the Committee on Reorganization. This committee consisted of 7 members of the legislature chosen on the following basis: majority party - two Senators and three Representatives; minority party -- one member from each house.

The committee was charged with studying the structure of the state's government, with the preparation of drafts of such constitutional amendments, statutes, or executive orders as might be necessary to give effect to their recommendations.

The committee reported on January 20, 1949. The major results of the study, from the standpoint of administration, may be best summarized by classifying them under the type of action which was necessary to give them legal existence.

A. Requiring Constitutional Amendment.

1. Article XII, Section 13.

a. Use of the "rule of three" instead of requiring appointment of the candidate with highest grade.

b. Exclusion of members of boards, commissions, and other multi-headed bodies from the civil service, irrespective of whether they are paid.

c. Exclusion of such administrative department heads from the civil service as the General Assembly deems necessary.

d. Creation of a Department of Personnel, with a Director chosen under civil service regulations, and subject to removal, for cause, by the unanimous vote of the three man non-salaried commission.

2. Article IV, Section 1.

a. The Provision of 4-year terms for the Governor, Lieutenant-Governor, Secretary of State, Auditor, Treasurer, and Attorney General.

B. Requiring Statutory Enactment.

1. Clarification of terminology to make the ascending order of units read, "division," "department," "branch." The term "agency" was to be reserved for any other part of the executive branch created by law.
2. Creation of a Division of Publications and Publicity in the Executive Department.
3. Creation of a Division of Personnel in the Executive Department.
4. Creation of a Department of Agriculture.
5. A reorganization of the Education Department.

C. Requiring Executive Order.

1. Granting the Director of Revenue the power to establish the collection procedures for all agencies empowered to make initial collections.

The 1949 session of the state legislature responded to these recommendations with two major actions.

First, a Department of Agriculture was created to administer most of the laws relating to agriculture. An 8-man State Agricultural Commission was established, and its members were to be appointed by the governor - two each from congressional districts, and one at large from each major party. The Commission was to act as a policy-determining and quasi-judicial body, as well as to be the body which was to recommend to the governor, for his appointment, the person to act as State Agricultural Commissioner - the administrative and executive head of the department.

The same legislature created as State Board of Stock Inspection Commissioners to succeed an old board with similar duties. This new Board was independent for all intents and purposes from the Department of Agriculture and technically placed in the Executive Department. In other words, the reorganization did not completely integrate all of the state's agricultural functions.

The other major action stemming from the recommendations was the reorganization of the Department of Education. A constitutional amendment was proposed and adopted - which established a non-salaried Board of Education, which was to be elected on a geographical basis, from congressional districts, and one at large if the number of districts was an even number. This Board was to appoint a Commissioner of Education, who was specifically excluded from the classified civil service of the state, and who serves at the pleasure of the Board. The Commissioner serves as the administrative and executive head of the Department of Education and acts as secretary for the Board.

The legislature in 1951, created the State Department of Public Institutions, which was to be headed by the governor. A three-man Public Institution Advisory Board, serving without salary and to be appointed by the governor with the consent of the Senate, was to assist the governor.

The Department was to be administered by a Director of Public Institutions, appointed by the governor and serving as one of his confidential employees and at his pleasure. The other employees of the department were placed under the state's civil service regulations.

The general result of the act was to bring under the control and management of one agency, the state penal institutions as well as such other organizations as the Department of Public Welfare, the Commission for the Blind, the Soldiers and Sail-

ors Home, and the Bureau of Child and Animal Protection. The advantages of this "consolidation" were dubious as most of the institutions included were still primarily administered through boards for each separate institution and the mere process of adding another department title does not automatically yield efficient administration.

The same 1951 legislature amended the provisions concerning the Division of Accounts and Control to provide for an annual budget and appropriations system. The reasons for this change was to bring the appropriations system into line with the requirements of a new constitutional amendment which provides for annual sessions of the legislature. Nothing was done, however, to make the division - or its head, the Controller - into anything like a real staff aid to the chief executive.

The 1952 session of the legislature set up a remodeled State Department of Highways, consisting of a State Highway Commission and a Chief Engineer. The commission was to be made up of eight members, all residents of a prescribed district, to be chosen for staggered terms by the governor and removable by him for cause. The commission was to choose the Chief Engineer who was to serve as the chief administrative head of the department.

