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Monte Canfield, Jr.

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Preface

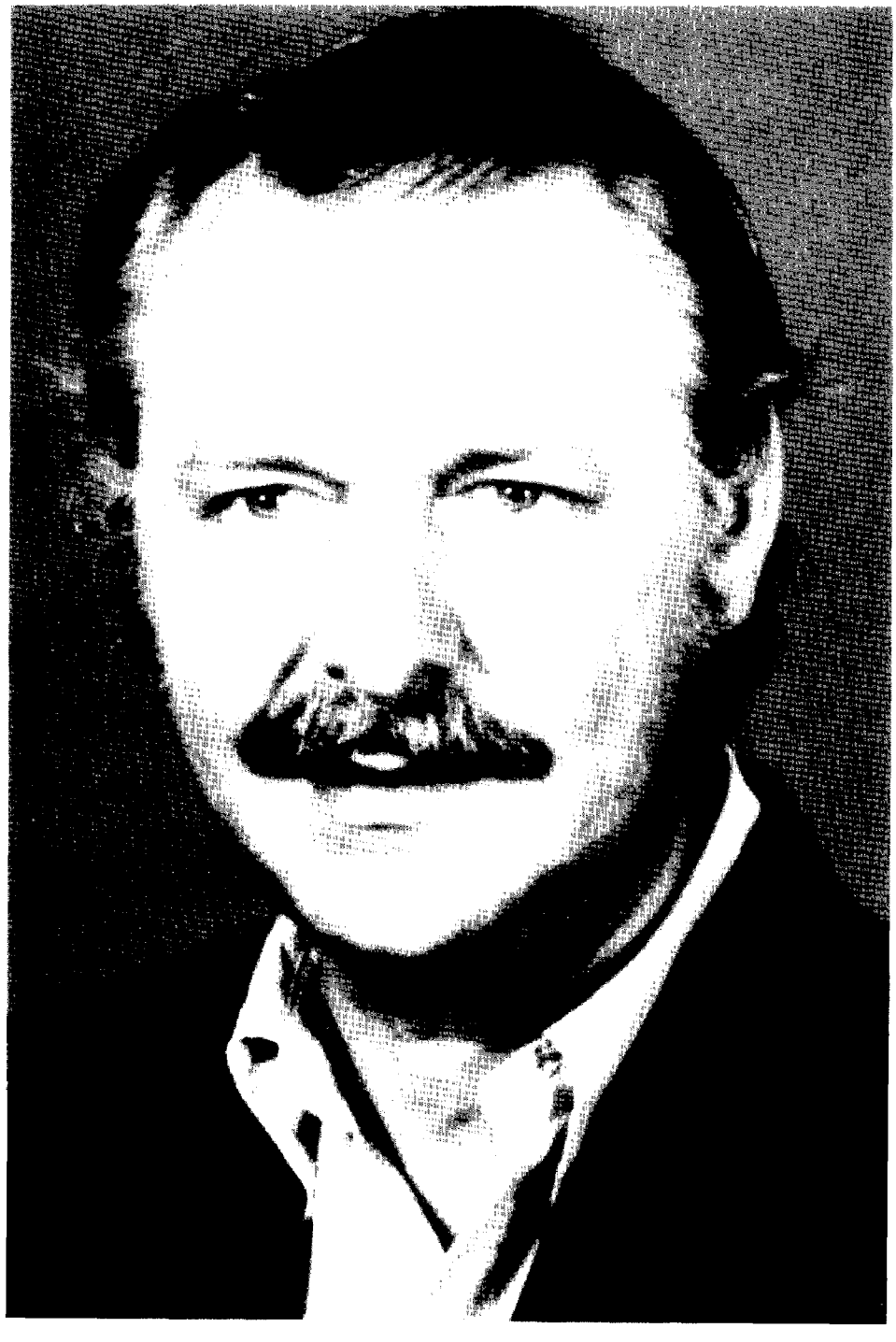
The History Program of the General Accounting Office uses oral history interviews to supplement documentary and other original sources of information on GAO's past. These interviews help provide additional facts and varying perspectives on important past events. Transcripts of the interviews, as well as the audiotapes and videotapes, become important historical documents themselves and are used in preparing written histories of GAO, in staff training, and for other purposes.

Although the transcripts are edited versions of the original recordings, we try to preserve the flavor of the spoken word. The transcripts reflect the recollections, the impressions, and the opinions of the persons being interviewed. Like all historical sources, they need to be analyzed in terms of their origins and corroborated by other sources. The transcripts in themselves should not necessarily be considered definitive in their treatment of the subjects covered.

Following the 1973 energy crisis, Monte Canfield, Jr., joined GAO in 1974 to conduct policy and program analyses of the federal government's energy activities. Also, as an Office Director and then as the Director of the newly created Energy and Minerals Division, he carried out studies of minerals and materials programs. In this interview of Mr. Canfield, conducted on April 24, 1990, in St. Louis, Missouri, we have focused on some of the major studies completed during his 4-year tenure and on the innovative review approaches and techniques he applied to GAO's work.

Werner Grosshans
Assistant Comptroller General
for Policy

Monte Canfield, Jr.



Biographical Information

Monte Canfield, Jr.

Monte Canfield, Jr., served GAO from July 1974 to September 1978. Initially, he was the Director of the Office of Energy and Special Projects, renamed the Office of Special Programs. In July 1976, he became the Director of the newly created Energy and Minerals Division and continued in that position until he left GAO to assume the vice presidency of a private enterprise.

Before coming to GAO, Mr. Canfield was Deputy Director of the Ford Foundation's Energy Policy Project. His prior experience in the federal government was, for 3 years, as Chief of the Division of Energy and Minerals of the Bureau of Land Management, Department of the Interior. For the previous 6 years, he served as Budget Examiner, Bureau of the Budget, reviewing programs in several natural resources agencies.

Mr. Canfield graduated cum laude from Wichita University in 1960 with a bachelor of arts degree in political science, received a master of arts degree in political science from the University of Colorado, and completed a year of postgraduate work at Cornell University.

Interviewers

Henry Eschwege

Henry Eschwege retired in March 1986 after almost 30 years of service in GAO under three Comptrollers General. He held increasing responsibilities in the former Civil Division and became the Director of GAO's Resources and Economic Development Division upon its creation in 1972. He remained the Director after the Division was renamed the Community and Economic Development Division. In 1982, he was appointed Assistant Comptroller General for Planning and Reporting.

Roger R. Trask

Roger R. Trask became Chief Historian of GAO in July 1987. After receiving his Ph.D. in history from the Pennsylvania State University, he taught between 1959 and 1980 at several colleges and universities, including Macalester College and the University of South Florida; at both of these institutions, he served as Chairman of the Department of History. He is the author or editor of numerous books and articles, mainly in the foreign policy and defense areas. He began his career in the federal government as Chief Historian of the U.S. Nuclear Regulatory Commission (1977-1978). In September 1980, he became the Deputy Historian in the Historical Office, Office of the Secretary of Defense, where he remained until his appointment in GAO.

Contents

Abbreviations

ABC	American Broadcasting Company
AEC	Atomic Energy Commission
AMA	American Medical Association
BOB	Bureau of the Budget
CBO	Congressional Budget Office
CBS	Columbia Broadcasting System
CPM	critical path methodology
DOE	Department of Energy
EEO	equal employment opportunity
EMD	Energy and Minerals Division
EPRI	Electric Power Research Institute
ERDA	Energy Research and Development Administration
FOD	Field Operations Division
GAO	General Accounting Office
GSA	General Services Administration
HUD	Department of Housing and Urban Development
ID	International Division
IFIAS	International Federation of Institutes of Advanced Study
LMFBR	liquid metal fast breeder reactor
LNG	liquid natural gas
MIT	Massachusetts Institute of Technology
NBC	National Broadcasting Company
NRC	Nuclear Regulatory Commission
OMB	Office of Management and Budget
OSP	Office of Special Programs
OTA	Office of Technology Assessment
PPBS	planning, programming, and budgeting system
R&D	research and development
RED	Resources and Economic Development Division
TVA	Tennessee Valley Authority
ZEG	zero energy growth

Interview With Monte Canfield, Jr. April 24, 1990

Introduction

Mr. Eschwege

Good morning. Welcome, Monte Canfield. Dr. Roger Trask, GAO's Chief Historian, and I are glad to meet with you here in St. Louis, Missouri, on this April 24, 1990. You were at GAO from 1974 to 1978, only 4 years, but I must say that you left a lasting impact on the organization. According to people that I have talked to and my own knowledge of what you accomplished while you were at GAO, the consensus is that we learned a lot from you.

I just want to mention a couple of things, and we will get into more detail later. I think that you taught us really how to deal with the press by getting it interested in and knowledgeable about what we were doing and thus getting it to make greater use of our work.

Some of the fellows you worked with told me, "Monte made us think big and deal in the big league." I think that is a real compliment to you. We recognize that you shook things up a little bit too at GAO. And I mean that in a positive way. You moved us into the future more quickly than we might otherwise have moved. I think that Sam Hughes expressed it nicely when he said that Monte brought a forward look to GAO.

So with that introduction, we would like you to briefly give us some biographical information about yourself, about both your education and your early work in the federal government up to the time that you came to GAO.

Biographical Information

Mr. Canfield

Thanks, Henry. I appreciate it, Roger. It is interesting to look back now, 12 years after I left. When you asked me to do this interview, it amazed me that my career at GAO lasted only 4 years. Sometimes when we were in the heat of battle, it seemed like four centuries. It was a busy, busy 4 years, and we crammed in a lot of experience. It was probably the most productive 4 years in my professional career.

I started in the federal government after I left a position with the state of New York back in 1963. I had been a 1-year public administration intern in Albany. I had started that after I completed some postgraduate

work at Cornell. I initially intended to teach but ran out of funds and ran into a lot of children. We could not figure out what caused children. Basically, we ran out of money and had lots of kids. I ended up taking an examination to qualify as an intern in the New York state government.

While I was in the New York state government, one of my mentors suggested that I take the federal service management intern exam. I did that and scored rather high on it and just about had my pick of where I could work. I had lots of offers, very heady stuff for a kid from Kansas.

I ended up taking an offer from the Budget Bureau in the Executive Office of the President, the predecessor to OMB [Office of Management and Budget]. The opening happened to be in the water resources issue area in the Resources Division under a man named Carl Schwartz. I started basically doing work on Corps of Engineers project evaluations, primarily analyzing the costs and benefits of water resource projects.

In fact, it was there that I met Sam Hughes. At the tender age of 24 years, I wrote the initial drafts of the Water Resources Planning Act, which set up the River Basin Commissions. Sam Hughes at that time was the Assistant Director of the Budget for Congressional Relations, and Elmer Staats was Deputy Director of the Budget Bureau. These things happened under Kennedy and then Johnson. I did not work for Kennedy very long. I came in July of 1963, and Kennedy was killed in November of 1963. Hughes was in charge of congressional liaison under both Presidents.

I got an opportunity at that time in 1964 to work directly with Staats and Hughes on the Resources Planning Act of 1965. That relationship, little did I know, would carry forward for many years.

After I served in the Budget Bureau for 6 or 7 years, I was working on energy-related programs and doing liaison work with the Office of Science and Technology, as well as with science programs in the Interior Department. I was budget examiner for the Bureau of Land Management and for the U.S. Geological Survey.

A guy by the name of Bill Pecora was the head of the Geological Survey. He was instrumental in many ways in my getting tremendously interested in energy resources and related issues.

The opportunity arose then to go to the Bureau of Land Management, which I was not uncomfortable doing, because Nixon had just come into

office. While I was not a political appointee, much of what I was comfortable with relating to legislative programs and initiatives was clearly not what Nixon was interested in pursuing.

I was a GS-14 at that time, and I certainly was not "political." But I just had this sense, and word was coming from the White House, that program initiatives were going to be radically different. It was a good time to get out. Across-the-board cuts of 10 to 20 percent in major programs were not attractive after spending a lot of time on those programs.

Then, a lot of "head-hunting" was going on relative to nonpolitical appointees in that administration. They were digging down pretty deeply and even pushing people into early retirement. It was not comfortable.

I had the chance to run the Division of Energy and Minerals, in the Department of the Interior's Bureau of Land Management. Its primary function was to oversee the mining law, the Minerals Leasing Act of 1920, and the Outer Continental Shelf Leasing Act.

It was then that we began to bring formal economic analysis to evaluating mineral resources. I got involved in energy planning in a big way. I was in that job for about 3 years.

David Freeman got the opportunity to head the Energy Policy Project at the Ford Foundation. I had known David from his days in both the Office of Science and Technology and the Federal Power Commission. He had worked with Lee White, who later became one of Johnson's personal assistants.

David Freeman asked me if I would be interested in joining the Energy Policy Project. At that time, I was "pushing on a rope," as far as I was concerned. I had been involved deeply in bringing onshore mining claim activity and mineral leasing almost to a halt. I was getting enormous pressure from the Secretary of the Interior to open the federal lands to development. Although we were developing an approach, the analytical capability to compare environmental trade-offs with economic benefit was not there.

I was looking more and more like an obstruction to the policies of the administration. So I was not looking like a bureaucrat anymore. I was starting to look like a politician, and it was not the proper role. I had

done about all I could do. So I jumped at the opportunity to join the Energy Policy Project.

Mr. Eschwege

In what year was that?

Mr. Canfield

It was in late 1971 or early 1972. Interestingly, the decision to implement the Energy Policy Project was made before the actual oil embargo, although the concern was there. The Energy Policy Project, of which I was the Deputy Director and Dave Freeman was the Director, attempted to create a cohesive library of energy information, which did not exist in the federal government.

The project spent almost $4 million commissioning major studies using consulting and university groups, individuals, nonprofit organizations, and a staff of over 20 people. We produced a large library of information on major aspects of energy. We had a study on industrial conservation, one on personal conservation, one on the federal resources program, one on various types of technology, one on production, one on demand, one on supply, one on international events, and so on.

We had an advisory board that consisted of most of the movers and shakers in the energy world at that time: the president of Mobil Oil, the president of Pacific Gas and Electric, and on and on and on. It was quite impressive.

Our staff was pretty impressive itself. Some of the top full-tenured professors in the country joined the staff. We produced an interim report and a final report that was more of a book. I was the primary editor and edited its chapters. I had the most influence on the chapter on federal resources.

Dr. Trask

How widely were those materials circulated, and what kind of impact did they have?

Mr. Canfield

In the academic community, they were fairly widely circulated. They were not widely circulated to the public. The fair amount of media attention they got resulted from David Freeman's being a very flamboyant person; but the project was essentially an academic effort.

It really was. It was lambasted because David has very strong personal opinions. He also did something that I just could not believe. Right in the middle of the Energy Policy Project, under the auspices (I think) of the Brookings Institution, he published his own book on energy policy.

