

## “Blacks Want Industrial Development”

*An Interview with Bruce Llewelyn, President of The 100 Black men:*

*Q: Mr. Llewelyn, Percy Sutton (formerly a candidate in the 1978 New York City mayoral race — ed.) said that black people should be represented in both political parties, that they should not automatically vote Democratic but should be a power in the Republican Party. Is this the sentiment of the Harlem community?*

*A: I would agree with Sutton; black people should be in both political parties. For years black people have tended to “block” vote. Previously blacks considered themselves automatic Republicans because Lincoln freed the slaves. Along came FDR with certain programs that were seen as helping minorities, and the black population switched to voting Democratic. Block voting doesn’t work.*

*Q: What do you think about Margaret Bush Wilson’s and the NAACP’s explicit support of a program calling for energy development? Do you think the Harlem community favors this over Jesse Jackson’s continued support for Humphrey Hawkins?*

*A: Full employment is a nice idea. Nuclear power and energy development are nice ideas. The question is, how do you get them? The Humphrey-Hawkins bill as it now stands says that unemployment should be at the level of two or three percent. That’s true. It’s also true that without motherhood none of us would be here.*

But to turn around the stagnation of the economy, and in order for a great many people who have jobs, we need economic growth.

There can be no economic growth without advancement of the energy component. Now the next question: if we get those skilled jobs will the unions have us? Will they allow black participation to its fullest? Without energy, without electric power, there are no plants. And that means no jobs.

At this point black people don’t need a Humphrey-Hawkins-type program. Putting people into public works jobs is short term. The U.S. economy needs long-term

investment, and that means development of the private sector. Resources must be developed. Private profit will increase the tax base, public works will not. CETA and Humphrey-Hawkins have been failures.

*Q: Are you familiar with Nelson Rockefeller’s proposal for a multi-billion dollar development corporation that would be based in New York? What effect do you think the influx of Arab petrodollars would have on New York?*

*A: We are waiting to see what develops with that plan. It is still in the talking stages, and could have farreaching effects for the black community.*

I would like to make one sweeping statement — maybe I shouldn’t but what the hell... People believe that politics will solve all the problems. Not really — politics aren’t tangible, they are a mere reflection of the financial and industrial might of this country. True power is in economic power, not in politics. Black people do not get political power by electing city councilmen and state senators. Elected officials represent economic interests.

What made America great? Companies like IBM and General Electric made America great. For years the Arabs were viewed as a bunch of guys wearing bedsheets. Today they are a power to be respected, they are working on realizing their potential.

President Carter stopped in Nigeria on his world tour. Would that have happened a few years ago? The Nigerians supply almost 20 percent of our oil, they are important to us. That is the bottom line in foreign relations or domestic policy.

For years the Jewish community — only 3 million people — has been responsible for influencing foreign policy to be supportive of the needs of Israel... If 20 million black people got together, U.S. policy would certainly be different toward Africa and the Arabs. There would be a basis for developing those parts of the world.

Our aid to Africa and the Arab countries would develop our markets. The U.S. gets back what it gives in aid. None of our aid has been totally a giveaway. We in turn get jobs created, and markets for our exports. This is what we must do with Africa and the Arab world; this is how the U.S. can expand its spheres of influence.

## OMB ‘Efficiency’ Is Paralyzing Policy-Making

The Office of Management and Budget, although usually credited with being little more than a “monitoring” agency, is effectively usurping the functions of both the Congress and the President of the United States on vital issues of American policy. It is doing so through its

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nominally “above-politics” position as a monitor and manager, and is currently moving to extend the utterly *political*, factional tendency it represents to the entire executive branch through “civil service reform.”

#### *Rand’s Role in the Executive*

From its creation in 1971 the OMB has operated on the

basis of “budget programming,” a technique brought to the U.S. from Britain by the Rand Corporation, to every aspect of U.S. budget appropriations. The OMB has no interest in what policies are in the long-term interest of the nation. Instead, its management function places a staff of “systems analysts” and CPAs in the position of determining how cabinet-level and other agencies will implement and even develop policy. Its weapon is the imposition of criteria that *a priori* demand austerity and prevent the investment that is necessary *now* to ensure the country’s future.