The same act proclaimed that there were now ten administrative departments of the state government:

- I. Executive Department.
- II. Department of Treasury.
- III. Department of Taxation and Revenue.
- IV. Department of Auditing.
- V. Department of Law.
- VI. Department of Education.
- VII. Department of State.
- VIII. Department of Public Health.
- IX. Department of Agriculture.
- X. Department of Highways.

Such an administrative structure as this could, conceivably, furnish the state with a well-integrated and responsible machinery for handling public business. But, as even the cursory review of reorganization which has been presented here would indicate, these ten departments are not exactly what they would seem to be. Under the Department of Agriculture, for instance, one would expect to find the State Veterinarian, but he is appointed by the Board of Stock Inspection Commissioners, themselves independent of the agriculture department. The School for the Deaf and the Blind is not in either the Education Department or the Department of Public Institutions. The Division of Registration contains 19 boards and 1 commission, but there is no head for the division. There is even one headless department, Taxation and Revenue. Thus, many activities that should be under the control of a department are left in the hands of boards or commissions either free of control or placed in what has come to be the administrative catch-all - the Executive Department.

Reorganization movements in the past have helped the administrative problems of the state, but they have by no means cured them - much remains to be done.

IV
THE STATE ADMINISTRATIVE REORGANIZATION
MOVEMENT THROUGHOUT
THE UNITED STATES

It appears that the first concerted effort to reorganize the administrative structure of a state was an unsuccessful citizens' committee attempt in the state of Oregon in the year 1909. Since that first unfortunate endeavor, similar moves have been made in every state of the Union - as well, of course, as in the national government. By 1950, there had been thirty-two really significant state reorganizations - although in a few cases individual states had undergone the process twice.^{1/}

Generally speaking, these reorganizations were conducted on the basis of a fairly well-established and rather widely accepted set of working hypotheses.

These have been well summed-up in The Council of State Governments' Reorganizing State Governments.

"In our democratic society an executive branch should be organized with two main objectives: First, it should perform with maximum effectiveness and efficiency the tasks laid before it. Second, it should be politically responsible, in practice as well as in theory."

To make such a government ideal a reality, administrative reorganization should proceed along the following lines.^{2/}

1. Consolidate all administrative agencies into a relatively small number of unifunctional departments.
2. Establish clear lines of authority from the governor through the rest of the hierarchy. This may be helped by:

1/ Reorganizing State Government. (The Council of State Governments, Chicago, 1950), p. 12.

2/ The material which follows is adopted from pps. 3-5 of Reorganizing State Government.

- a. Using the short ballot.
 - b. Giving the governor the power to appoint and remove the heads of administrative departments.
 - c. Implementing the usual state constitutions' provision for the governor to have "supreme executive power" with such specific delegations as the power to require reports and to order investigations.
3. Give the governor adequate staff assistance. This would, in most cases, normally include:
- a. a personal office staff with adequate personnel.
 - b. a working cabinet of department heads actually responsible to the chief executive.
 - c. a central budget officer, with the necessary power to prepare an executive budget.
 - d. a central accounting system with authority to prescribe the method, allocate funds, pre-audit expenditures, and make final settlements.
 - e. a central personnel unit to link a sound merit system with the executive officer for purposes of coordination.
 - f. a central purchasing agency.
 - g. a planning agency for research, evaluation of programs, and anticipation of trends and future needs.
4. The elimination, so far as is possible, of the use of boards, and commissions, Operating agencies should be placed under a single responsible head. If there are any really significant quasi-legislative or judicial functions, a board may be justified, but only then.
5. An auditor independent of the governor, with the sole function of performing the post-audit and reporting it to the legislator.

The Council of State Governments goes on to say that,

"These principles and others derived from them have been applied rather consistently by the practitioners of administrative reorganization. These were reiterated by the President's Committee on Administrative Management in 1937 and confirmed and expanded by the Commission on the Organization of the Executive Branch of the Government (the Hoover Commission) in 1949. They

have supplied the framework for most of the recent reports and recommendations by committees studying the problems of state government organizations." ^{3/}

It should not be assumed that these concepts are infallible commands to groups undertaking administrative reorganization. Nor should it be assumed that there is universal agreement upon the validity - or practicality, for that matter - of all of these hypotheses. It must be conceded, however, that as working assumptions they have led to successful reorganization at all levels of American government, from towns and villages to the government of the nation.