I remember that Earl Lanham, the Editor of—I cannot remember which publication—Harper's or The Atlantic Monthly, really blasted the Energy Policy Project in his editorials because of Freeman.

I wrote a letter to the editor that he was big enough to publish and told him that many more people than David Freeman were involved in that project. Freeman may have had his opinions, but the project was an academic exercise.

Mr. Eschwege — Did that study finally come out before or after the oil embargo?

Mr. Canfield — After.

Mr. Eschwege — So it should have generated a lot of interest.

Mr. Canfield — It got a lot of interest.

Mr. Eschwege — I remember. Was it entitled A Time to Choose?

Mr. Canfield — A Time to Choose, right. It catapulted David's career. He ended up at TVA [Tennessee Valley Authority] as Chairman. He wanted a job in the White House. He wanted to be an assistant to the President. But he seemed too gung ho; his opinions were set. I have been accused of that. Compared with him, I believe I looked relatively open-minded on certain things. But he performed well at TVA.

Dr. Trask — Was he at TVA during the Carter period?

Mr. Canfield — Yes. He worked on the Carter transition team, and he was just sure that he was going to end up on the White House staff, but it did not work out that way.

My work at the Ford Foundation led to my job at GAO.

Selection for GAO Position

Dr. Trask — Why not talk a bit about how you happened to come to GAO and under what circumstances? Also, what kind of role did GAO propose to you?

Mr. Canfield

That is interesting because GAO seemed like the last place on earth I would end up; I did not know much about GAO. To me, it consisted of people wearing green eyeshades and armbands and sitting on tall stools at tilted desks. I knew it was highly respected, almost aloof, doing esoteric studies about the intricacies of financial management and other aspects of government.

I was more impressed with the new organizations on Capitol Hill, the Office of Technology Assessment [OTA] and the Congressional Budget Office [CBO]. The Library of Congress and GAO, to me, were curmudgeon-filled think tanks—you know, probably thinking about the wrong things.

That is where Sam Hughes came in. I had suggested that he be a member of the Advisory Board of the Energy Policy Project. The Ford Foundation wanted top people in government, and I had the utmost respect for Sam Hughes. I pushed hard to have him on the Energy Policy Project.

The Ford Foundation wanted the Director, OMB, for the prestige, but I wanted Sam Hughes because he had a way of pulling together things and coming up with a synthesis and a consensus from the most disparate groups. He was marvelous at it and he fulfilled that role incredibly well in the Energy Policy Project. I was very impressed.

I am not so clear as to what Hughes saw in me. I think that Sam was somewhat impressed that when we put the Energy Policy Project together, there was no clear methodology on which to base a report and that, therefore, I developed one. The economists wanted to do extrapolations of future trends that would show, for example, that because of exponentiality, we would be using up 40 trillion times more gas than we could develop in 25 years. It would be just ludicrous. Projections of 2 and 3 percent extended over a long enough period of time gave some incredible answers that you could not live with.

The historians—we had two historians with extensive backgrounds on the project staff—wanted simply to recite how we came to where we were in energy policy up to that time and not take any leaps forward.

I developed a methodology called "scenarios analysis," which I gave a very fancy title to. I cannot even remember it anymore, but I think that it was "normative analysis of alternative energy futures." I presented that methodology to IFIAS, the International Federation of Institutes of

Advanced Study, in Copenhagen at the beginning of the second year of the Energy Policy Project. Surprisingly, it was extremely well-received.

IFIAS is sponsored by the Nobel Foundation, and all member nations decided to use that methodology for studying their own national energy programs. It was published here in the United States as a monograph by the Aspen Institute. I was lecturing on energy policy at the Aspen Institute and at the Federal Executive Management Institute in Williamsburg at the time, and others in our own country were picking up on the methodology as well.

So there was a lot of interest in this methodology. This little paper that was about 20 pages long got very wide distribution. It became so widely regarded that the Ford Foundation was forced to use the methodology to pull the Energy Policy Project together.

What we did was look at alternative futures, not just what we might project. We did not throw out the baby with the bath water. The first future was what we called "business as usual," looking at energy policy based on standard and acceptable economic projections of the traditional energy growth.

Then we studied what we called a technical-fix scenario. We tried to answer the following questions: If people just implemented the technology of energy conservation and did not make any major shifts in lifestyles, what then would the future demand look like, what would be the shape of the demand, and where would the supply come from?

There was another scenario, which I thought ultimately the country would come to and which would represent the environmental look at the future. In this scenario, the world would not only implement the technical fix and all the energy-conserving technologies—smaller cars, etc. (and we have done a lot of those things)—but would deliberately try to achieve what we called ZEG (zero energy growth). Such a future would have a sustainable economy that would continue to grow, but energy use would not necessarily grow.

That future cannot be done with just technical fixes. Certain lifestyle changes must be made, and these are sensitive things. Commuter patterns and where people work and live must be considered. All these things are now becoming fashionable to talk about again.

So we had those three scenarios; we painted three pictures of America's future, and then we published them. We basically said that "business as usual" could not go on, but we could not produce enough fuel.

I think that Sam Hughes wanted to get GAO thinking about these kinds of problems, because those were the real problems that were going to be discussed on the Hill. They were issues that involved fundamental effects on technology, on lifestyles, and on production. These were going to be the meat-and-potatoes energy issues for the 1970s and 1980s.

I can't read his mind, but I had the impression that Sam Hughes did not think that he could find people who wanted to think about these things openly in the existing GAO organization. He felt that he had to do something to bring that kind of thought process into the organization. It was hard to figure out how to do it effectively.

At the same time, he had another idea. The man is an administrative genius. He not only wanted to do that kind of policy analysis, but he wanted to get some program evaluation done. He wanted to actually evaluate the results. Again, he was finding it hard to see how that could happen.

Completely unknown to me, there was another guy, who was named Harry Havens and who also had been in the Budget Bureau, whom Hughes wanted to bring to GAO. I did not really know Havens except to greet him as I walked down the hall. I did not have any idea what his career or background was. But Sam wanted to get that concept of program evaluation moving. So he started these two little offices within GAO.

Mr. Eschwege

Let me just see if I understand. In other words, in spite of the general impression that you had of GAO, it was Sam who really persuaded you or attracted you to come to GAO?

Mr. Canfield

Yes. I did not just jump into GAO. I must have met with Sam a half a dozen times, having long, in-depth conversations regarding what I wanted to do with my career, what he was doing with his, how long he was going to be there, etc.

My perception of GAO was a stereotype. After a series of maybe a half a dozen conversations with Sam, he broke a lot of that stereotype down. Basically, he told me that a lot of that was nonsense and that GAO was a very productive organization. There might be some things, however,

that needed a little goosing along and some seeds that needed to be watered and fertilized so that they could grow. But he said that there was an enormous amount of talent there and that there was a tremendous resource of intelligent and educated people that could be tapped.

Mr. Eschwege — Did you talk to Elmer Staats, too, before you came?

Mr. Canfield — Yes, but Elmer is not easy to talk with in any depth. I talked to Elmer for a total of maybe an hour, but I had already reached the point where I was ready to make my mind up. Sam had talked to Elmer without talking to me, and I was just going in there for the formal, final interview. Elmer did not get on the phone and say, "Monte, do you want to come and join GAO?" Elmer is more reserved than that.

Dr. Trask — So Hughes was the real factor in your coming?

Mr. Canfield — Well, yes. If Hughes had not been planning on staying for a long time, if there had been a traditional GAO accountant above Hughes, and if Hughes were there for window dressing or for congressional liaison or something like that, I might have felt different.

But, keep in mind that in spite of the 3,000- or 4,000-person resource base, which I saw as being largely accountants, the 2 or 3 people at the very top were not accountants. I was going to work directly for Hughes. So I felt that if I got into trouble, I would pretty well be protected, unless I did something outrageously dumb. Other people may think I did just that from time to time, but I do not think I did. I irritated some people occasionally, but I do not think that I really did anything outrageous, but that is for somebody else to judge.

So we had Hughes, who did not have a technical background at all. His background was in congressional relations. We had Keller, who was a lawyer and who had experience in GAO with congressional relations. That is a whole different world. I do not have to tell you guys that. Staats is a Ph.D. economist with a budgetary background based on concepts like PPBS [planning, programming, and budgeting system] and CPM [critical path methodology], and all that was part of government economic thinking in the 1960s and early 1970s.

Mr. Eschwege — And you had Tom Morris there for a while, too.

Mr. Canfield — Yes that is true.

Mr. Eschwege — He did not have anything to do with you before you came on board?

Mr. Canfield — Not directly. But I do not think that I would have been asked to come in, if he had not said that I was OK.

Dr. Trask — Did you know him at BOB [Bureau of the Budget]?

Mr. Canfield — No. Tom was somebody whose identity you were supposed to know at BOB. But no, he was before my time.

Dr. Trask — During the 1960s, he was an Assistant Secretary in the Defense Department.

Mr. Canfield — He had left a big impression on BOB. When you sat around and had a drink with your buddies and talked about people who had influenced BOB, you found out that Tom Morris's name always came up.

Entering GAO as an Outsider

Dr. Trask — When you came to GAO, particularly given your long background by this time in energy and your immediately preceding work at the Ford Foundation, you had—maybe not a bias—but a position about energy questions.

How did this fit in with how you perceived your mandate at GAO? Were you expected to wipe the slate clean of your opinions and proceed from that point, or what was exactly the situation? Certainly Hughes must have known a good bit about how you felt about energy issues.

Mr. Canfield — Well, he did. To the extent that my opinions were in fact biased, I think that they were shared. It has not been often in my career that I played the role of a moderating influence, but that is what I did in the Energy Policy Project. I was the methodologist who insisted that the methodology be followed even when the Director of the project had written his own book, which had plenty of biases in it for all to see, and when half of the Advisory Board was in rebellion. I was using people like Sam Hughes just to glue the project together.

Dr. Trask — Rebellion against Freeman?

Mr. Canfield

Yes. Walter Mead, who was our chief economist, produced—with the backing of William T. Tavoulareas, the president of Mobil Oil—a monograph, a paperback retort, to the final project report that he called No Time to Confuse. So we had A Time to Choose and No Time to Confuse. McGeorge Bundy, who headed the Foundation, was having fits in New York, as you might imagine.

The Ford Foundation is not exactly known for getting into the most controversial things on earth. So, yes, I had biases and I still do. But I do not think that they were much different from the biases that were shared by Staats; Hughes; and, although I did not know him at the time, Keller. These people were all comfortable with my positions.

As a matter of fact, when people like Eschwege actually read the reviews, the reports, and the work, they were almost never critical of the substance. We did get comments critical of the way we had gone about doing things. To them, we were like a bull in a china-closet, causing a lot of unnecessary flap and commotion.

But people did not come down hard on our substantive positions. We are getting ahead of ourselves, but they had trouble many times because we would go beyond coming to a conclusion based on the facts. We would make recommendations; that gave them ulcers.

When you would have a private conversation with a guy like Ken Fasick—I had lots of loggerhead meetings with him—he would say, "I do not have any trouble with what you are trying to say. It is just that it is not proper to say it and it is not your role." He said that he might come to that same conclusion over a beer, but he did not want GAO to say it.

Dr. Trask

So his feeling was that GAO should simply present information but not take a policy position?

Mr. Canfield

Yes, and not analyze policies. In today's GAO, the distinction between policy analysis, program evaluation, and auditing has started to blur. I noticed this even in Harry Havens's monograph.[1] Auditing is what GAO used to do and still does and does well, better than anybody else on earth. Program evaluation, which is the review of the effectiveness of a program that already has been implemented, is what Harry Havens

[1]The Evolution of the General Accounting Office: From Voucher Audits to Program Evaluations, January 1990 (GAO/OP-2-HP).

came to GAO to push. Policy analysis is yet a third, distinct concept, which I came to GAO to do.

Some program evaluation was done way before Havens got there, especially in [Richard] Gutmann's [Defense] operation, although staff were scared to death to do it because congressional committee chairmen had beaten the hell out of them for so many years. But program evaluations were done, and they were actual looks at programs in light of the policies these programs were supposed to implement. They were being done at GAO, probably hidden under the term of "auditing." But, in fact, quite a bit of program evaluation was already being done.

Mr. Eschwege — Yes, right. They were being done in my area.

Mr. Canfield — Certainly you were doing them, Henry.

Mr. Eschwege — The thing that gave us more courage, I think, was the Legislative Reorganization Act of 1970, which actually authorized these evaluations.

Dr. Trask — That was passed a few years after the big antipoverty programs were set up. Between 1967 and 1969, GAO did the so-called Prouty work, which involved program evaluation.

Mr. Canfield — I know that it was being done. Harry Havens brought a focus to it, formalized it, and gave it respectability as a separate area. He was able to bring staff of other disciplines in to look at it. That is what I perceived as his primary role. He brought mostly economists in. I said disciplines (plural), although Harry did not bring many staff representing other disciplines in. He brought an economic perspective to things. We, on the other hand, brought in people representing all kinds of disciplines, and some of them were very undisciplined.

Mr. Eschwege — The initiative did come from Staats. He said, "Let us get some people from these other disciplines."

Mr. Canfield — Yes, Staats really believed in PPBS. He liked some of what Aaron Wildavsky, a professor and writer on public policy at the University of California, Berkeley, had been saying, and the methodologies promoted by what the teachers at Southern Cal were presenting, such as "critical path" programming, etc.

He actually thought it would work and that it would provide a framework with which you could make some sense out of things. Now the

policy analysis that we did was much more radical, and you could not find it anywhere in GAO's history. Looking back on it now, you say that I had an impact in that short period of time. That happened partly because we were really doing something very different.

We were analyzing policies even as they were being presented. Project Independence was not off the drawing board 6 months before we put out a scathing denunciation of it. We said flat out that it cannot happen. We said that you can pray until hell freezes over for Project Independence to work. You needed to analyze demand, gas and oil supply, the outer continental shelf, the strategic reserve, and on and on. You would then realize that the goals of Project Independence would never be achieved.

Mr. Eschwege — Is that Project Independence the same as the National Energy Plan?

Mr. Canfield — Yes.

Mr. Eschwege — You were asked to evaluate that?

Mr. Canfield — Yes, and we need to get into how we got asked. But yes, we did not do anything—we were not totally stupid—that we had not been asked to do. After all, there are 535 potential requesters. Over 500 is enough to find somebody to ask us to do it.

Mr. Eschwege — We are going to get back to that; some requesters may carry more weight than others.

Mr. Canfield — So, we did a lot of policy analysis. We did traditional audits. We did economic analyses. Under the Energy Policy and Conservation Act of 1975, we got into auditing the books of oil companies. Traditional stuff. Heady stuff, but traditional. We did program evaluations, but most of all, we did project policy analyses even to the point of producing an agenda that we got the Congress to request from us. It was our internal planning document.

Mr. Eschwege — You are covering a lot of things that we did want to cover, maybe not in the same order, but that is fine. You said earlier that you had this impression of GAO that was not all that favorable.

