last 40 years. To achieve a sustainable future, it is important to implement the Cairo document—especially in the areas of ensuring universal access to family planning; achieving greater male responsibility in sexual and reproductive behavior and parenthood; and eradicating female illiteracy and increasing employment opportunities for women, both of which would lead to gender equality and smaller family size.

They key to implementing the ICPD Program for Action is the mobilization of resources for population and family planning programs. It appears unlikely that the ICPD goal of raising $17 billion for reproductive-health and family-planning activities by this year will be reached. According to a report by the Johns Hopkins School of Public Health, the consequences of the failure to meet this goal include: an estimated additional 42 million unintended pregnancies, 17 million induced abortions and 90,000 maternal deaths.

By cutting back on its international population assistance from nearly $600 million in fiscal 1995 to $385 million in the current fiscal year, the U.S. government has ill-served the cause of stabilizing world population. As the world's only remaining superpower, the United States has abrogated its leadership in one of the most crucial issues of our time. The result has been a domino effect, with other nations choosing to follow the U.S. lead and reduce their population-assistance budgets. There is a ray of hope that the situation will change. The White House has signaled that it will seek to restore U.S. International population spending to its fiscal 1995 level of nearly $600 million. Additionally, Congress, after failing to appropriate any contribution at all to the U.N. Fund for Population Activities in fiscal 1999, has voted to contribute $25 million to the fund in fiscal 2000 and again in fiscal 2001.

In the final analysis, it is the childbearing decisions of 3 billion young people—who will reach their reproductive years within the next generation—that ultimately will determine whether world population will level off at the lowest possible figure that can be reached through voluntary family planning and humane interventions. At stake will be the kind of world they want for themselves and their children.

MEDICARE BOARD—HISTORY SHOWS IT'S A BAD IDEA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 2000

Mr. STARK. Mr. Speaker, S. 1895, the Premium Support Medicare reform bill being pushed by PhRMA, many HMOs and private insurers proposes a revolutionary change in the administration of the program. It proposes to set up a seven-person board to administer the program and to control the existing Medicare Program within the Department of Health and Human Services. Presumably many of the people pushing the idea expect to be on the board, as part of a plan to turn Medicare over to private interests.

Guess what? A Board of seven people doing the job now done by one administrator will not be as efficient or cheap as the current program.

Who says? History.

Following is a portion of a memo from the Library of Congress's Congressional Research Service that describes our Nation's experience with a Social Security board between 1935 and 1937. As the memo reports,

* * * The board system led to indecision, delay, and guerrilla warfare among certain of the top staff and their followers within the bureau.

Those who don't learn from history are condemned to repeat the mistakes of the past. A board is a bad idea of a way to run a $220 billion government agency.

SOCIAL SECURITY BOARD AS CASE STUDY

The Social Security program is unusual in that throughout its more than half century of existence it has been administered by a full-time, three member board and by a single administrator. It has enjoyed a status as an independent agency, as that term is used in this report, a unit within an independent agency, and finally, an agency within an executive department. It is also unusual in that there is a study available on the administrative history of its brief period being managed by a full-time board, a situation not unlike that being proposed in S. 1895. What follows briefly outlines the complex of events and decisions related to its early organization and operations.

During the 73rd Congress, the first of the New Deal, various pension and unemployment bills were introduced. President Franklin Roosevelt, in response to this interest, established (by Executive Order 6757) a Committee on Economic Security (CES). The Committee consisted of federal officials and was chaired by the Secretary of Labor, Frances Perkins. The Committee was supported by a Technical Board headed by Arthur Altmeyer, and an Advisory Council consisting of 23 labor, employer, and public representatives. Both the Technical Board and the Advisory Council had subcommittees. The CES had a research staff, headed by Edwin Witte, that was used jointly by the full committee, the Technical Board, and the Advisory Council.[18]

The CES and its support groups met for six months and submitted its report to the President.[19] While not all the recommendations of the CES were ultimately to be included in the Social Security Act, the Act did incorporate the basic recommendations of the Committee.