At the state level, which concerns us here, the record has, on the whole, been promising, especially in the post war years. As of 1953, thirty states had undertaken post-war administrative surveys of varying breadth and depth. In a review made in 1952, Karl Bosworth, of the University of Connecticut, found that twenty-four of these states had had a chance to consider reorganization reports, while surveys were still in progress in the remaining six. ^{4/}

Of the two dozen which had been given reports, nine states either rejected them entirely or adopted so little of them that the general response must be classified as a negative one. In two states, New Hampshire and New Jersey, the bulk of the proposals were adopted by the legislature. In the remaining thirteen, a crudely weighted scale showed adoption of from, roughly, 30--50% of the suggested changes.

While it seems pointless here to go into a point-by-point review of the recommendations made, and the changes adopted, in the various states, it might be pertinent to ask the question, "Why weren't these attempts more successful?" For the meagerness of results achieved by reorganizational surveys in the various states raises some delicate questions concerning the entire question of administrative reorganiza-

^{3/} Ibid., page 5.

^{4/} Karl A. Bosworth, "The Politics of Management Improvements in the States,"

47 American Political Science Review. pps 84-99, 84.

tion.

The answers to these questions would be indications of the essential considerations for success in accomplishing the reorganization of the administrative facilities of a state.

In the first place, it is quickly seen that neither the need for reorganization, nor the excellence of the suggested changes, seem to have any relation to success of the reorganization plan. In other words, the reorganizer quickly finds that legislative bodies are usually not as eager for far-reaching reorganization as he and his colleagues are. When these basic facts of life become clear, the reorganizer, all too often, raises the plaintive cry, "Politics!" shrugs his shoulders and believes that he has hit upon an acceptable excuse.

The actual truth of the matter seems to be that the reorganizer, in order to do his job well, must also face the hard fact that the realization of reorganization is more a "political" business, than it is an "administrative" or "scientific" process. After facing the fact he must make his overall plans account for it.

It is exceedingly difficult, of course, to outline in detail the necessary steps which must be taken in order to insure the fruition of a sound reorganization scheme--such a plan must be different in different states, for instance. It does seem possible, however, to indicate several factors which must be taken into consideration in attempting to bring a reorganization plan to the statute books.^{5/}

To begin with, it is obvious that one cannot afford to ignore the fact that the existing institutions represent something of a balance of power between organizations which are closely akin to vested interest. Therefore, the reorganizer should

^{5/} The organizational scheme as well as much of the material of what follows is taken from Bosworth's article.

actually expect - at the very least, he should not be surprised by - a negative response from the legislature. Even when the reorganization is technically confined to the executive branch of the government, one must remember that individual members of the legislature may have a very real stake in one or more of the departments and agencies to be reorganized. These departments may handle matters of special interest to the legislators' constituents, or, it is possible, may be staffed with personnel in whom the legislator has personal interest. In any event, the reorganizer has no right to expect his plans to receive an open-handed legislative welcome.

Secondly, the reorganizer cannot afford the luxury of ignoring the general temper of the times. Bosworth reaches the seemingly sound conclusion, that,

"When horizons are low because of despair., it is easy to reason that any change is unlikely to worsen conditions and may improve them (e.g., Nebraska's shift to unicameralism and other depression changes in important state policy). When horizons are wide with general optimism, the risks of any change seem lessened (e.g., the many changes in the period from the late 1890s to World War I." 6/

Using these two propositions as general assumptions concerning what might be called the environment of reorganization, the discussion can then continue under six major headings given by Bosworth.

- I. The Relation of Reorganizational Motives and Probable Success.
- II. Sponsorship and Success.
- III. Composition and Organization of the Reorganizing Commission.
- IV. Organization, Scope, and Method of the Survey.
- V. Presentation of the Report and Recommendations.
- Vi. Consideration of the Legislators' Views of the Proposals.

6/ Bosworth, loc. cit., pp. 85-86.

I. Motives and Success. To undertake a scheme of reorganization with any other motive than that of procuring improved public administration, seems to be a virtual guarantee of negligible results. As Bosworth says , to merely "get into the act" and set up a reorganization plan simply because other states are doing it seems to predoom the attempt to failure through lack of public support.