When you came to GAO—and I am talking only about the early period—what did you really find at GAO and what did you do to overcome whatever shortcomings you saw there? I am talking primarily about the caliber of staff that you found. You do not have get into personalities.

Mr. Canfield

Basically, a lot of it is personality, though. What I found was that the GAO staff were working largely on things that I thought they would be working on. What they were doing was not conducive to getting the analyses done that I thought needed to be done. I did not see what they were doing as being something of value to give to the Congress, which was going to make legislative decisions on these things.

A careful review of the work indicated that it was high-quality work. There just was not a thing wrong with it, but it just did not stretch the intellect far in terms of how to apply this information. Although there was nut gathering, nobody ever bothered to make the pecan pie.

I thought that the initial thing to do was run out and grab people that I would be comfortable working with. Go out and get yourself a physicist, an economist, and a geologist. If you could not bring them on staff, you could hire them as consultants. Get thousands of consultants and bring in some cronies whom you had worked with over the years.

Then use this group to develop a plan of studies that could actually be done in key policy areas. So the first thing that you did was develop what you wanted to study. That was not too hard to do since the Ford Foundation Project was an agenda of many unanswered questions. The last phase of the Ford Foundation Project had many unanswered questions listed. They were thought to be of major import for energy policy in the 1970s and 1980s. Unfortunately, these are still relevant today.

So the agenda was fairly well-established by then. Then you used these outsiders to head study task forces, auditing teams if you will, and you used traditional auditors, as team members, assuming that they were basically going to do the nuts-and-bolts work.

Now the ironic twist of that was that by the time I left, the traditional auditors were heading the task forces, and the specialists and the consultants were doing the detail work. By the time they got a taste of it, those who could organize a study were the old green-eyeshaded GAO accountants, who knew how to put a study together and finish it.

Toward the end, the best studies were being produced by GAO types who were calling the physicists in and saying, "Look, this is what I want; get me this information, and bring this to bear on this study." So the specialist GAO accountants became the generalists toward the end of my tenure. If you look at them today, you will see that some of the best studies were produced by people who had already been at GAO.

Mr. Eschwege

What you are really saying then is that the GAO guys learned quickly and that they were quick studies on how to do this sort of thing. They just needed to be motivated by someone from the outside.

Mr. Canfield

Or motivated period. Yes, they were quick studies. Guys like [Ralph] Carlone, [Kevin] Boland, and Dexter Peach—I do not want to single them out because it has been over 12 years and I cannot remember all of them—were remarkably quick.

Relations With Existing Divisions and Offices

Mr. Eschwege

Now how did you fare—and speak freely even though I was one of them—with your fellow Directors as an outsider when you first came to GAO? What kinds of problems, if any, did you encounter?

Mr. Canfield

Well, interestingly, it seems to me that there is a residual perception of conflict at GAO that I never felt that keenly the whole time I was there. When we (Havens and I) first got there, we were not Division Directors at all. We headed offices. The term "office" implies staff, but, in fact, we were doing substantive work without stepping on many toes. The tension increased after we moved out of that other building [the Chester A. Arthur Building]. You know, we were really quite different from most other GAO headquarters staff.

We were in a building in the ghetto north of GAO, and we had to walk over at all times even to see anybody. We were there as they were putting the building together physically, literally. We were "Office" Directors (not Division Directors) and we reported to Sam Hughes. We were not really part of the mainstream of GAO.

If there was any conflict, it occurred later, when the Energy and Minerals Division [EMD] was established. It was probably a year or a year and a half later, when my position was upgraded from a GS-17 to a GS-18, that I attained the same status as other Division Directors. Plus, staff for the Division had to come from somewhere, so some came from everybody's hide. Some of it came from Henry's hide, and some of it came out of [J. Kenneth] Fasick's. We brought some staff in from the field.

Mr. Eschwege

The reason—and you may have your own opinion—that I did not feel so bad about it was that GAO compensated me. In other words, GAO took responsibilities and staff from somebody else and gave them to me.

Mr. Canfield

And I think that was due to Sam Hughes's incredible ability to juggle things around. Everybody got wounded a little bit. It was not just Henry getting wounded; his title was changed a bit and his responsibilities were changed and expanded, but these responsibilities were taken from somebody else. A lot of card shuffling was going on that looked random, but it really was not.

So I am sure that there was some unhappiness on the part of other Division Directors from having pieces of their territories taken away. But it was pretty well self-contained, and they were gracious—let's put it that way. I do not remember anybody's getting really bent out of shape. Now when we did start getting into substantive areas, the place where I should have had the most trouble with resentments and territorial bickering should have been with RED, Henry's Resources and Economic Development Division.

We were crosscutting RED on issue after issue. Yet it was the group with which we had the fewest problems. We just did not have problems, although the potential for conflict was there and we struggled a lot before deciding who would do a certain study. From time to time, we would have these big meetings with the Comptroller General, and somebody from Henry's Division would say that RED should do that study, that RED knew how to do it. That was kind of interesting.

So every now and then, I would bitterly "lose" one study on purpose, because it was kind of nice to see traditional GAO Divisions wanting to do policy analysis. I had already talked to Sam Hughes about it. People like [Richard] Kelley would come in, saying he wanted to do such and such a study. Now, we had been trying to drag GAO kicking and screaming into this kind of work, so why not have him "win" the turf fight? Obviously, I was cocky enough to think that he could not do it as well as I could do it. But I thought, "Why don't I lose this one? Why can't Kelley do it?" I did not have quite so easy a time with the International Division [ID]. Fasick fought me tooth and toenail on almost everything.

Mr. Eschwege

Do you think that your ease in dealing with RED resulted partly from your having Dexter Peach, who had come out of my Division and who was able to deal with us?

Mr. Canfield

I think that one of the smartest things that I ever did in my life was to hire a guy of his capability and background as the number-two guy in my Division and then give him the authority to actually operate as a deputy and not a figurehead.

Mr. Eschwege

You can thank me a little bit for that, too, because before you came, we wanted to establish some kind of an energy staff. Dexter, who was my principal assistant in my Division, was selected to head that energy staff. So he was a natural to work with you. I hated to lose him.

Mr. Canfield

Henry, if there was any place where conflicts should have taken place, it was between you and me because of my taking one of the best-groomed men in your entire Division and putting him in mine. You were gracious about it. If you were upset, it never came up to me. I know that people had constantly prodded you and me to get down to the nitty-gritty truth of this conflict and how hateful it was, but it just was not that way.

If you want to find a stormy relationship, you have to go back to the relationship between EMD and the International Division regarding certain studies that EMD was doing. There were times when fur really flew. We did analyses of international nuclear production capabilities, of liquid natural gas imports, and of strategic petroleum reserves. It seemed that the International Division wanted to do everything that we wanted to do and that had anything to do with issues other than domestic conservation or environmental concerns. We were at loggerheads a lot.

There was a time when I actually did not think Ken Fasick would talk to me. But in the other Divisions, I did not feel it.

Dr. Trask

Did the conflict with ID occur because the subject under study was an international subject or because that Division felt that a project was important and it, therefore, wanted to do the project to get the credit, so to speak, for it?

Mr. Canfield

I truly think that the cause of the conflict was turf. The energy issue crosscut a lot of other issues. We in EMD could not come up with an issue that had an international flavor to it for which we did not get the response from ID: "We were planning to do that in this quarter." That was just the way it was.

It was hard to live with, but eventually even that conflict worked itself out. One thing that helped was that when studies were proposed to me

and they had an international flavor, I tended to send my Associates or the Assistant Directors over to their counterparts in ID and told them to work something out. We actually produced some joint EMD/ID reports.

You know, we could not have those bloodbaths too often and survive. We just had to come to an understanding that no one could start working on these studies until the conflicts were worked out.

Mr. Eschwege

I think that, in those days, we did not tolerate outsiders easily. I think that in some of those cases—and you may not agree with me—it was not so much that a particular Division felt that it should do a job as that it wanted to be consulted and maybe even have the right of first refusal. If you went to a Division and you were new and said that although this issue area is the Division's responsibility, you would really like to do this study instead and, if you used a little diplomacy, maybe no conflict would have resulted.

GAO has had problems like that since then. I think that later on that is what you actually did. You went to Divisions and consulted more.

Mr. Canfield

I also think, Henry, that although you might think of yourself as a real hidebound traditionalist compared with Fasick, he was much more traditional than you were. He told me a million times—and one time screamed at me in his office—that GAO just did not get into those kinds of things. He really was protecting GAO's traditional way, but I considered his position to be too narrow a scope for GAO.

He was referring not just to a study's substance. In addition, he did not want GAO to have opinions and make recommendations about certain aspects of international policy, period. Policy was not GAO's business, from his point of view. You would have to ask him to be certain, but I got the impression that he felt strongly, more strongly than anybody else that I can remember at GAO, that we were overstepping our bounds.

Dr. Trask

I wonder if there was not a kind of organizational difference here, too. When Staats did his major reorganization in 1972 and created all those new Divisions, they were functional Divisions and could cut across government departments and agencies. The International Division, however, remained an old type of GAO Division compared with the new ones that Staats had created, including later also EMD.

Mr. Canfield

You see, I did not know about all of the trauma that was created by Staats; I came after that. When I came to GAO, I saw the existing organization as old.

Dr. Trask

ID was the only one of the old Divisions, except FOD [Field Operations Division], that had been established prior to 1972.

Mr. Eschwege

ID had a functional role, too. I think that what the people in ID felt was that international relations was a special area that needed to be handled with kid gloves. Diplomats were on the other side, and we had to treat them diplomatically. While a diplomatic approach seemed, from what you are telling me, to work all right internally for some relationships, I guess you felt that Fasick was not too diplomatic when dealing with you.

Mr. Canfield

I do not think that he had to be. Basically, he did not want EMD dealing with people outside GAO on international issues. He spent too many years being diplomatic and building up this reputation and vision of what GAO's International Division was. He thought that EMD was going to tear it all apart, and EMD was not very diplomatic. Let's face it. We were trying to get some studies done, and I am sure that we may well have stepped on some toes.

Mr. Eschwege

Well, I think that was it. There was a tendency on the part of us long-time GAOers to protect GAO from people coming in and, I would say, going wild.

Mr. Canfield

Think about, too, the general sense of urgency that I had about the issue. These other Directors were also responsible for issue areas that are still important to this day, but I firmly believe that the windows of opportunity to make major strides on certain social issues open and close and that they open and close fairly rapidly. Actually, a 4-year window is large. By the time that I left GAO, the window was rapidly closing. You could not generate a lot of interest in the energy issue by late 1978.

The window opened in 1973, and by 1978 was well on its way to closing, whereas it is totally closed now. I am overstating it, but it is far from wide open today [April 1990].

Look at the environmental issues window. It was opened by Rachel Carson for 4 years and it closed. Over 20 years later, it is opening again.

It is open now and will be open for a year or two at the most, and it will start to close again.

So the sense of urgency that I brought to my work to take advantage of the national interest in this issue was really something that must have looked insane to people who were dealing with issues day in and day out in a fairly low key.

Look at the average length of time that it took to do a study anywhere else except EMD. We would go out to the field with a proposal for a study, and field staff talked about 400 staff-days or 600 staff-days for this study. They would have a first draft in 15 or 18 months. I was saying, "Whoa, folks; guess what. We are going to have a first draft in 2 months." They did not know what to do with that. "What do you mean, we are going to have a first draft in 2 months?" they would ask.

I would try to explain, "This thing is going to be out on the street pronto. It is April, and the Congress is going to be in full gear. It will be through with the budget by November; this subject is going to be debated in Committee by December, come hell or high water. We are not talking about little dinky studies. We are talking about liquid natural gas studies and about the effectiveness of TVA's conservation programs and about diversion of nuclear materials." It seemed overwhelming to the traditionalists.

We also did some very quick studies. We did studies that would take one guy 1 week to outline, followed by two guys in the field at West Valley, New York, reviewing some files and coming back and producing a five-page document that was the basis of major congressional hearings.

Mr. Eschwege — But you did do some long-term studies, too.

Mr. Canfield — The coal study is a typical example of a major study.

Mr. Eschwege — Which I think was finished after you left.

Mr. Canfield — Yes, we had some studies that were significant long-term studies.

Mr. Eschwege — What I am trying to say is that a lot of studies to this day take too long and can be speeded up, but there are some studies that the Congress, too, has to understand that we have to take some time to do, whereas others can be done quickly.

Mr. Canfield

The nature of the study affects how long it takes. Auditing something carefully takes longer than analyzing a policy proposal or evaluating a program based on a policy that was implemented 6 months ago. Such a program does not have much of a history. We were evaluating strategic petroleum reserves and the implementation of that legislative policy 6 months after the law was passed.

Again, we did not have to spend a lot of time out there. There was no history. All we had to do was talk to five people and say to someone like Frank Zarb [the Administrator of the Federal Energy Administration, 1974-1977], "Listen fellow, guess what. It ain't happening, is it?" He would say, "We are still hiring staff; we have no secretary yet." Fine, that was our report.

Again, those are very nontraditional things to do, but look at the paperwork we put out. Some of it was quite bulky, for example, reports written by consultants like David Rosenbaum, who was the consultant who headed the LNG [liquid natural gas] study; that report was over an inch thick. We even had an advisory panel of top prominent people in the industry whom Staats put there to leaven what we were doing because he was afraid that my staff would get carried away and that I would not control them. So he brought in this advisory committee to calm the situation down and put a face on the situation that looked more respectable. That study was that thick, and it took a long time.

Mr. Eschwege

That had to do with the transportation of LNG?

Mr. Canfield

Yes, the safety aspects.

Developing a Staff to Try New Approaches

Dr. Trask

Most of your staff in EMD were old-line or regular GAO people. I mean that you brought in some new people but that the bulk of your staff were people who had been at GAO for some time.

How did you get them to broaden their horizons, which was probably necessary to do? I think that you did such things as forming an energy advisory panel and establishing a library, and you even had book reviews or book reports written and circulated.

Mr. Canfield

We did a lot of things that probably look a little silly right now, and I do not know how effective they were in the long term. But yes, I brought in my entire personal library and loaned it to GAO. I was incessantly requesting GAO to add to its library. When we would have meetings within the Division, I would ask the Assistant Directors if they had read this, that, or the other. If they had not, I expected that by the next week when we met, they would have read the material.

I started subscribing to five newspapers, and we cut out clippings and called them "EMD in the News." These covered our testimony, our reports, etc. We tried to get them disseminated to the field, to engender some pride in our work. We would say, "Hey, look. I do not know if our work is resulting in any benefits, but somebody is writing about it, somebody is reading about it, and somebody is hearing about it."

If some important publication came along, sure, I would go out and buy two dozen of them, give them to the Associate and Assistant Directors, and tell them to read them and pass them down to their key staff. I would also unleash the nontraditionalists on some of these people too. That did not work well. I said that earlier.