The bulk of CES's discussion and its report was concerned with substantive matters respecting old-age insurance and unemployment compensation. Relatively little discussion was forthcoming on administrative organization. On the administration of the Social Security program, the CES recommended the following to the President.

The creation of a social insurance board within the Department of Labor, to be appointed by the President and with terms to insure continuity of administration, is recommended to administer the Federal unemployment compensation act and the system of federal contributory old age annuities.

Full responsibility for the safeguarding and investment of all social insurance funds, we recommend, should be vested in the Secretary of the Treasury.

The Federal Emergency Relief Administration is recommended as the most appropriate existing agency for the administration of non-contributory old-age pensions and grants-in-aid to dependent children. If this agency should be abolished, the President should designate the distribution of its work. It is recommended that all social welfare activities of the Federal Government be coordinated and systematized.[20]

The President submitted a bill to Congress in January 1935, and it was given immediate consideration. When the bill emerged from the House Ways and Means Committee, there had been major alterations. As related in Paul Douglas's extended legislative history:

The administrative responsibilities were, in certain vital respects, altered. The Social Security Board was removed from the Department of Labor and was given independent powers of appointing and fixing the compensation of members of its staff. This was, of course, a defeat for the secretary of Labor. The administration of the grants for old age pensions, or old age assistance, was taken from the Federal Relief Administration, as was originally proposed, and was given instead to the Social Security Board. This board was also entrusted with the work of supervising and directing the systems of old age insurance and unemployment insurance. A relative unification of social insurance functions in an independent body was, therefore, proposed. The Board's powers were also increased by giving to it, rather than the Relief Administration, the administration of the allowances for dependent children, and the so-called mother's pensions. The Children's Bureau of the Department of Labor, however, was still kept in charge of grants for the health care of mothers and infants and of those for crippled children.[21]

When the bill was considered by the Senate Finance Committee, the Social Security Board was again placed under the Department of Labor instead of being independent. Justification for this switch was that in most other nations the administration of old age insurance was under a labor department and because administrative costs would be less under a department. The Committee was opposed to creating new, independent agencies with functions closely related to those of an existing department.[22]

In conference committee, the location of the agency was shifted once again, this time to an independent status, a status that remained in the finally approved bill. The social Security Board (Board) was outlined in Title VII of the Social Security Act (49 Stat. 620). The Board consisted of three members, not more than two were to be from the same political party. They were to be full-time officers of the federal government. Their staggered terms were to be six years in duration. The chairman of the Board was to be appointed by the President. The Board was to organize its own staff and fix necessary compensation.

The CES stated, in its backup papers, that:

The advantages of an independent board were considered numerous and important. The membership of the board should include outstanding persons in the field of social insurance administration whose services could be procured with difficulty if they were offered positions as lesser officials in any department. In the interests of the insured population, both in the formulation of regulations and in the development of new policies and practices, the board should be a non-political organization, protected as far as possible from political influence, even such as might arise from an executive department under a politically minded administration.[23]

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[18] For a discussion and diagram of the organization of the Committee on Economic Security, consult: Mary Trackett Reynolds, Interdepartmental Committees in the National Administration (New York: Columbia University Press, 1939), pp. 28–43.

[19] U.S. Committee on Economic Security, Report to the President (Washington: GPO, 1935).

[20] Ibid., p. 7.

[21] Paul E. Douglas, *Social Security in the United States: An Analysis and Appraisal of the Federal Social Security Act* (New York: Whittlesey House, 1936), pp. 105–06.

[22] Ibid., p. 114.