Similarly, the use of reorganization commissions in an attempt to "take the heat off" an embarrassed administration not only appears to insure the failure of the move, but seems to tend to undermine the public's confidence in any future, sincere, attempt to obtain better public management.

What seems to be necessary is a group of responsible state political leaders with sincere good faith in trying to get improved administration of the state's affairs. Such a group has the necessary public contacts and influence to give the reform the popular support it needs for passage. At the same time, it can present the leaders with the not necessarily incongruous opportunity to advance their own careers and further the desires of their constituents.

It might be well to add here that the pure economy motive seems to have fallen into disrepute. In the first place, state tax systems do not seem to hurt large and politically significant groups - as does, say, the national income tax or the local property tax. A point perhaps even more important is that there seem to exist no guarantees that administrative reorganizations will necessarily result in tangible monetary savings. It is difficult, if not impossible, to measure, for example, the efficiency of a reorganized public health service in terms of dollars and cents.

II. Sponsorship and Success. As Bosworth points out, the perfect hypothetical situation is one in which the reorganization reform is sponsored by the "out" party, which manages to win the succeeding election and become the "ins", and then proceed

to put into effect the reorganization plan which they had sponsored. It is regrettable that reorganization never seems to come off in quite this prescribed manner - at least, we have no record of any states in which this pattern came to pass.

It is equally regrettable, perhaps, that there seems to be no prescribed pattern of sponsorship which seems to insure the adoption of reorganization plans. gubernatorial sponsorship, for instances, seems to lead to success in the South, while legislative sponsorship - on the surface a seemingly sure fire way to success - has been fruitful on only three occasions. Citizens' or taxpayers' groups seem to have some success, especially when they act as co-sponsors with the governor or the legislature.

Sponsorship by party leaders is virtually unknown - a not unexpected situation when one considers that a person in the game finds changes in the rules usually more of a hinderance than a help. Professional politicians really cannot be expected to give warm-hearted endorsement to the neat arranging of hierarchies of what Bosworth has called "decision points." Only those politicians who are confident that they can use the new hierarchy will support the reorganization move, so, in the final analysis, the most that one can reasonable seem to expect is short run sponsorship of compromises in long run organizational plans on the part of party leaders.

III. Composition and Organization of the Commission. The personnel of a reorganization commission can, it is sad to say, have had as much to do with the adoption or rejection of the recommended reorganization as can the merits of the plan itself. Because of this fact, it is of the utmost importance that the personnel on the commission be of very high general prestige, and active political influence. As Bosworth has put in succinct fashion, "How many votes can they swing in the

legislature, and how effectively can they rally popular support?"^{7/}

Following in importance would be the proper political balancing of the members of the commission to the end that it would not be guilty of being considered representative of any narrow groups of the state's range of public opinion.

With these primary strategic matters taken care of, one can then turn his attention to matters of a tactical nature. For example, legislative members may be included in the membership of the commission, in the hope that they would, thus, both become committed to the recommendations and better able to explain them to their colleagues. There is a possible source of danger here, of course. There is always the danger that the reorganizer may be really training his own opposition, plus the fact that since legislative members are subject to election, the men that are chosen are in danger of not having legislative status when the time comes for them to do their reorganization chores.

The device of giving the governor the power to appoint one or more members to the commission serves both to involve him in the plan for reorganization to some extent, and, at the same time, serves to let him establish a channel of information both to and from the commission, which may help in heading off proposals to which the chief executive is actively hostile.

On a more general plane, it may be assumed that the most desirous members are those who are exceedingly well-informed on both the existing organization of the state's administration, and the chances of political success of possible proposals. It may be safely assumed that the group to which primary importance has already been attached would meet these standards, but from a more specific point of view

// Ibid., p. 90.

it might be mentioned that such persons as ex-governors and members of Congress, if their general reputation has not been too badly smirched, or have not made too many political enemies may serve as a personnel pool which could materially aid a reorganization commission by virtue of their personal experiences.

Such routine considerations of a personal nature as their conduct in the conference situation, and drafting and writing ability may be taken into account. But, it should be repeated that the primary need appears to be prestige and influence and the careful avoidance of giving cause for attack on the whole group because of political imbalance.