Some of this stuff that we did probably was not very effective. I am not sure that if you try to force reading material down people's throats, they are going to read it. They might go through the motions, but whether they find anything in it, I do not know.

We were constantly shuffling consultants in and out of the Division to work on specific problems. While they were there, these people would hold seminars on their general areas of expertise. These seminars were a side benefit that they did not know they were going to give us. The seminars covered maybe the last studies that they had personally worked on at their universities.

We would have all of the EMD staff involved, not just those involved in that particular study. We would hold open seminars frequently within the Division, again trying to get across the idea that these other people had something to contribute.

It was much harder working with staff in the field. We were never successful in converting the vast majority of the people in the field to understand what it was that we were trying to do. Even so, we used a lot of field resources. The Denver office, the Seattle office, the Los

Angeles office, the Houston suboffice, and others spent a lot of time working on our projects.

In general, my opinion would have to be that this time was not time well invested. The attempt to lead by telephone and fly out occasionally and work with regional staff just was not an effective way of doing business. EMD did not have somebody out there leading the field team who shared the enthusiasm for working on the issue and the style of working on the issue.

So I think that we probably wasted a lot of field resources, and I do not blame it on the field, because we were able to use the same type of talent in Washington effectively. If I had it to do over again, I would physically make a team leader go out and work in the field. The field staff would probably hate it. But if you are going to use field resources, you are going to literally have to move to, say, Philadelphia for a couple of months and invest many staff-hours out there.

Now, keep in mind that except for the Houston suboffice, the field was not divided into subject areas. So you could not find anybody who was exclusively dedicated to EMD work.

Dr. Trask — I was going to ask about that Houston suboffice because that was established about this time, was it not? I guess that technically it was established by the Field Operations Division. Did you use that office and the people there extensively?

Mr. Canfield — It was established basically for the energy auditing function.

Mr. Eschwege — Title V work under the Energy Policy and Conservation Act of 1975?

Mr. Canfield — Yes. You had to have a reason to set it up. It was the office in the field to be set up around a subject area. While it was technically part of the Dallas region, all the people were handpicked by EMD.

Dr. Trask — Did they come from headquarters?

Mr. Canfield — Some.

Mr. Eschwege — Some from the outside. I think that you had a geologist.

Mr. Canfield — Yes, I think there were two geologists and an economist. Some were from the outside, and some were consultants. Some came from headquarters,

and some came from the Dallas Regional Office. But all those people theoretically were assigned to perform title V work, which was like the traditional energy information audits.

My hope was that office would over time grow into a full-fledged functioning, substantively oriented field staff that could deal with other things like outer continental shelf leasing. It was not by accident that it was put down in Houston and that it might some day evolve into dealing with environmental concerns, such as leasing.

So it would have been a radical change. I would have had every intention, had I stayed, of pursuing that as a radical change, because determining what the nature of a field office should be had been a major conflict in GAO long before I got there. Should a field office consist of a bunch of generalists who do not ever specialize in anything, or should the staff specialize?

Mr. Eschwege — I was going to comment on that, because I think that GAO has found at least the partial answer to this. I think that it has, over the later years, dedicated staff in the field to specific issue areas. Staff really stay in those areas and work for staff who are in Washington running jobs concerning the issue areas. There is a much closer relationship. Also, as you probably know, Chuck Bowsher has done away with the Field Operations Division.

Mr. Canfield — I did not know that.

Mr. Eschwege — Yes. So a regional manager reports directly to the Comptroller General. I do not know whether that alone helped. But all these things together, I think, have resulted in a much closer relationship between the field and Washington and developed some of that expertise that I think probably was lacking in your days.

Mr. Canfield — That is good. That is excellent. Part of the problem that I have with this interview is that I am viewing the world from 12 years ago. I have to assume that it has not stood still since the day in 1978 when I left.

Mr. Eschwege — I do not think that is a problem, Monte, because one of the purposes of the interview is asking what the thinking was 12 years ago.

Dr. Trask — We were trying to get your view of how things were in those days.

Mr. Canfield

I will be a more pure subject for you to work on because once I moved west of the Mississippi, I blotted out of my mind that part of my life during which I served at GAO and I began a different life here. So I truly am reflecting on what happened 12 years ago, and it is not tainted much by any knowledge of what has happened since. There were some questions you wanted me to answer, e.g., What do I see GAO doing in the future? Unless I were to come back and be involved as a consultant or in some other role, I have no idea what GAO should do, simply because I have not really thought about it. I do read about GAO in the Post-Dispatch here in town, but otherwise I don't keep up with GAO's activities.

Mr. Eschwege

You make an excellent control group.

Mr. Canfield

Really, I think I do in that sense.

Dr. Trask

I have just one other question before we move on to some examples of studies made, and that is about sharing GAO's plans with the Congress. You put out a report, I guess in 1977, titled A National Energy Policy, an Agenda for Analysis, which you may have referred to earlier.

What was its purpose and what kind of response did you get from the Congress to that report?

Mr. Canfield

There were several goals.

The primary goal was that the report serve as an internal planning document. We had invested a lot of blood, sweat, and tears coming up with an agenda of items that we thought were really crucial issues over the next decade that had to be addressed if the United States was going to come to grips with the energy problem at all.

The whole idea of trying to figure out how to take this internal planning document, implement it, do it from the inside out, and foist it off as GAO telling the Congress what it ought to be worried about just looked to me like it was doomed to failure.

GAO had, in previous times—long before I got there—self-generated a great deal of its work. A great deal of that self-generated work was ignored by the Congress. Even though GAO allegedly was working for the Congress, there were quite a few Congressmen who would have challenged that idea.

I could see the same thing happening to the energy work. Here is this cocky new Division in GAO that has the chutzpah to come up with this agenda for analysis, and it is going to shove it down the Congress's throat and tell the Congress what is important. Then I thought, "How am I going to take 75 or 100 issues, or whatever the number was, and systematically develop a clean request for each issue coming from a responsible chairman of a responsible committee who responsibly wants to hold hearings on this subject?"

The burden of that was just mind-boggling. I thought that it would be better to go to one place like John Dingell's Subcommittee and have it imply, "Would it not be nice for you to come up with this agenda so that we would know what we should study, because we are the Energy Subcommittee and we would like to know."

So while we produced that as a self-generated document, in fact, it was clear that this one Subcommittee wanted this agenda. So it was not our agenda anymore, okay. My memory on this is fuzzy, but I believe that you may find a letter from John Dingell or somebody requesting that we come up with an agenda. That request letter would have been written after the agenda was already completed. I am not saying that very articulately.

Dr. Trask — I looked at that document yesterday in the office; it had an orange cover. It was titled "Energy Program Plan" and was dated November 1976. Here it is.

Mr. Canfield — That is it.

Dr. Trask — It had eight issues.

Mr. Canfield — We went out and found a responsible congressional sponsor for it. I think that it was probably eventually printed as a congressional document. So eventually, it was actually published as an official agenda for some Committee in the Congress. I am pretty sure that it was John Dingell's Subcommittee that wanted it.

Dr. Trask — It was issued with a blue cover later on.

Mr. Canfield — Yes.

Dr. Trask — EMD-77-16 was the blue cover report.

Mr. Canfield

But what did we really do there? What we did was legitimize a plan of study in one fell swoop; otherwise we would have torn our hair out trying to get each individual study approved. We did not stop at that. Every time we started to do one of the studies on the agenda, we would definitely try to find a congressional sponsor that was particularly interested in the subject.

Once the agenda was published, it was interesting. It was not just a piece of paper. Congressmen actually wanted it. They actually read the thing. They actually wanted to see the studies. I had them calling me up on the phone saying, "Hey, this item is important to me." It worked.

Mr. Eschwege

Well, if it makes you feel happy—and I know that it will—you should know that this approach has been adopted GAO-wide now, though not in the sense that the agenda or plan is a blue cover document. But we involve the Congress in developing our plans, and we share these plans with the Congress and its Committees. One reason that we have a lot of congressional request work these days—it constitutes 80 percent of our audit staff-years—is that the Congress selects from these plans the kind of work that it wants done. Not all the requests come from those plans, but a good portion of them do.

Mr. Canfield

This is wonderful. When I first came to GAO, I could not envision doing a major study without a target audience. I asked myself, "Why was I doing it? What was all this pain and suffering for if we did not have someplace to take our studies so that something could be done with them?" At a minimum, I wanted congressional hearings on them. Preferably, I wanted legislative results.

So one of the first things that OSP [Office of Special Programs] and later EMD was doing that got people kind of nervous in GAO was working with Committees to generate requests for our work. This led to people saying: "Look at all of these congressional requests." All these congressional requests were coming into EMD, and some people thought that because of these requests, they were not going to have any control over their own lives. The point they missed was that most of those were self-generated requests.

Mr. Eschwege

But, you know, even Elmer wanted to keep congressional requests down.

Mr. Canfield

I remember. Oh, yes.

Mr. Eschwege

So it came from up high.

Mr. Canfield — I do not think that Elmer realized how much we were generating those requests.

Mr. Eschwege — Let me ask you something for the future on that one. It is true that when congressional studies come out, they usually gain attention, whereas some of the other work that we have done in the past has collected a lot of dust.

But how do you then engender an interest in some area in which there is no interest but in which we ourselves—and we are not God—really feel some attention is needed? Don't you think that on occasion we do have to do something that is not currently popular?

Mr. Canfield — Yes. I know that there were studies that we did back in EMD days that we could not find anyone to sponsor, and we did them anyway. This was harder to do in other areas reviewed by GAO because they dealt with subjects that did not seem urgent. We had the luxury of dealing with an issue that America, if polled, would have considered at the time number one. Fear, hysteria, paranoia were rampant. It was almost impossible for us to do anything that was not potentially popular. Everybody wanted to get on the bandwagon.

It is not so easy to generate interest in less glamorous programs. Social security is now getting interesting in certain aspects. But for many, many years, programs like that were just lying fallow. Those programs needed to be evaluated, but who wanted evaluations and who cared? That can become the real problem.

In many ways, we were much luckier than the staff dealing with a traditional subject area that did not have all the pizzazz. I think that if you tried to do today with energy issues what I was trying to do in 1975, you would not be able to pull it off.

Mr. Eschwege — I think that all too often the American people react only to a crisis.

Mr. Canfield — Correct. A crisis is that window I referred to earlier.

Mr. Eschwege — They felt the need to do something after the Yom Kippur War and after waiting in long gas lines.

Mr. Canfield — Windows of opportunity are open only a short time.

Mr. Eschwege

Right, but like you say, it may also be important sometimes to alert the public to an impending crisis. How you get people to listen is the big problem. GAO tried to do this in the savings and loan crisis. Mr. Bowsher, soon after he came in, recognized that there were problems in the savings and loan industry and with the farm cooperatives. We got reports out on these subjects, but how do you get people to read them, and how do you get the Congress to act on them? But if something blows like the recent HUD scandal, people will ask where you were.

Mr. Canfield

You are telling me that under the current approach, issues are shared with the Congress in advance. We used to have congressional briefing sessions for new Members.

The first session that I went to was held when I had been in GAO only a few days. I was not even invited to participate. It was for new, green Congressmen, who came in and sat around the table and wanted to know what GAO did. Was it boring! You could not believe it. These Congressmen must have gone back and said: "If that is what GAO does, I probably will not talk to them."

I would love to be a fly on the wall and hear those congressional briefings for new Congressmen and Senators today, because I'll bet that agendas are handed out in each major issue area and in areas where they are going to receive Committee assignments. There is probably follow-up. They get a clear-cut idea that GAO is doing relevant stuff in areas that are of importance to them and that GAO becomes a resource to be respected and used. In most cases, that was not true in my days at GAO.

Mr. Eschwege

Well, as I said earlier, 80 percent of our audit staff-years are used on congressional requests.

Mr. Canfield

So now there is a mechanism to get sponsors for these issues, which helps a lot, but there are still going to be some that nobody wants to pay any attention to. You are still going to have to tighten your belt and do the study anyway because you know that it is the right thing to do.

Examples of Energy Studies

Mr. Eschwege — You mentioned several of the studies that you were involved in, but there are a few that I want to talk a little bit more about. You mentioned work done under title V [of the Energy Policy and Conservation Act of 1975], which, I understand, authorizes GAO to audit records of the energy companies. Is that correct?

Mr. Canfield — That is right.

Mr. Eschwege — You mentioned that initially the Houston suboffice was set up to handle some of that work down there in Texas, but it turned out, I understand, that not as much work materialized as you had expected. You had a lot of staff, but I think that with your ingenuity, you found other assignments on which to use the Houston staff.

Mr. Canfield — The act itself was not generated by GAO. The desire to have GAO audit energy company data originated in the Congress. Although it was being talked about before it was passed, we were scrambling around trying to figure out just what exactly the Congress wanted. I do not think that we ever fully figured it out.

I think that Kevin Boland probably came closer than most to understanding what that act was really supposed to accomplish. But I did not have the sense that most of the people in GAO actually knew exactly what they were going to do with it or what was going to happen because of it. But it was an opportunity to enhance the numbers and capability of the staff. As I mentioned to you earlier, Henry, our hope was that those people in that suboffice would eventually be able to do other substantive work.

Mr. Eschwege — You also had subpoena power, did you not?

Mr. Canfield — Yes.

Mr. Eschwege — Did you ever use it?

Mr. Canfield — Not when I was there. I do not know if any serious or significant studies ever emerged from the act.

Mr. Eschwege

I am not aware of any.

You know, you talked about getting Congressmen to endorse certain studies that you were doing. There was one incident that somebody talked to me about in which this kind of endorsement did create some problems for us. I think that it had to do with Congressman Dingell's request to study whether a synthetic fuels program would be a good idea. Do you recall that? Did it concern oil?

Mr. Canfield

I think that we came out against that enterprise. But there were people who were for it and, because they were going to vote for the program, did not particularly like the idea that we were supporting a certain viewpoint for one Congressman. I think that these people must have been Congressman Olin Teague and Senator [Henry ("Scoop")] Jackson; they lost by one vote.

I do know that there were several times when we were getting involved in studies and when specific Congressmen had a hard time with us. They really raked us over the coals.

One of the first ones to lower the guns on us was, I believe, Congressman Jack Brooks, who was head of Government Operations. A couple of times he called Hughes and Keller and told them that this Energy Division just ought to quit functioning.

Chet Holifield, who was the Chairman of the Joint Committee on Atomic Energy, took every bit of my skin off at a closed congressional hearing on the grounds that we were butting into the Committee's business. The hearing concerned something that I had [Ralph] Carlone working on at NRC [Nuclear Regulatory Commission]. He ripped me from here to thunder and back and called Staats and gave him a bad time. About the same time, Brooks was calling Staats and giving him a rough time too. Congressman Wayne Aspinall was unhappy right before he retired, because we were looking into mining claims and oil shale.