OMB’s relationship to the Rand Corporation dates to its precursor, the Bureau of the Budget. In the mid-1960s then-Defense Secretary Robert “Body Count” McNamara initiated “programmed planning” in his Department of Defense and installed an entourage of Rand personnel to reorganize the agency. From this

"systems analysis" hierarchy evolved the McNamara-Kissinger-Schlesinger doctrine of "limited nuclear war."

Once set in motion, many of the Rand operatives were redeployed to the Bureau of the Budget, including Henry Rowan, former President of Rand, and James R. Schlesinger. When the Bureau of the Budget was revamped and named the Office of Management and Budget in 1971, and placed on the same level of the executive hierarchy as the National Security Council, James Schlesinger was made the first Acting Director of OMB. The "systems analysis" policies that he represented have prevailed at the agency ever since.

Backers of the OMB management methods have traditionally sought to appeal to the "fiscal conservatives" in Congress and other agencies with slogans like "cost efficiency." Their knee-jerk reaction has led too many of these "fiscal conservatives" to settle for politically antigrowth OMB policies even though they run directly counter to legislative actions.

#### *The OMB vs. Export Policy*

Answering directly to the President, the Office of Management and Budget is currently headed by Robert McIntyre, who designed Jimmy Carter's "zero-based budgeting" plan during Carter's tenure as Governor of Georgia. The OMB has been allocated \$27 million for this year alone to apply the same zero-based principles to every aspect of U.S. policy. These methods, which force each government department to justify its existence by "prioritizing" its programs and functions on the basis of cost and cutting those that fall at the bottom of the list, have proven disastrous to policies and programs which seek to *expand* U.S. technology, industry, and research and development.

A case in point is the recent slashing of funds allocated to the Commerce Department's Commerce Action Group of the Near East (CAGNE), the prime U.S. agency which negotiates trade and economic development deals in the Middle East. Its funding has been cut nearly in half during the Carter Administration, largely through the recommendations of the OMB, from \$26 million a few years ago under President Ford to the current \$14 million. CAGNE's funding cuts occur at a time when the group's operational jurisdiction has expanded to include trade with the entire continent of Africa! State Department officials, alarmed at such OMB interference into the crucial area of export policy, have recently publicly attacked the OMB actions.

Commerce Department officials, who are currently undergoing an internal reorganization to maximize coordination of trade — particularly export — policy, report that the OMB has seriously crippled its ability to carry out expanded trade policies. "We know how to organize for exports..." said one Commerce official, "we just have no money to do it." In addition to the cutbacks of the vital CAGNE operation, a series of seemingly "small scale" cuts have been made in the Commerce Department, stalling any changes in U.S. trade policy at a time when the trade deficit has reached a disastrous low. Among these reportedly harmless cuts have been an extreme lowering of the number of trade attachés assigned to work with foreign embassies and a

cutback of 50 percent in U.S. participation in international trade fairs.

Last month, Undersecretary of the Navy James Woolsey publicly lashed out at the OMB when OMB budget-cutter Edward R. Jayne directed the Navy to "tailor forces" according to a "cost-efficiency" formula. Woolsey charged the OMB with forcing a "systems analysis" approach to questions of military strategy, the same complaint voiced by congressional representatives seeking to seriously discuss U.S. military strategic limitations.

The Energy Research and Development Administration (ERDA) fusion research budget is yet another prime example of OMB sabotage of U.S. policy and policy-development. A study prepared by an independent firm, ECON, in October, 1977 (ERDA Report #COO-4181-1) demonstrated how OMB's "zero-based budgeting" does not allow for long-range research and development, the benefits of which won't be clearly seen until some later point. "At the moment, the OMB imposes the use of a 10 percent rate of discount for the evaluation of federal expenditures," the report charged. "Such a discount rate strongly favors short-term benefits."

#### *OMB and Civil Service Reform*

A second oversight function of the OMB is ostensibly to "manage" the executive branch departments and agencies, to make them run efficiently. In fact, the current reorganization of the executive branch, being "managed" by OMB, has created probably the biggest bottleneck in U.S. foreign, economic, and domestic policy in the nation's history. Here again, the OMB's group of accountants and systems analysts is duplicating functions of and overriding policies made by both the legislature and the President — and in so doing, bringing the constitutionality of the OMB itself under serious question.