Size does not seem to be a consideration of any importance. Bosworth indicates that the ~~commissions~~ he surveyed ranged from "...four to forty-one members, with each extreme having some success in adoptions."^{8/} There is, it is true, a very real risk of unrepresentativeness in the smaller groups, but size, per se, seems a trivial factor.

The use of advisory committees would, it appears from the results, be a device that merits the most serious consideration. In New Hampshire and Oregon, the advisory committee was used with excellent results - although the use of the device in the case of Minnesota was not accompanied by any significant adoptions. Bosworth's estimate is that "...the advisory committee was not a decisive factor in...success; rather, it was one of several important contributing factors."^{9/}

IV. Organization, Scope and Method. The prevailing fashion in reorganization seems to decree that the survey cover as large an area as is possible with the available funds and powers. In view of the facts that many states' structures are

^{8/} Idem.

^{9/} Ibid., p. 92.

really in need of extensive reorganization, and that the reorganizers naturally feel that they should do the best job possible, such an attitude as this is somewhat to be expected. The question that arises, however, is this; does a reorganization plan requiring both numerous and important changes impair the chances of achieving any change?

The answer seem to be in the affirmative.

For example, in all states, save Delaware, in which the legislative response was negative, the reorganizers had included provisions which required amending the constitution. Such a record as this raises serious doubts as to whether administrative reorganization commissions should concern themselves with the state constitution. Along this general line, it appears that it would well behoove commissions to severely restrict themselves to the scope of the survey understood by the authorizing body. As Bosworth puts it, "Reorganization movements have sufficient hazards without raising the question of the legitimacy of the progeny." ^{10/}

Insofar as the organization of the survey is concerned the trend seems to be definitely away from turning the job over to a national consulting firm. The reasons for this seem to condense to three:

1. Possible lack of opportunity for the commission to participate with a resulting lower level of understanding of the recommendations and ability to communicate them effectively when the time comes for justifying them.
2. The national firm may easily overlook local traditions and values and fail to account for common differences on critical points of state politics.
3. The danger of creating opposition by the use of "foreigners."

A device more to be preferred than using national organizations - but one which is by no means infallible - seems to be the engagement of a professional

10/ Idem.

researcher as director of the survey who has had some experience in the state and who has a generally favorable reputation. Bosworth points out that eleven of the fourteen states with more or less favorable adoption results used some variation of such a scheme.

Among the factors which appear to have little if any effect on the success of state reorganization plans are the following:

1. The use of "task forces" such as were employed by the national Hoover Commission.
2. The use of specialists for surveys in their special fields of competence.
3. The widespread use of generalists.
4. The amount of data collected - assuming that it is not merely a sketchy coverage. As a matter of fact, collection of vast amounts of detailed data seem to be distinctly inadvisable.

The problem of whether to devote attention to minor or moderate proposals in addition to major recommendations seems to be a moot point. Among the arguments against their inclusion is the feeling that adding anything to the major suggestions serves only to detract from the primary aims. On the other hand, to include them frequently aids in getting the groundwork laid for eliciting a positive response from the legislature - it is something that helps to "get the ball rolling," as it were. Another consideration is that including proposals of lesser significance there seems to be a better chance of obtaining some adoptions. The motive here is twofold; the adoptions give a morale boost to the participants in the reorganization attempt, and by getting something on the books future attempts are not prejudiced by having to overcome the past history of an utter fiasco.

V. Presentation of the Report. There appear to be two major considerations which must be taken into account in the presentation of the report on reorganization.

The two are not completely unrelated; the first revolves around the attempts to influence the politically powerful people of the state, and the second concerns the attempt to create interest among the people of the state as a whole.

The first must take into consideration keeping the governor informed and "happy," as well as the agency personnel who are to become "casualties" in the reorganization plan - if, indeed, this can be managed. Considerations earlier presented under the heading of "Sponsorship" and "Composition" will, of course, if properly attended to, greatly forestall difficulties in this area.

The campaign to stimulate public interest is a more complicated problem. For example, it seems inadvisable to follow the lead of some states and to provide for the submission of only one report and the dissolution of the commission upon the submission of that report. At the other extreme, and seemingly equally inadvisable, is the case of Michigan, where there were thirty reports - spread out over a two-year period - with three planned press releases for each individual report. Neither of these approaches furnished very much in the way of a sensible way to stimulate public interest.