You are right. Scoop Jackson, of all people, got bent out of shape. I never did understand his interest in oil shale. EMD was always goring somebody's ox. This was inevitable in dealing with issues of importance. We just had to lick our wounds and say, "Well, we must be dealing with important people or they would not be saying anything." So we just hoped that we had done an honest and an objective analysis.

There were certain Senators who kind of ripped us up because another Senator was there. I would always cringe when I would go up to testify before a Kennedy Subcommittee if I saw Republican Senator [Lowell P.] Weicker of Connecticut sitting there. I knew that I was in for a lengthy discussion about my lineage and my mother's political predilections and other things.

With virtually 12 years of hindsight, I think that what we probably did wrong was taking the easy route and going with the maverick young new Committees and bypassing the traditional ones. You probably do not think of him like that now, but then John Dingell was a young maverick. He had been in the Congress a long time, and he was a Subcommittee Chairman, but he certainly was known as a feisty maverick-type guy.

We did a lot of work for Congressman Leo Ryan, who had a Subcommittee. He was killed in Jonestown. We did an earth-shattering, mind-boggling, little piece of work on the West Valley nuclear site in New York, which probably is still there and still contaminating things. I am just speculating; I don't know if they ever cleaned it up.

Mr. Eschwege — Is that the Love Canal?

Mr. Canfield — No, West Valley was a nuclear site in that same part of New York state. Our work on it led to concerns about Savannah River and other places and generated a question about whether plutonium had been "lost" at the various nuclear processing sites. That, in turn, prompted questions about hazardous waste disposal and, in general, nuclear waste disposal.

Mr. Eschwege — The reason that I raised this whole issue is not to put you on the spot, but I like the way you answered it. Like you said, we still have to be objective and we still have to be there to be able to defend ourselves, even though we do it for a Congressman who has certain positions and views. We still have to defend it to Congressmen who feel different.

Mr. Canfield — Oh, we produced some reports for Congressmen who asked for them that did not say what the Congressmen wanted them to say.

Mr. Eschwege — Oh, yes.

Mr. Canfield

We came out in favor of continuing the LMFBR [liquid metal fast breeder reactor] research and development [R&D] effort.[2] The people who wanted that report were furious with us. I mean they were absolutely furious that we had the gall to come out in favor of the R&D part of that project. Almost everybody I knew in my social set was furious with me. They did not want to have anything to do with me. They could not believe that I was so stupid and on and on and on. That is the way it looked to them.

I really think that an important point needs to be made, though, that in the whole scheme of things—and the LMFBR is a good example—where GAO came out on the LMFBR did not matter that much. I know that is a terrible thing to say; the Congress had a different position, and ultimately it killed the project.

Now nothing is ever really dead, but they drilled a stake through its heart. Somebody could possibly pull it out someday and it could rise again. It is sitting there in some Dracula-type guise.

Where we came out was not as important as the fact that we engendered a great deal of interest in a major crucial issue regarding the way that American energy might go in the future. We were talking about megabucks here, and whether we came out in favor of it or against it was not the ultimate issue. Back in 1975 or 1976, I would not have felt that way. I would have insisted on a firm position, but as I look back now, I do not think that where we came out is that important.

We really got a lot of people who needed to think about this issue thinking about it. We forced public and congressional attention on this issue. That really is a major service in and of itself. History will record, I guess, if we came out on the "wrong side."

Mr. Eschwege

Well, I am not sure we did.

Mr. Canfield

It really does not matter. That is what I am saying.

Mr. Eschwege

There were a couple of reports after you left—and I do not think that GAO basically changed its position—but the kind of information that was provided, I think, helped kill that reactor. GAO did not come down hard

[2]The LMFBR was a top priority nuclear fission reactor that was to "create" more fuel that it would use. It was the nation's highest priority reactor development program and one of the most important energy research and development projects. The project was terminated later before completion.

one way or the other after that. I think that the situation in later years, around 1981, was such that the Congress terminated the project. I think that Mr. Bowsher had just come on board. He had little involvement except in that last report that we did. I think that Dexter put out this report to provide information, and largely on the basis of that information, the Congress made a decision. So we rendered a service.

Dr. Trask

Mr. Bowsher thinks that the liquid metal fast breeder reactor work that was done just as he came on board was, in fact, one of the more important areas that GAO worked on in the 1980s. I am involved right now in a study of major efforts during the 1980s, and that is one that he specified. I think that the last thing that GAO did was to say, "Either go ahead with this seriously or stop it." I do not think that GAO ever changed its position.

Mr. Canfield

That was pretty much where we came out back in 1977 and 1978. We also put a parameter on the amount of money to be expended. The limit was something like $30 billion. We argued that the country should not just go on with this project forever. What was happening was that this project was dying of constipation. There was not enough money to really keep it going, and there was too much invested to let it die.

Basically, where we came out was, "Fish or cut bait. Give it enough resources to either see if it can happen, and if it does not happen, move on from there and do something else."

Mr. Eschwege

One other thing, Monte, that you mentioned—and I do not know how much we can talk about it since it was partly classified —was the diversion of nuclear material to foreign countries, a job that you worked on. I think that while this issue died down, it may surface again, maybe not with respect to the country in question when you were here but with respect to some other country. As I understood it, the United States never really solved the problem, did it?

Mr. Canfield

No, and nobody has. Whether nuclear material was diverted or whether it "stuck in the tubes," as they like to say, I think that you could come up with enough arguments either way to make an interesting novel. That is about as far as it got.

Probably we were in over our heads regarding this issue, but people from almost any other organization who tried to study it would have been in over their heads also. We simply could never gather enough data

to prove anything. Pursuing it further depended on how paranoid you were and where you wanted to come out relative to the subject.

I do not mean that it did not happen, and I do not mean that it cannot happen, and I do not mean that it happened at all. I simply do not know. I do not think that GAO had the resources to get inside these basically private organizations that were publicly licensed to run these operations.

That is a tremendous layer of bureaucracy to try to work your way down through. In the first place, NRC resented our being there. Then the ones who had military contracts resented us. So everybody resented everything.

Mr. Eschwege — Did they refuse you access to some of this information?

Mr. Canfield — No, I do not believe so. Getting access to vague things is not difficult.

Dr. Trask — This discussion is very interesting because I was a historian at NRC at that very time, 1977 and 1978. NRC did a lot of talking about this. But as you have said, nobody really knows what happened; there is not enough information.

Mr. Canfield — I think that prior to the Three Mile Island incident, there was an area that was more susceptible to analysis and where we did some effective work that never got much play and nothing was ever done about. We did some significant work relative to security at nuclear installations and the laxity of security. We studied simple things like fences and the guards that installations hired. And Carlone did some work regarding the turnover of guards and backgrounds of guards at nuclear plants indicating that some were felons.

We did some interesting quick work that was important and that really could have had a major impact but did not.

Mr. Eschwege — There was one relevant report that came out maybe just right after or at the same time that this incident occurred. We said that there were no plans for evacuation of the area. You missed that.

Mr. Canfield — Yes, I was gone.

Dr. Trask — By the incident, do you mean Three Mile Island in March of 1979?

Mr. Eschwege — Yes. I remember Dexter saying that we had this report.

Mr. Canfield — The report was well under way in 1978.

Mr. Eschwege — Yes. The agency had probably already seen it in draft.

Dr. Trask — It talked about what?

Mr. Eschwege — It talked about the fact that the nuclear power plant had no valid evacuation plans. The state and the locality were supposed to get together and develop an evacuation plan. The Three Mile Island accident happened at the very time that Dexter got on radio and TV and talked about the lack of plans.

Revisiting the Energy Concerns

Mr. Canfield — There is one point that I think needs to be made because of the way that you phrased something, Henry. If an issue involves policies, programs, and procedures and you analyze it well, the chances are that it is going to be awfully hard to come down with a clean, crisp decision that everybody is going to agree with. Such an issue is not like an audit, where you go in and you physically find mistakes in mathematics or some other area.

The very fact that it is an issue means that it is going to be controversial and that whatever policy you come out with is going to cause a problem with somebody, because if it involves a policy it is subject to opinion, it is subject to judgment, and it is not written in concrete. So the nature of that kind of work generates controversy. It does not mean that you are wrong. That, I think, is something that I had to learn after I left.

By the time I left, I was pretty jaded and I was feeling sorry for myself. I felt that we were testifying many times before the Congress and were putting out paper after paper after paper and that very little was getting done. I thought that we were not having very much actual impact on national energy policy. I had set my goals the wrong way in my own mind at that point. My goals were set around specific conclusions that we worked hard to come to and that the logic of the analysis would lead us to.

When those conclusions were not accepted on the Hill when hearings were held and when either on purpose or just because time elapsed nothing happened, I would feel guilty. I would ask myself why we had not done it right, or I would feel frustrated about why these people could not see how obvious it was that this was the right thing to do and about why they did not do something about it.

Mr. Eschwege — But you must have known how things worked on the Hill and that you cannot always get what you want...

Mr. Canfield — Sure.

Mr. Eschwege — ...and that you have got to live with it. Then there comes a time, maybe later on, when you again function the way that you want to function.

Mr. Canfield — I know that a lot better at 51 than I knew it in my midthirties. Having come off of a project in which all I had to do was just produce it and I got massive amounts of attention and acclaim and then to go into a situation when I was dumping the results of my work into a very slow and grinding machine called the Congress was frustrating.

It is one thing to say that you know something; but how you feel about it is something else. I felt very, very frustrated by the time I left. I remember thinking that I was running around in circles. I often told people to go back to 1973 or whenever it was that we wrote the preliminary Ford Foundation report and look at all those issues. I would say, "Nothing has changed." Ironically, if you go back and read that report today, you will find that it is still relevant. I felt very bitter about that in 1978. I don't feel that way now.

Yet, if you go back and read A Time to Choose today—and I ripped the page out that says when it was written—and you read all the issues listed in the back, I would be willing to bet you money that you would think that it was written this year. Very little has changed.

But the resentment that I felt then I do not feel now. I now realize that the Congress grinds these things very slowly and passing laws takes time. Henry has the right idea. Eventually, things do change. The country has implemented much of the energy conservation stuff that we were pushing and pushing and pushing. I tend to forget that. This country is conserving. There is almost 70 percent more energy conservation today than there was when we first started harping on it back then.

It really is happening. It is happening exceedingly slowly. The reason that we are not in terrible trouble from an energy point of view today is largely that over time, those recommendations did get implemented.

Mr. Eschwege — And they concerned mostly conservation.

Mr. Canfield — Technological change.

Mr. Eschwege — What technological area changed? Was it mostly transportation?

Mr. Canfield — Well, in transportation, you get the most immediate and obvious effect. For example, cars are getting 30 miles a gallon and not 12. The increase in the use of coal in electrical generation as opposed to using scarcer gas and oil is another example.

Mr. Eschwege — But there are problems with coal too.

Mr. Canfield — I understand; but we are talking about energy problems here. You have put your finger on the questions that are going to come up for the 1990s. Interestingly, they were already asked in the early 1970s and put on the shelf to solve energy problems. These questions concern the interrelationship between energy and the global environment. Those will be the key questions of the 1990s.

Mr. Eschwege — Using hindsight, as only an auditor like me can do, I think that perhaps there is one area where we overdramatized the shortages, and that was natural gas. Do you agree with that?

Mr. Canfield — Well, yes and no. It was not as bad as we thought it would be. But, on the other hand, the growth in usage has been less than a third of what the American Gas Association thought it would be.

If it had grown at a rate approaching the rate that the American Gas Association predicted in the early 1970s, we would be out of natural gas today. It did not. Energy conservation in the home and in industry caused a radical difference there. So the growth rate was cut by two-thirds of what was projected, and we found more gas. So there was a combination of underestimating supply and overestimating usage. Everybody was basically wrong.

Mr. Eschwege — As I said, we have hindsight now.

Mr. Canfield

There is also a concern about running out of oil. By now, we are supposed to be out of oil, on the basis of some of the predictions that I thought made sense in the late 1960s. We never did run out of oil, and I do not think that we are going to in this century or even come close.

The thing that really got the country interested in energy programs was the embargo. It was the politics that got the excitement going, the oil politics.

And, Henry, keep in mind that the oil companies won on the question of maintaining the oligopoly on pricing. They shoved those prices up to where the demand was reduced. The economists were actually right.

Mr. Eschwege

More so in Europe than here. Gasoline is still pretty cheap here.

Mr. Canfield

But compared with prices then, it still costs four times more.

Mr. Eschwege

You have got to adjust for the inflation factor too.

Mr. Canfield

Yes.

Mr. Eschwege

Okay. We are fighting the battle of energy all over again.

Mr. Canfield

But that is important.

Reporting Policies and Techniques

Dr. Trask

Let's look at something a little bit different now—actually you referred to this earlier—and that has to do with EMD's reporting policies and techniques. I wonder if you could comment on areas like your efforts to expedite the writing of reports, the referencing approach that you took as opposed to the traditional referencing in GAO, and report review procedures.

Mr. Canfield

I do not think that anything was ever resolved regarding these matters. I think that we just ultimately took the position that a policy-analysis-type report or a report that dealt with program evaluation should be documented in about the same way as a quality academic paper—period. The Office of Policy staff initially kept saying, "No, no, no."

They would mark our reports up and say, "You do not have this documented." We would then say, "Well, this job is not an audit." And they would say, "Well, you have got to document your report better." And you would say, "Well, how should we document it better?" And they would not know because the job was not an audit.

So they did not have any answers, so therefore basically they had to either decide that we had no report at all or turn their heads and let it go. With a little arm-twisting on the part of Sam Hughes and Bob Keller occasionally, the report got released. If the report was so terrible from the point of view of meeting auditing and reporting standards that the Policy staff were just having conniptions, we would issue it at the Division level in the form of a letter.

Dr. Trask — Let me see, [Ellsworth] Mose Morse was Policy Director at that time. What kind of relationships did you have with him?

Mr. Canfield — None, basically.

Mr. Eschwege — Well, somebody from Policy must have talked to you.

Mr. Canfield — Dexter carried the ball. I knew better than to have a relationship with Mose.

Dr. Trask — Because of the differences of approach?

Mr. Canfield — Yes. I tried to talk with him a couple of times, but he did not understand what I was saying. I did not understand how he could not understand me, and I gave up. And I said, "Gee, Dexter, this is one of the perks of your office; get this report through." He did well. God bless him; he did well. He had to fight those battles because he knew that it was crazy to have me do it. I would lose.

Mr. Eschwege — You mentioned that Sam Hughes somehow also played a part in this. Is that right?

Mr. Canfield — Yes. We would not take any substantive report to Policy that Sam had not already previously approved. He would stay up late at night reading the report first. In other words, we did not just go in blindly. If necessary, we would have Hughes read it and Keller read it. And we would have Staats read summaries even before the reports went to Policy.