[23] U.S. Social Security Board [for the Committee on Economic Security]. Social Security in America: The Factual Background of the Social Security as

In point of fact, a reading of the major writings of the formative period of the Social Security program provides little evidence as to why the decision was made to have the agency be ''independent'' or be administered by a three-member board.[24] The impressionistic view emerges that the Board concept was simply a way to continue the plural leadership that had led the supporting groups coalition in gaining political support for the Committee's legislation.[25] ''The Social Security Board was in a double sense a continuation of the Committee on Economic Security,'' according to McKinley and Frase. ''Not only were its activities an application of the new functions envisaged by that investigating committee, but the staff with which the board began was carried over from the committee.''[26]

The Social Security Board was established more than a year after the three-member full-time Board of the TVA had been in operation. The SSB had observed and assessed the early experience of the TVA Board. According to McKinley and Frase:

The three members of the SSB decided early that they would avoid the mistakes apparently being made by the directors of the TVA, who had parceled out functions among themselves. Instead they would confine their activities to policy problems, delegating administrative tasks to a chief administrator who would report to and be responsible to the board.[27]

From the outset, however, there was no clear demarcation of responsibility between the Board and the executive director, so that conflict ensued. ''The board consistently violated its own decision to stick to policy questions. This was particularly true in the appointment of personnel.''[28] Changes in Board membership did not alter this situation. McKinley and Frase assert that the early board members never seriously regarded the executive director as the administrative head of the organization with a distinct administrative authority of his own. Board members felt it was their right and duty to intervene directly in administrative matters.[29] The intervention of the Board notwithstanding, there was a general shift of powers toward the executive director's office during the first two years.[30]

Among the closest students of the early years of the Social Security Board were McKinley and Frase. While they were reluctant to offer conclusive statements on most elements of the Social Security programs, they were not reticent in their opinion of the Board structure:

By the end of March 1937, only one major administrative conclusion appeared clearly warranted: namely, that the board structure was inadequate for operating the social security program. Winant, Miles, and Bane were emphatic in their judgment that a board was unsuited to this task, and even Altmeyer joined in a formal board conclusion to this effect. The authors had reached the same conclusion.[31]

A detailed assessment of the Board's operations was offered by McKinely and Frase and deserves to be printed in full:

As an administrative device for making policy decisions and directing operations during this period, the board system led to indecision, delay, and guerrilla warfare among certain of the top staff and their followers within the bureau. The frequent and interminable board meetings during the first eight months particularly reflect the difficulty of three men reaching conclusions that were often about small matters. A single administrator may carry within his breast many conflicting desires and vacillating impulses: but he resolves these without the necessity of revealing the full extent of his uncertainty or confusion. But a three-man board undertaking such a function cannot escape the exhibition of conflict or vacillation in long discussions which threaten to become endless if the men are, as these were, particularly sincere in their desire to launch successfully the administration of an agency charged with duties they regarded as of the highest public importance. * * *

There were two other possibilities of board organization that might have avoided existing and potential difficulties. Both involved the abandonment of the distinction between policy and administration. The first would have been to parcel out the duties among the three members, making each responsible for the administration of one segment of the board's functions. Something like this had been done in the Railroad Retirement Board, and Latimer though it worked very well. It had also been followed in the case of the TVA which was, however, experiencing widely publicized difficulty on that account during 1936–1937. It is not clear what kind of tripartite division the board might have attempted with the best hope of administrative success, and this system requires a great deal of mutual trust if action is to be expedited. But if such trust is mutually accorded their arise difficulties that have dogged the path of the commission form of city government—a tacit conspiracy to refrain from scrutinizing the acts of each other resulting in no central responsibility for administrative behavior.

The second possibility presented more likelihood of success. That would have been an arrangement by which the chairman became the recognized administrative head of the organization, with the other members content to play minor roles. But that plan would need a peculiar combination of personalities which the original board did not have. * * *

One other observation about the board as an administrative device may be made here. During the closing weeks of this study [Chairman] Winant's resignation left the board with only two members. This gap was unfilled for some months because Latimer, whom the President had nominated, was not confirmed by the Senate. During this time, differences between the two remaining members threatened the board with stalemate on important questions. This check-and-balance system, with its concomitant delay or horse-trading agreement, was implicit in an incomplete board structure, as was the carrying of tales to the Hill by Miles when he became sufficiently vexed or disappointed to want to indulge in that form of pressure.