Bosworth's suggestion is certainly more reasonable and probably more fruitful. He believes that, "...releasing the report in chapters over a period of about two weeks has proved an effective way of getting large amounts of publicity and of producing public discussion..."^{11/}

The question of the desirability of having the commission work in secrecy must be considered. The answer arrived at will be in terms of whether the danger pressure activities upon commissioners - as news of their views becomes public - is considered to be greater than the chance of heading off future troubles.

^{11/} Ibid., p. 95.

The possibility that open deliberations may give time for the opposition to form seems to be counteracted by the very real chance that, in the long run, they may as easily damage their case as help it.

If a concentrated campaign for public backing is to be established, it would seem that the matter of timing is very important. All too frequently, reorganization reports are submitted just at the beginning of the legislative session - or after they have been under way for some time. In either case, it is easy for them to be buried in the welter of controversial issues which somehow always seem to manage to appear at session time. A perfectionist desire on the part of the reorganizer is sometimes seen here which in effect sacrifices chances for adoption in favor of prose perfection or rechecking of footnotes. Adequate time for public consideration is the sine qua non of the campaign for public support.

The actual form of the report can, of course, either help or hinder its chances of obtaining public approval. While it is certainly not advisable to water the report down in order to make it into a best seller, a careful approach can remove the more objectionable features of "administrative report" style and what too often passes for "scholarly" organization.

New Hampshire seems to have had good results with open-forum meetings - preceeded by a one-day seminar session at the University to familiarize some of the people who were later to participate in forum discussions with the reorganization scheme.

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examples of the case in point; they usually, and for excellent reasons, are politically neutral - and wish to stay that way. Heads of taxpayer or citizens associations are a general exception to this rule, and, as a result, may be better qualified to aid in the campaign to push the survey through to adoption.

It is perhaps regrettable - although not too surprising - that the device used in the case of the national Hoover Commission of allowing the executive to submit reorganization plans to the legislature for "veto" has been little used in the states. These plans go into effect if the legislature fails to act against them, and such a device, which puts "... inertia and indecision of the side of change..."^{13/} would appear to help the chances of adoption of the recommendations. It should be mentioned that one reason for its not being used by the states is the very real fear in many jurisdictions that it would be unconstitutional.

A final consideration which seems to merit thought is one concerning the use of some provision to keep reorganization movements in existence so that the proposals may get more than one hearing. From the internal point of view, this can be done by a vigorous governor, or by the appointment of an interim committee of the legislature to give further attention to the plan. Other alternatives are to assign the task to the legislative council, or, even, to continue the commission in existence - if its reputation is still relatively clean - and allow it to act as a source of stimulus for further reorganization measures.

Existing civic groups furnish a ready-made source of continuity and these can easily be supplemented by citizens' committees such as were established after the Hoover Commission report. The danger of such groups being labeled as special interest groups is considerable, but the cases of Michigan and Minnesota seem to

^{13/} Idem.

indicate that they do accomplish something - over and above the educational benefits which such a type of organization is apt to confer upon the community.

VI. Consideration of Legislators' Views. While the persons who generally conduct reorganization surveys seem to be pretty much in agreement on the fundamentals to be sought in reorganization, it is important to note that there is not so much agreement on these concepts among legislators.

What is really in conflict here, of course, are on the one hand, the assumptions of the reorganizers, and on the other, the basic premises of some of the legislators - and difference in assumptions cannot be logically reconciled; some one has to give some ground. In this case, it seems obvious that the burden for changing lies not with the legislator but with the would-be reorganizer.

Bosworth has summed up the matter very well. Here is

"...an opportunity to try to find the accommodations to...various values which can be arrived at currently in enactable measures. What is arrived at in reorganization proposals may not be neat in pattern and may look toward both integration and particularism, but if the conditions developing professional administration are bettered, that is much ^{14/} to be preferred to having copies of a rejected 'model' report."

No discussion of the required ingredients for a successful reorganization plan omit this vital point.

"Some improvement today - the chance for some more tomorrow" is an infinitely better slogan for the reorganizer than "all or nothing."

Reorganization is a political process, and, as such, it cannot leave out the art of compromise - the essential ingredient of democratic government.

^{14/} Ibid., p. 99