Mr. Eschwege — So there was never an issue that was so serious that actually had to be brought up to Elmer Staats and on which he had to make a decision to change our policy on these kinds of reports?

Mr. Canfield — No.

Dr. Trask — Did you ever do any major study or report that did not get released because of these differences?

Mr. Canfield — No, but I had reports that were downgraded to divisional reports. I cannot identify a specific one now. But there were several that would go up, and Policy staff would look at them and say, "We do not think that these are appropriate for the Comptroller General to put his stamp on." We would issue them as divisional informational letters or informational reports.

Mr. Eschwege — But the same rules really applied to all Divisions.

Mr. Canfield — Not to my Division. They should have, but they did not.

Mr. Eschwege — They should apply today, whatever they are. I am not saying that they were the right rules at the time.

Mr. Canfield — I agree. But they did not apply to EMD at that time. We had to have a way to get the reports out.

Mr. Eschwege — I can see that if you had an informational report, you did not have quite the problem because you did not come to so-called conclusions and recommendations. You might have implied them.

Mr. Canfield — It is probably hard to believe, but we actually did soften the language of our conclusions and recommendations. There were actually times when reports were reviewed by other Divisions and by the Office of Policy and by people above us like Hughes and Keller—particularly Keller. I also had a lot of respect for Keller. He was very, very sensitive about what we could say and what words we could use and get away with.

As hard as it might be for somebody to believe, I actually supported the changing of conclusions. Certainly, I was never one to insist on a particular phrasing. I would balk only if we never would present any conclusions at all. When there were so many ifs, ands, and maybes that just waffled our conclusions away, then I would put my foot down and say,

"No way." Basically, I would search for language that satisfied the critics while maintaining the substance of our conclusions intact.

Mr. Eschwege — Did you have any problems with the General Counsel's office, the lawyers?

Mr. Canfield — Almost never.

Dr. Trask — What about the occasional departures from the traditional reporting format? For example, you put out those orange-covered reports that were essentially staff studies. Did anybody object to the fact that you were reporting, in a sense, in ways different from the ways in which other Divisions were reporting? How did Staats take that?

Mr. Canfield — The other Divisions did not like them. However, those kinds of studies were, interestingly, not controversial in substance. A lot of the staff studies were the technical result of work that was done by technically oriented people in the Division. Issuing staff studies was a way of releasing material not unlike the way in which an academic study is published. A guy busted his butt to produce something on some physical phenomena related to energy conservation, and so we would issue his product as a staff study. Occasionally, we issued a staff study as a method of getting a consultant's paper issued. We would even have a disclaimer on it saying that this was the work of a consultant.

You know, you are paying a guy $75,000 or $125,000 or something like that to write a paper. If you did not completely foul up in asking him in the first place, you ought to publish it.

But I believe that in no instance did I ever make a decision to produce something in this format because the product could not otherwise get through. That was not the purpose of this format, even though some people might have thought, "EMD is trying to get around GAO's standards by putting out these documents."

But keep in mind that we had a different kind of staff generating different types of products too. We had Ph.D. economists on the staff and Ph.D. physicists and engineers who wanted to publish. We had consultants—nuclear engineering consultants—who wanted to get their work out, because that was how they were going to get their next contracts.

Even I was smart enough to figure out that if the Comptroller General signed something, it had a lot more impact than something that came out with an orange cover as a staff study.

Dr. Trask

Did you get much trouble from other Divisions because of your approach to report writing, referencing, and report review, which was somewhat different from that of other Divisions? How did the other Divisions react or did they react?

Mr. Canfield

I remember that we would send reports to the International Division or other units to get comments and that they would come back all marked up. But no one took reports forward to some arbiter above saying that the reports were just ridiculous and that they should not go out.

I think that probably people who commented thought, "It is his neck and not my neck. My job is this job, and his job is that job. I have done my job. I have commented that I think that he did a crummy job. But then I have to go on and keep living and do my own work. If those fools above him want to release this report, that is their business."

Dr. Trask

I have just one other question in this area, and that relates to comments on pending legislation, which may have expressed GAO views concerning anticipated problems, proposed policies, and so on.

Did EMD do much of that? If so, was there any consideration about the risk involved? For example, if GAO supported something and if it was written into legislation and if later on GAO had to do an evaluation, there was a risk that GAO would come out with a conclusion that it was not working.

Mr. Canfield

Let me come back to that. I just had a thought about this last issue. It would be easy to misinterpret what I am saying relative to this Division Director, that Division Director, the Office of Policy, Morse, or some other person who had problems with our reports regarding the way they were documented and referenced, etc. I think that would be a big mistake. The standards of quality and objectivity that were perfectly acceptable to and used by other disciplines were insisted upon by me, Dexter Peach, and others in the Division before reports even got out of the Division for review.

So I do not want to imply that because other people may have felt uncomfortable because some of our reports did not fit their disciplinary method of operating, these reports were somehow second-class. We put

out quality products. I cannot remember any time when we were accused—though I am sure that we must have been at some point—of not putting out a quality product.

I do not want to sound like we were a bunch of undisciplined zealots. In fact, we used to drive some of the field auditors nuts by sending back their drafts for documentation in the sense of referencing, and we would tell them to go back and cite some sources. They did not know how to footnote, and they did not know how to produce a bibliography.

They physically would not have known how to produce a master's or Ph.D. thesis. We insisted that our report have the quality of documentation that you would see in a learned journal.

As to the comments on legislation, I'll bet you money that if you went back and saw how much legislation we commented on, you could almost count it on the fingers of your hands. I think that there was a fear that that is what we were going to end up doing. But as far as responding to or commenting on legislation, we almost never did it.

When we did it, we did not initiate the action. I cannot remember a single time that it was generated by me or my Division. Requests came from Elmer Staats or Bob Keller or Sam Hughes, who felt strongly about providing comments. Interestingly sometimes, those strong feelings came out of studies that we had done 2 years before. They thought that our position was strong, and then legislation would come along 2 years later in just the opposite direction. Elmer would get on the phone. It was one of the few times he would call me on the phone. He would say something like, "Monte, legislation on this subject has been introduced, and it is going to be taken seriously. I want you to comment on it."

Interestingly, some people felt that we were in the business of trying to get ourselves involved in commenting on day-to-day legislative matters. If we were, you could have fooled me. Elmer was not as laid back as he seemed, nor was he as aloof as some thought. There were some issues, boy, that would get his back up. There were times that he was not being led by anybody; he wanted to make his own statements. A lot of times, these issues dealt with energy organizational matters. It was amazing to me how strongly he felt about them. How you organized to solve energy problems was a big deal with him, if the legislation looked like it was coming out wrong.

I have even seen letters commenting on legislation that he would draft and send down to us to comment on before they went to the Hill to be sure that they were consistent with our policy studies. So I think, Roger, that more was probably made of our commenting on legislation than actually happened. I think that people would be surprised that the source of the desire to comment on current legislation was Elmer.

From time to time, we would comment on administrative proposals like Project Independence, a plan for U.S. energy independence, which required an awful lot of legislation. We also commented extensively on the establishment of DOE [Department of Energy].

Dr. Trask

Did you get into that? Also, were you involved in the Energy Reorganization Act of 1974, which replaced AEC [Atomic Energy Commission] with NRC and ERDA [Energy Research and Development Administration]? Did you ever take a position or express an opinion on those?

Mr. Canfield

Yes. We examined opinions on energy organization and environmental organization. As Henry will remember, there wasn't a Division Director leading Elmer Staats on those issues. He had been Director of BOB. He had a keen understanding of how things went and how money got spent, and that man testified and we backed him up. He led us, he put the ring in our nose, he led us up to the Hill, and we testified. More than once I wrote him some testimony, and he would change the whole thing and give entirely different testimony.

If an issue dealt with organization, he wanted to be up at the plate with the bat in his hand and he did not want anyone telling him how to do it. Oftentimes we had to testify on legislation dealing with organization, and we had simply his knowledge and expertise to back us up.

Mr. Eschwege

I think that you are right. I think that he was very strong on organization.

Dr. Trask

Did this come out of his BOB days?

Mr. Eschwege

Yes, very definitely. He had helped set up some of these bodies that were being changed, and he wanted to have a say-so.

Mr. Canfield

He was very proud of the way that the government operated.

Division Efforts in Minerals Area

Mr. Eschwege

Monte, we talked a lot about the way that you operated and the way that the Division handled things. Our discussions have been focusing mostly on energy. But the Division also covered minerals. We have said practically nothing yet about the work that you did in the minerals area or the food area, which you supervised for a while.

I think that you would have to say that energy was much more important and better staffed in terms of numbers anyway than minerals. So what is it that you were trying to achieve in the minerals area?

Mr. Canfield

Well, being a little too flip about it (looking back on it now), I can say that we were probably trying to solve a problem that did not happen. At the same time, there were shortages in energy.

People were concerned about minerals before there was even any thought of using any energy other than wood. From a historical point of view, the government originally was interested not in energy but in minerals. Most energy was derived from minerals, primarily coal, oil, and natural gas and, to a much lesser extent, hydrogen and helium.

The government was organized first around minerals. Therefore, the first energy panel was actually a minerals panel, as I recall, under Frank Press, who was an MIT [Massachusetts Institute of Technology] professor. I may be wrong on this. But I think he was a professor of mineralogy at MIT. The people who were first talking about energy problems were guys like King Hubbard in the U.S. Geological Survey.

It was the Geological Survey that was out mapping the outer continental shelf. It was the Bureau of Land Management that was first dealing with the mining law of 1897, I believe. The law was later modified by the Mineral Leasing Act of 1920, which talked about coal, oil, and gas and set up the government-owned energy minerals as leasable minerals.

The universities are organized around mineralogy. There are departments of mineralogy, and there are departments of mineral economics. The classic department would be at Penn State. There are really some quality mineral economics departments throughout the United States, but they focus on minerals, not just on energy.

As the laws of the country were developed, they had the same focus. So at the time energy surfaced as a separate issue and an important issue, it was dealt with by people who were concerned primarily with mineral issues. The question of mineral shortages has been a traditional one that gets beaten to death by certain members of the mineral economics community every decade.

There will be a conference or a symposium about certain minerals that appear to be in short supply. It does not matter which ones. Helium: We are supposed to run out of that; platinum, palladium, you name it. Whether we run out is related to how dense the mineral deposit is, how available it is, and whether it can be efficiently and economically obtained.

For example, are we going to run out of gold? Or do we go out and take the sands of the alluvial valleys of the West and try to sift the gold out, like Bill Pecora, who headed the U.S. Geological Survey in the 1960s, wanted to do? He had this big plan to discover all the gold we needed just by digging it up and sifting it out. The problem was it was 1 part per 27 trillion or some such ridiculous ratio. But his plan was a big deal for a while. It never was proven economically sound.

There was a sufficient amount of scientific interest and concern in the Office of Science and Technology, in the Geological Survey, and in the universities to always justify a small effort of looking at potential mineral shortages.

As a matter of fact, John Hadd [GAO] and I presented a paper to the American Academy of Political and Social Sciences entitled "Adjusting to Scarcity," which discussed mineral shortages. Of course, since energy then was thought to be in short supply, obviously there would have to be minerals out there that were in short supply. Right? So it was a self-fulfilling prophecy. It never panned out. My feeling is—and I could be dead wrong on this because certainly in the last 12 years, something may have happened that I have not kept up with—the mineral scarcity issue per se simply keeps receding into the future.

The mineral scarcity is like a ghost. It is always at the end of the hall. You keep walking toward it, and it floats a little further away. So I do not see much urgency in it.

Mr. Eschwege

Actually, the concern was not only about minerals but about materials in general. And then there was discussion about renewable as opposed to nonrenewable materials.

Mr. Canfield

Exactly. There was always the question of who should handle materials in GAO and who should handle materials and materials issues in the federal government as a whole. These have always been major issues in GSA [General Services Administration] and the Defense Department. Who is supposed to be worrying about it, the Office of Emergency Preparedness?

Keep in mind that Elmer Staats was very, very much involved and that Tom Morris got involved, even before I was in the Budget Bureau, in the whole question of materials policy and materials scarcity.

In conversations that I would have with Elmer, he would bring up materials shortages. I would ask, "What materials shortages?" He would say something like, "Well, we are going to have materials shortages."

Mr. Eschwege

Well, I think also that the fear of materials shortages stems from World War II and even subsequent wars in which we had to have these stockpiles.

And in wartime, stockpiles are needed, I suppose, since you cannot import the materials from just anywhere.

Mr. Canfield

I am sure that what you are saying is all true. It is just that the need for stockpiles is not very urgent. I cannot see what extraordinarily helpful work that GAO could be doing on the subject. I do not see why any needed work cannot be done on a catch-as-catch-can basis until something really does come up to deserve the attention.

GAO is no longer in a position where it cannot move rather rapidly to mobilize quality resources to cover an issue when it has to.

Mr. Eschwege

Well, I think that you are right with one exception, and that is that budget-wise, GAO has the problem of being able to move people around. Because GAO is now using more than 80 percent of its audit staff-years on requested work, it has less flexibility. But I know what you are saying. We can find the resources to do that. We have some people in the minerals area. I am not current on what they are doing.

Mr. Canfield

I am sure that staff working in the materials area feel that they are doing important work and maybe it is important, but I certainly would not devote a lot of resources to it. Probably at least as much attention was given to it by EMD as it needed and maybe more was given. Looking back on it now, I am not so sure that it needed to have the attention it had.

Mr. Eschwege

I think that you were running the Division about the time that the Club of Rome came out with the report on the limits to growth.

But is there any one effort in the materials area that you initiated during your 3- or 4-year involvement in GAO that you are particularly proud of? Maybe that is not the right way of putting it.

Mr. Canfield

No, it is not. I was not ashamed of any of it. But there is nothing that I can recall that was important enough that I would remember now; let's put it that way. That does not mean that it was not quality work.

Mr. Eschwege

I understand.

Media and Public Relations

Dr. Trask

One of the things that Henry referred to in his introduction to this interview was the initiatives that you took in making contacts with the media, with the national press, and so on. I wondered what you would say by way of comment on this, particularly about developing personal contacts with the media, that was not typical of GAO in those years.

Mr. Canfield

I guess that you just will have to take my word for it. We never, ever solicited media contact, not in general or on a single issue. We never got on the phone and called ABC [American Broadcasting Company], NBC [National Broadcasting Company], CBS [Columbia Broadcasting System], or National Public Radio. We never initiated discussion with Dave Burnham at The New York Times or anybody at The Washington Post or anyplace else on any subject or even on the general scope of things. Nor did we "create" the initiation of contacts by the media with us.

I have talked about how we "created" congressional requests. But we did not use the same or similar tactics with the press. The simple fact of

the matter was that energy was a hot topic. I was a relatively glib and able person in presenting testimony. I made umpteen zillion speeches when I was with the Ford Energy Policy Project long before I came to GAO. I knew the press intimately from the work with the Energy Policy Project, because Dave Freeman really knew how to work the press and I was the number-two guy there.