### Zero-Based Budgeting: "That's Life"

*An official from the Office of Management and Budget described the OMB's methods this way in a recent interview:*

*Q: Isn't it true that zero-based budgeting makes it very difficult to plan ahead on programs, when you have to reevaluate every program every year?*

*A: We don't look at every program fully. Well, of course for the first year or two we will look very carefully at everything and review every program in certain sections.*

*Q: But if, let's say, you have a 10-year plan and it is reviewed and canceled, people will find it very hard to make plans and actually carry out any long-range programs if they fear this will happen.*

*A: That's life. We make plans on our current knowledge, and there is a political reality that things change. What's good for a 10-year plan is out the window in two years.*

## Szanton: "There'll Be a Fight"

*In an interview earlier this year, OMB reorganization chief Peter Szanton, former Director of the Rand Corporation, predicted the civil service reform measures that President Carter would announce:*

*Q: Is there any prospect that your reform proposals would serve to set up mechanisms for transferring seasoned Defense or State Department personnel, who, let us say, are having problems, over to Interior or Agriculture?*

*A: Yes. Soon the President is going to introduce a bill and deliver a report to Congress on civil service reform. The bill will, if passed, establish an "Executive Service Corps," which will include GS-16, 17 and 18 and Levels 4 and 5 right below the cabinets, except for political appointees of course. All civil servants in this new corps would be looked upon as a group that could be moved from agency to agency as need requires. The bill will be completely consistent with my book.*

*Q: So, say Mr. Habib (formerly of the State Department) is Level 4. If he had not been a political appointee, and if this bill is passed, he could be transferred to Fisheries...*

*A: That's right.*

*Q: Do you think there's going to be much opposition to this?*

*A: Oh, yeah. There'll be a big fight.*

The purpose of the current reorganization is detailed in a book entitled *Remaking Foreign Policy* (reviewed by *Executive Intelligence Review* in 1977, Vol. IV, No. 5). The book was coauthored by Peter Szanton, who now serves as OMB's Associate Director for Organizational Studies. Szanton, former director of the Rand Corporation, proposed a reshuffling of the executive branch, the prime features of which would include:

(1) The creation of an "executive cabinet" — in Rand newspeak, the "Ex-Cab" — to serve as a crisis-management team which could override already existing policy.

(2) The creation of four "Assistant to the President" posts — "czars" — for defense, foreign policy, domestic management, and energy. The creation of the Department of Energy, headed by James Schlesinger, and the

expanded role of the National Security Council head, Zbigniew Brzezinski, essentially fulfill the purposes outlined in the book.

(3) Combining the staffs of the National Security Council, the Domestic Council, and the Economic Planning Board into a single foreign and defense policy staff for the "Ex-Cab" and czars. OMB's civil service "reform" package, presented earlier this year by President Carter, proposes to create a pool of top-level executive branch staffers to be shuffled from one department to another, going even beyond Szanton's originally published proposal. The "reform" program leaves all foreign and domestic policy decisions in the hands of the "Ex-Cab."

(4) The elimination of the Joint Chiefs of Staff, to be replaced by a "single military officer." This would eliminate debate and full discussion on any military and related foreign policy decisions. Not only does this reform package completely eliminate the process by which the executive and legislative branches are able to make policy decisions, leaving such policy determination to the "Ex-Cab," but Szanton's specific target for revamping — the military — is scheduled to become "civilianized" so that competent military policy-making will be seriously impaired.

### *The Issue is Progress*

The reorganization being conducted by Szanton and a coterie of former Rand personnel was begun last February and continues unabated. Some of its most far-reaching changes, including its economic policy reorganization, are still in the intermediate stage of "analysis."

Meanwhile, virtually every agency or department in the executive branch has complained of OMB interference in their day-to-day functioning. The very agency assigned to rid the federal bureaucracy of "red tape," "inefficiency," and "gobbledegook" is creating governmental stand-stills on a mass scale.

While OMB has not yet announced its plan for taking over economic policy, profiling of agencies dealing with economic policy-formulation is in an intermediate stage of completion. According to an internal working paper of the reorganization task force, plans for changing U.S. economic policy will focus on international policy, singling out trade and technological transfers as two of three target areas. Applying Rand's "programmed planning" to these areas will be instrumental in plans by Treasury Secretary Blumenthal and colleagues in the cabinet to defeat the "export faction" initiatives to expand U.S. trade.