Our account of the executive director has shown there was an accretion of power in that office not only because of his position of command over the regional office organization but also because of the gravitation of functions from various bureaus into his hands. This last development seemed to be an indication of the faulty division of duties promulgated by the board in its last organization chart of December 4, 1935. * * *[32]

The problems associated with the Social Security Board and the TVA board as an organizational category led to something of a counterthrust in the late 1930s. As he entered his second term, Franklin Roosevelt became more interested in organizational management. ''The administrative management of the Government,'' he said, ''needs overhauling.'' The President, in his message to Congress transmitting the Report of the President's Committee on Administrative Management (Brownlow Committee), complained of the difficulties of supervising the activities of over 100 separate departments, boards, corporations, commissions, authorities, and agencies.

The Brownlow Committee Report attacked not only the proliferation of independent agencies, ''a fourth branch of government,'' but the concept of boards as well.

For purposes of management, boards and commissions have turned out to be failures. Their mechanism is inevitably slow, cumbersome, wasteful, and ineffective, and does not lend itself readily to cooperation with other agencies. Even strong men on boards find that their individual opinions are watered down in reaching board decisions. * * *

The conspicuously well-managed units in the Government are almost always without exception headed by single administrators.[33]

The Report then called for a regrouping of independent agencies under departments.

A high point for the concept of departmental integration was reached in 1971 when President Richard Nixon proposed to create four new domestic departments in the place of the existing seven programmatic departments and integrate into these new departments a number of existing independent agencies and their programs. One of the new departments would have been a Department of Human Resources which would have been based on the Department of Health, Education and Welfare but would have been expanded through the transfer of several agencies and programs to the new department. The key administrative element of the new Department would have been three Administrations, one for Health, another for Human Development, and a third for Income Security. Under the Administration for Human Development would have been Education, Manpower and Social Services. No action by Congress on these presidentially initiated legislative proposals was forthcoming.

Since 1971, the majority of proposals for changing the structure of the executive branch have been away from greater departmental integration. Most proposals have been to create more, and generally smaller departments, breaking up existing departments, creating new agencies, generally outside the departmental structure, new government corporations and enterprises, and relatively unaccountable entities in the quasi government. The pendulum has definitely swung away from departmental integration and toward agency dispersion.

Summarized from Staff Reports of the Committee on Economic Security (Washington: GPO, 1937), p. 209.

[24] ''It can be said with assurance that in the collection of information and the drafting of the suggested legislation, the Committee on Economic Security had been much less concerned with foreseeing administrative problems and devices than with the substantive content of law.'' Charles McKinley and Robert W. Frase, Launching Social Security: A Capture-and-Record Account, 1935–1937 (Madison, WI: University of Wisconsin Press, 1970), p. 17.

[25] Jerry R. Cates, Insuring Inequality: Administrative Leadership in Social Security, 1935–1954 (Ann Arbor, MI: University of Michigan Press, 1963), pp. 25–26.

[26] McKinley and Frase, Launching Social Security, p. 18.

[27] Ibid., p. 382.

[28] Ibid., p. 386.

[29] Ibid., p. 402.

[30] *Ibid.*, pp. 389–90.

[31] Ibid., p. 474. John G. Winant, chairman of the Social Security Board; Vincent Miles, member of the Social Security Board; Arthur Altmeyer, member of the Social Security Board; and Frank Bane, Executive Director, Social Security Board.

[32] *Ibid.*, pp. 477–78.

[33] U.S. President's Committee on Administrative Management, *Report with Special Studies* (Washington: GPO, 1937), p. 32.