I ran around with people who were environmentalists and were interested in energy conservation and related matters. The press likes that kind of thing. The media is really interested in things like that. "Save the whales" today or "the dolphins," you name it. It was no different then.

So you have got a combination of a guy who is blunt and relatively articulate and who interviews well on television. I tolerated them running those cameras in. Toward the end, I did not tolerate them so well. I would be wasting half my day to set up so that I would be with Walter Cronkite for 4 minutes on the evening news.

I came to be known as one of the Washington experts on energy, one of a handful. It just was that way. I happened to work at GAO. But they could always get a comment out of me that seemed relevant. I was accessible to them, and they took advantage of it. If anything broke on energy, you could pretty much assume that they would call half a dozen people and they would be quoted in The New York Times or The Washington Post the next day.

The trade journals felt the same way. The EPRI [Electric Power Research Institute], which produced one of the electrical industry mouthpiece magazines, did a big study on congressional energy organizations, and we received enormous play in that magazine. I also was interviewed on Public Radio many times.

For a Division Director, I was testifying a lot, simply because we were putting out a lot of reports on a subject that was hot stuff. Committee hearings on another subject area might never have TV cameras, but TV cameras were there if the subject related to energy. For example, some Subcommittee headed by Leo Ryan, who had served three or four terms in the Congress, would be holding a hearing on some obscure waste disposal site in upstate New York, and there would be TV cameras. There would be somebody there who was producing for the Cronkite show or some other news program, and there would be two or three reporters from the major magazines or newspapers.

Then after the hearing was over, reporters would interview me because good reporters always think that the Congressmen cannot ask the right questions and so the reporters have to ask questions afterward. Then the hearing would show up in the news the next day, and then somebody would say, "Aha, there is Canfield manipulating the press again, utilizing the press, and trying to stay in the limelight."

It did not work that way. It helped us—and I do not deny that it was all good publicity—but it would have happened if I worked at OTA or anywhere.

Mr. Eschwege

Monte, I do not think that the intent of the question was to say that you were manipulating the press. I think that what we were trying to point out is that you made your own people within GAO and the Division conscious of who the interested parties were. I remember borrowing some lists from you of the trade journals that should get copies of our reports that were available to the public and that they might not even know about.

I think that this is what some of those people were getting at when they said Monte really knew how to get the press to read our reports after they were issued.

Mr. Canfield

Well, yes. I guess that I want to make the point abundantly clear that the report had already officially gone to the people it was supposed to go to before it got to the press.

Yes, we wanted the people to realize just how important the press was in terms of spotlighting an issue, because it often made all the difference in the world.

Dr. Trask

The situation is that you were not drumming up this press interest. The press was interested because of the subjects that you were dealing with. The press also had you to deal with; you were an expert on this and did a good job of presenting this material when asked.

Mr. Canfield

Right, and, even today, I would urge GAO to be conservative, because I think that it is inappropriate for GAO to drum up press attention. I think that if GAO did not have a press office, it would be just fine. I do not think that it is appropriate for a review and evaluating arm of the Congress to drum up that kind of attention. I think that the Library of Congress and the General Accounting Office are more respected and look a

lot better today than OTA and CBO because OTA and CBO have done too much to attract the attention of the media.

OTA and CBO are operating like a fourth branch of government. They are not really working for the Congress, and I do not know whom they report to. But they are out there drumming up interest in their programs in the press. I saw it early on when I was still back there, and you see it more so today.

I like the way that GAO approaches the press. I think that it is an intelligent way. After all, if you are doing 80 percent of the work today, like Henry says, for the Congress and the Congress pays your salary, you should give the information to the Congress and let the Congress work with the press. The spin-off effect of it will be enormous. You will get plenty of play.

Mr. Eschwege — When you worked with the press, did that in any way disturb or concern Roland Sawyer, who was the Information Officer?

Mr. Canfield — Yes, Roland was always concerned about everything that we did. I could never understand exactly why he was so concerned. I guess he was concerned because he never was able to generate the kind of interest in any other subject matter that was generated in energy. It drove him nuts that they called me directly. Now these were people that I knew before I knew Roland Sawyer. But he wanted all questions funneled through his office, and he wanted to evaluate everything.

Basically, he wanted any contact with the press to be written up in a memo. I got to the point where I would tell my secretary to call him up and give him the EMD's agenda for the week. She said that he could attend any events if he wanted to. Well, he did it a few times and then he could not keep up with us.

Dr. Trask — What about Staats? Did he have any reaction to your exposure to the press and the media?

Mr. Canfield — No.

Dr. Trask — He never said anything about it?

Mr. Canfield — Not directly, but I think he liked it. If he did not like it, he had lots of chances to say so. I never got the impression that he did not like it. I thought he took it well. He always chose when he wanted to testify. He

always had the opportunity to testify himself, and he turned it down a lot because he just did not have the time to do so much. I think I testified 1 year 35 times, just me. Then Dexter, Carlone, and those other guys started testifying sometimes. We got into a habit that I see happening today: people from a much lower level leading the testifying team. That did not seem to happen often before EMD.

Heavy Burden of Running the Division

That took place because of the pressure of so much interest in energy; it was mind-boggling. There were times when I would have seven or eight Committee requests to testify in 1 week. So we got to the point where Associate Directors had to testify by themselves.

Today, on the front page of the St. Louis Post-Dispatch, there is a big picture of somebody who is testifying, and this guy is a GS-15. This is good and it is healthy.

Mr. Eschwege

I think that it was the philosophy of the Comptroller General, Elmer Staats, in those days that Directors or Deputy Directors should be the ones to represent the Office unless he himself did it, and he did a lot of it himself.

Mr. Canfield

Keller testified.

Mr. Eschwege

Yes. The one thing that he always said, of course, is that we Directors and Deputy Directors may bring along anybody who is knowledgeable but that we should read the statements ourselves. But you know how that worked. Once we read the statements, Members of Congress would ask us what we had meant by what we had just said. It was awkward to turn to people next to us and say, "Hey, what did I mean?"

But as the number of hearings increased, we had to ease up on that approach. Chuck Bowsher has been very good at delegating responsibility. Just about everyone in the Senior Executive Service testifies.

Mr. Canfield

I think that it is awfully important that the people who did the work get to testify.

Mr. Eschwege

It helps people to grow too in GAO. I will tell you what else it helps. It is having staff members from the regional office realize—the ones that you felt in your day sometimes were not quite as supportive of the things that you wanted to do—that they may be called to sit next to the

person who is testifying and to help answer the questions. That gives them ownership of what they are doing.

Mr. Canfield

Oh, yes. I think that it is really important. It is wonderful to sit around and say how selfless and ethically great it is to just be working in the trenches as an anonymous public servant, but there is nothing that really gets a person's adrenalin going at the GS-13, GS-14, or GS-15 level than to sit him or her right up in front so that people can see that this person did some good work here. There is just no end to the tales that they take home.

We tried to do that a lot. We did it out of necessity. I think that I would have been a more effective Division Director if the tradition had been established back then. One of the reasons that I ultimately got out was my feeling, especially in the last year, that I was not doing anything important, all the fun was being had by somebody else, and I was a figurehead. I was the guy that they threw the testimony to. Toward the end, I never wrote a stitch of my testimony; there just was not time. Toward the end, I was reviewing just the digests of the reports.

That was a far cry from the first early days, when I was up at the blackboard of the Philadelphia Regional Office outlining an upcoming study. We were up until 4 a.m. preparing testimony for Staats to take up there at 9 a.m. the same morning. We were involved hands-on in the substance of the work.

Mr. Eschwege

That gets me into one of the areas that I was going to ask you about.

Is it fair to say that you developed a lot of confidence over the years in your top people to the extent that you could delegate these tasks and not have to prepare your own statement and be too concerned about details? Could people like Peach, Carlone, Jim Howard, Boland, and Kelley be entrusted to do this work for you?

Mr. Canfield

Except for Peach, it never got the point while I was still there that they became the primary witnesses. But they did all the work for me and prepared the witness books. Yes, I had that kind of confidence in them. They have since proven that my confidence was justified, because they have done extremely well in GAO since I left.

Incidentally, a remarkably large percentage of the ones who have done very well are traditional GAO accountant types who have come up through the system. The relative percentage of leaders today doing

energy-related work in GAO that come from traditional nonenergy backgrounds is really amazing. It is not that they were promoted because they were from GAO and that somehow the outsiders were finally kicked out or put in the proper perspective where they belonged. That is not what happened.

What really happened was that the traditional auditors were able to organize analysis better than the specialists from other disciplines. The accountant mentality was able to develop the synthesis that was necessary to get the message down on paper and produce the product.

Mr. Eschwege — There are a lot of outsiders in GAO now who are not accountants and who are doing well.

Mr. Canfield — They are doing fine, I am sure. I am not saying that this applies to everyone. I am saying that in the short course of 4 years, it was amazing that a large portion of people who were able to get products out in a timely manner ultimately were those very people who were fighting the idea tooth and toenail to start with; they became extremely good.

The other side of the coin, from my personal point of view, is that because there was no tradition of delegating actual testifying and other chores and because there was this enormous contact with the press and with congressional committee chairmen and congressional staff directors, I spent a great deal of my last 18 months in GAO doing nonsubstantive things.

That got to me toward the end. I am not so sure that it would get to me today. I do not know that, but it got to me then. I had been the hands-on methodology guy at the Energy Policy Project. I got to the point at GAO, however, where the demands on my time to testify and to make speeches were overwhelming. I have thrown out of my garage over 20 carriers, 3-1/2 to 4 feet long and 18 inches wide, of manila folders. Four of those—four carriers full—involved material for trips and speeches that I made when I was at GAO.

Dr. Trask — Don't throw those out. Ship them to me.

Mr. Eschwege — Have you thrown them out already?

Mr. Canfield — Oh, sure. It was just incredible. It would be amazing to go back and look at how much time I spent. Toward the end, everything that I was doing was simply reciting something that I had my stamp on in the sense that I

was the Director of the Division, but there was not much substantive work coming out of me at that point. There was not time for it. I was still capable of it, but there was no time for it.

Mr. Eschwege

Are you saying that you became a little bit of a bureaucrat yourself, a GAO-type bureaucrat, in that you were no longer that outsider with those new ideas to motivate the staff and so on?

Mr. Canfield

To some extent, that is true. I was still there to motivate. But what I felt most was that I did not have the pleasure of doing substantive work anymore. I had not realized how important that was to me. When I first got to GAO, I was testifying before the Congress, TV cameras were rolling, and I was flying all across the country making speeches. That was pretty heady stuff. But it got old pretty fast.

What I realized was that the price I paid for that toward the end was that I never got into the kind of depth in doing the analysis that used to be a lot of fun. There was no time for it anymore. Toward the end, the Division would have my schedule lined up for me for a month.

For example, I would be told:

"You have got to be in Boston on Tuesday to give a speech to the American Car Wash Association, you are going to be in Philadelphia on Friday giving a speech to the American Academy of Political Science, and you are going to be at the AMA [American Medical Association] convention next Wednesday to discuss the environment and energy problems. Then you are going to the Governor's office in Massachusetts. In the meantime, you have got to testify Tuesday morning, Thursday morning, and Friday afternoon.

"And oh, by the way, would you read these summaries? We are producing seven reports this week, and here they are and they are a foot thick. And oh, some producer from the Cronkite show called, and he wants to come in Thursday afternoon after testimony and do a follow-up."

I am exaggerating a little, but not as much as you might think.

Mr. Eschwege

I think that I know what you are talking about.

Mr. Canfield

Another problem that I had was that GAO invested incredible amounts of what I considered wasted time in internal staff reviews. I mean that is another whole subject. But GAO did not need more requests from the Hill to keep lots of people occupied for the rest of their lives; they could keep

busy doing just internal reviews. As a line Director, I found those internal reviews terminally tedious.

Dr. Trask — Are you talking also about the time taken up with staff development and EEO [equal employment opportunity] objectives?

Mr. Canfield — No. Those kinds of things are mandatory and necessary and did not take up that much time, as far as I was concerned. They are essential in order for any organization to grow, breathe, and to be fair, and I had no problems with them. I am talking about such things as the interminable Comptroller General's briefing reviews, congressional briefing reviews, and preparations for the Comptroller General's advisory panels.

I do not think that anybody realized how much time these things took up. For example, a Division Director preparing information on a subject area for presentation to the Comptroller General's advisory panel wanted to do it right. After all, the Comptroller General, with all his advisors from inside and outside the government, would be sitting there. But doing it right took a lot of time.

Then we attempted to coordinate work among Divisions, which basically meant that we all sat around and told each other what we were doing. Do you remember those meetings, Henry?

Mr. Eschwege — Yes.

Mr. Canfield — We would sit there and spend hour after hour after hour listening to what General Government was going to do.

Mr. Eschwege — Were you there when we had the Directors meetings?

Mr. Canfield — Oh, yes.

Mr. Eschwege — Mr. Staats finally discontinued them.

Mr. Canfield — There was just so much internal stuff that would take a lot of time. Really, you could not afford to look stupid in front of your contemporaries. These were people who were your equals. You did not want to go in there unprepared with the Comptroller General sitting there. But preparing for these events was not a productive use of very high quality time.

Most of these people sitting around these interminable meetings were GS-15s, GS-16s, GS-17s, GS-18s, and above.

Mr. Eschwege — You did not feel that you could delegate a lot of these functions?

Mr. Canfield — I tried it a couple of times, and I got told that they wanted me to be there.

Mr. Eschwege — You were a hot item in those days. You had to be there.

Mr. Canfield — I have a vague memory of one terrible week. That was when Cronkite was interviewing me day after day when he did the 2-hour coal shortage show. I was scheduled to testify, I think, three or four times that week on the Hill, and we had reports to get out. All of a sudden, the Comptroller General called and said he would like to have a presentation on some nuclear issue before his consultant panel.

I asked Dexter Peach and Ralph Carlone to just do it. So they went in advance to brief the Office of Policy, which was coordinating all these presentations. I do not know whom they briefed. Whoever it was went in to see Keller and Keller wheeled in to see Staats. The next thing you know, I got a phone call from Staats. Elmer very politely said, "I am sure that I have got the wrong impression here, but I was getting the impression that maybe you were not planning to attend my meeting."

Mr. Eschwege — And I am sure that you got the message.

Mr. Canfield — So I assured him that he had the wrong impression.

Motivating and Developing Staff

Dr. Trask — Let's talk a little bit about staff development, things like maintaining lines of communication between Division management and staff, recognizing good work in the Division, recruiting, and ratings.

Mr. Canfield — We had an Assistant Director for Administration for a long time, Earl Darrah. He was an outsider. He did well at the job, simply because he cared about people and spent a lot of time trying to integrate insiders, traditional accountants, and new people.

He spent a lot of time trying to develop proper communication. I did not spend a lot of time on it. It was simply because of an old-fashioned attitude that I have, which is that the results of your work are the basis for your rewards. I would just put together a team to do something small, and if they did it well, that same team would get assigned to do something bigger. It was a big enough Division that if you put an Assistant Director in charge in a certain area and he did not handle it too well, you would just move him. There was always something else that he could be doing.

I did not give the time of day to worrying about formal staff development. I was worried about substantive issues of major importance with a small window and a short period of time. I was not going to be there much longer, and I just put the people to work that did the job well.

I delegated to Dexter, and Dexter in turn delegated, eventually, to Darrah. Peach at first tried to handle it himself. He believed in the staff development and a coordinative effort. He thought it was more important than I did. It did not take him very long to realize that if he spent enormous time immersed in that, these substantive issues were going to pass him by.

So I just let the system operate on its own, and I did not spend a lot of time with it. It is a two-headed coin. On the one hand, we got a lot of quality work out quickly. On the other hand, I am sure that in some cases we badly misused our resources. You know how it is: The guy who is really good gets all of the work. And the other three guys just sit there and receive their salaries the same as he does, and he is working his rear end off. I just know it happened, and I did not pay much attention to it.

We did not care what their stripes were or whether they were auditors, accountants, or economists. Whoever could get the job done and whoever could work together made up the team. It was very informal. We had formal Associate Directors and Assistant Directors, but if you go back and look at how we put together a given job, you will see that projects were not always staffed according to alignment on the organization chart.

Dr. Trask

For practical reasons, that is the way that a lot of GAO units and a lot of organizations work.

Mr. Canfield

Carlone would go over to somebody on Boland's staff and say, "Hey, I am getting ready to launch this review, and I know you are interested in

it." The next thing you would know, Boland's staff member would be on that team. That was the way that it worked.

Dr. Trask — Did anyone in EMD make any effort to recruit new people either as generalists or for specific jobs? Did many such new people come?

Mr. Canfield — Yes, I would say that early on well over half the people who came were outside people recruited directly off the college campuses or from other federal agencies. We hired fewer such staff each year, and we filled from within more and more as time went by. And we still had those original outside hires on the job.

For example, we hired a physicist because, considering some of the things that we were working on, it sounded good to have a physicist. If that physicist just moved on, we might realize then that he had not actually contributed anything that somebody else could not have contributed.

We started becoming much, much more selective as to whom and what type of disciplines we wanted. We were not just trying to fill out a chart showing that we had multiple disciplines. The net effect of that was that much more of our recruitment was directed at staff within. If we wanted somebody, we got him or her. I do not want you to misinterpret that. Despite all the civil service rules, if you really want somebody—and, it is hoped, you have got enough brains to want somebody who is qualified—then that person will qualify.

Dr. Trask — How large was the EMD staff?

Mr. Canfield — I do not remember exactly, but I think the staff numbered 60 or 70.

Mr. Eschwege — It probably was a little larger at some points.

Mr. Canfield — I doubt it was ever much over 100.

Mr. Eschwege — You had field resources too. You always measured resources in terms of total effort because you really had some control over those field people as well. We can look it up.[3]

Mr. Canfield — I know that there were times when we had 200 or 300 staff-years of work on the books. It was a much, much larger amount of staff-years

[3]In March 1978, EMD had about 140 professional staff.

than we had available in Washington, D.C., because there were 25 or 30 of them down in Houston alone. We had maybe 100 or so people in the central office and 20 or 30 in Houston; we also had another 200 or 300 staff-years out in the field. But relative to the size of other Washington Divisions, EMD was not the biggest by any stretch. Your Division, Henry, was much larger.

Further Thoughts About GAO: Then and Now

Mr. Eschwege

I think that you have already reflected a lot on your career. If you were to identify the one thing that you consider to be of particular satisfaction to you or that you have accomplished in GAO, what would it be? Then counter that with the one thing, and maybe you already mentioned it, that perhaps was a major disappointment to you in GAO.

Mr. Canfield

I do not think that I realized it at the time—most people would not accuse me of being very humble—but enough people from totally independent sources have told me that because of the way we utilized new approaches to carry out our work and the way we imposed certain processes on the system, GAO would never be quite the same again.

I have heard that from a lot of sources and I am surprised by it. I was shocked when you called because there were people who were at GAO for decades and I was there for a very short period of time. Long after I left and was working in private industry, Sam Hughes used to tell me what he thought my impact was on GAO. I thought that it was very kind of him, but I just let it go at that, because I have come out here and am living an entirely different lifestyle and a long time has passed.

But I think that if it is true, there is an enormous satisfaction for me in realizing that I had something to do with opening up and bringing to flower a major resource base for the government that was doing well enough to start with. If I had some small role to play in that, that is more important to me than all the specific studies that I ever did. But consider the amount of resources and the quality of talent that became available in GAO to do this kind of analysis. If I had something to do with it, that is a wonderful thing to have been involved in.

I certainly did not go to GAO with the idea of doing that. I just tried to do quality work and get attention paid to it. So I see a lot of satisfaction in that. It pleases me to think that other people believe that I had something to do with shaping how GAO looks at important issues. I didn't consciously come to GAO and say, "Well, I am going to this organization to change its tenor."

The studies will be forgotten, but the attitudinal change will continue. Knowing that I was involved in that change is very satisfying to me.

I have already alluded to the disappointment. And maybe at my age today, I would not let it happen. But I got so caught up in being the face and the front of EMD that I forgot to keep doing what I had fun doing. I really liked doing substantive things. That does not mean that I could not have done both. I did a poor job of balancing those, and that would be my major disappointment.

Mr. Eschwege

You have given us some reasons why you left. But were there any other reasons? Was there a better job offer somewhere else? Or were there any other reasons that you care to talk about for which you left rather abruptly, as I saw it?

Mr. Canfield

Nothing very dramatic. I think that basically it is important to understand that I left Washington, as well as GAO. I was at that point fairly burned out regarding Washington. I do not think the word "meteoric" would be appropriate. I certainly had a swift climb in the federal government and in the nonprofit world with that stint at the Ford Foundation. You know, I was a GS-15 when I was 29. By the time that I was 35, I was a GS-18. I had already been through the Ford Foundation. I had been in the government since 1963, and then it was 1978. That was 15 years.

I had worked on the executive branch side, I had worked in the Executive Office of the President, and I had worked on the congressional side. I was not clairvoyant, but I could see that the window on energy was closing. It was clear that we were running out of things to do that were going to be received as dramatically as they had been earlier. I was already wondering whether or not the substantive things that we were talking about were being paid attention to anymore.

So adding all that up, I felt that it was time for a change. I was in my late thirties. Looking back on this period at the age of 51, I realize that the world does not fall apart at 40. But I think that in your late thirties,

you think that if you are ever going to make a career change, you better do it before you are 40 or you will never do it. Somehow you think that you will be forever in this rut, which is total nonsense.

But I am saying that from the point of view of somebody who had spent 15 years in the federal government, who had gone about as far as he could envision going in government without going political, who did not want to go political, and who believed in civil service, it seemed that I was reaching a point in my life when I would be doing the same things over and over again.

I might make a different decision if I were in that situation today, but that is the decision that I made. And it was a radical career change. I went to work for private industry in the corporate world and for a Fortune 500 company in what turned out to be a nonjob; I was a vice president for administration and planning, only to discover that there was nothing to administer and that the company did not know what planning meant.

So I ended up being a troubleshooter for this corporation, and that is what ultimately got me to St. Louis, because a Division of the corporation centered in St. Louis was in a lot of trouble financially; it was not making any money. I moved from being a troubleshooter to actually coming out here and being Chief Executive Officer of the Division. I tried to put it back together again and got it to the point where it was pretty close to breaking even.

Then I found that my services there were no longer needed because I had done what the corporation had hoped that I would do. So I decided to set up my own little private retail store, which is the business I have been in for 9 years.

Mr. Eschwege

You are still in energy though.

Mr. Canfield

Oh, yes. Also, I write articles and columns on energy for local newspapers. I am still selling alternative energy devices. My work is very real, and it involves a lot of one-on-one interaction. If somebody walks in with a gas bill of $300 a month in the wintertime and works with me for a reasonable period of time, I can cut it in half. It is a good, satisfying field. I never got out of energy. My present work is a much different way to work in the energy area. I can see the results very quickly, and it is very rewarding.

Mr. Eschwege

GAO is often in the news, and you mentioned that you saw references to GAO in your local paper. You have probably kept up with GAO to some extent at least, through the news. Also, maybe you talk to GAO people occasionally.

What do you think that GAO can do to become even more effective in the 1990s and in the next century in the way that it serves the Congress and does its work?

Mr. Canfield

Well, interestingly, Henry, I do not keep up with it very much. It is amazing. Washington is a world unto itself. Unless you do not live there for a fairly long while, you do not realize it. The St. Louis Post-Dispatch is a very good newspaper. But it reports on GAO probably not more than a dozen times a year. Items that it does publish about GAO deal primarily with contractors for defense, because this is a big defense contractor town. McDonnell-Douglas, General Dynamics, and other defense contractors have offices here.

What I have been impressed with is things like this silver-colored annual report that the current Comptroller General has come out with. It is pretty dramatic stuff. Staats would not and maybe could not have dared to write in a style like that. Campbell would not have. Your current Comptroller General is using language that I got into trouble for using and foisting off on GAO back in the 1970s. Do you know that? It is not mealy-mouthed language. He is telling it like it is. That is very impressive.

I read it and I could not believe it. It is still on my desk. I am making my business partner read it. But this is the Comptroller General of the United States talking this way. You know, saying, "Face the issues; this is where it is at." You have come a long way, baby, to paraphrase that advertisement. It ain't the same.

I think that the answer to your question, Henry, is to keep doing what you are doing and do more of it. I do not think that the answer is to continue to get bigger. I read your annual reports and Harry Havens's paper.[4] But bigger isn't necessarily better. How many staff does GAO have now, 3,000 or 4,000?

Dr. Trask

About 5,100, including the support staff.

[4]GAO/OP-2-HP.

Mr. Eschwege — GAO has not grown in the last few years.

Mr. Canfield — I think that there may be a lot of fat in GAO, but I am sure that GAO does not want to hear that.

Mr. Eschwege — I want to hear it; that's why I asked.

Mr. Canfield — Let's put it this way. There was a lot of fat in GAO when I was there. And if it is not any smaller now than it was when I was there, then there is still a lot of fat in GAO, unless you are doing a lot more substantive work than you used to do.

Dr. Trask — The work load is probably significantly more than it was 10 or 12 years ago.

Mr. Canfield — Then maybe those people who were not doing things back then are productively employed now. But I just do not think more and more growth is desirable. In the first place, GAO is doing more and more quality scholarly research, in addition to traditional audits. At some point, you have to question how well you can manage a scholarly organization of 5,000 people. That is all that I am saying. But I am very impressed with the tone and the tenor of what GAO is doing today. Shocked is too big a word, but I was surprised, not just mildly surprised, at reading a Comptroller General's annual message that was as blunt and specific as this was and that dealt with important issues.

Mr. Eschwege — For example, the deficit problem, which has been going on now for more than 4 years, was highlighted right up front. Maybe even Monte Canfield could have written that?

Mr. Canfield — I think that we ought to leave the credit lie where it is. Whoever wrote it—I assume that the Comptroller General wrote it—did a great job.

Mr. Eschwege — Well, I think that you are now on the GAO distribution list, so you will get more of these kinds of publications, which will give you a better idea of what we are currently doing.

Mr. Canfield — He is not backing away from the fight, and I think that is so important. All the issues, not just energy issues, are important issues. If they are worth studying, they are going to be controversial by their very nature. Otherwise, there would not be any social issues, right? That is the definition of a social issue.

I hope that the Comptroller General helps handpick somebody as his successor who is equally as aggressive as he is in focusing, and where appropriate, attacking substantive issues.

Mr. Eschwege — The process for selecting a Comptroller General is legally established, and it is a little different from what it was when you were there, but GAO, it is hoped, will be lucky again when the time comes.

We are just about through. Is there anything else that you would like to add that you felt that we should have stressed here today?

Mr. Canfield — No, not in a substantive sense. In a congratulatory sense, I want to say that most institutions do not ever try to get a sense of their history and of where they came from until it is too late and until the people are sitting around in their rocking chairs and retired and say, "Gee, would it not have been nice if we had recorded some of these events?" I think that this program is very important. I think that you are doing well to just do it. That in itself shows a lot of insight.

There are a lot of organizations in government and elsewhere where people do not even have an oral history project, and that is tragic. Roger, you should not let your staff grow very big either.

Dr. Trask — There seems to be no danger of that.

Mr. Eschwege — Roger is vice president right now of an organization that deals with this sort of thing.

Dr. Trask — The Society for History in the Federal Government.

Mr. Eschwege — More and more interest in history is shown not only by GAO but also by other agencies. Roger will soon take office as president. When?

Dr. Trask — In July. But more and more federal agencies, even in these tough budget times, are instituting history programs.

Mr. Canfield — I think that they are important. There is actually even a popular interest in history. Think about how well that little piece of fluff that David Brinkley wrote went over. Basically it consisted of superficial reminiscences of the Second World War and the years after. I enjoyed it. I think that people are hungry for it.

Look, if somebody does not record history about the Budget Bureau, people in a few years are not going to know that there was a Budget Bureau, how it differed from an Office of Management and Budget, what its functions were, and how important it was.

With a White House staff today that is bigger than the Budget Bureau was when I worked in it—and it was not that long ago--somebody ought to sit down and take a hard look at what the Budget Bureau was. We had kids around 25 years old like I was, GS-7s, GS-11s, or GS-13s, telling secretaries of departments that they cannot do this, that they can do this, or that they will do this or that. It is interesting stuff, and it is going to get lost. So I congratulate GAO and you personally, both of you, for taking the time to do an effort like this.

Dr. Trask

Well, you have congratulated Mr. Bowsher particularly in reference to his annual report, but it was Mr. Bowsher's idea to have a history program and GAO prepared for it. I think that is another thing very much to his credit.

Conclusion

Mr. Eschwege

I think that we owe you a great deal of gratitude as a profit-making entrepreneur to take so much time off from your busy business schedule to come down here and talk about your activities at GAO. On the basis of what people have already told me at GAO, I think that when we get the transcript out, there will probably be more than the usual interest in what you've had to say. From the Comptroller General on down, as I said in my opening remarks, they all realize that you have made that lasting impact.

People have not said it in these words, but you have created some kind of immortality for yourself at GAO. We certainly thank you. I am sure that the Comptroller General as well thanks you for your participation today.

Dr. Trask

Part of my evaluation of these interviews consists of determining what I can use or ultimately what some other historian can use in writing the history of this period. I am sure that what we recorded here is going to be extremely useful in the writing of what GAO did in the 1970s. So we thank you very much.

Mr. Canfield — I thank you both.

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