

May
1979

RIPON FORUM

Volume XV, Number 4
Price \$1.50

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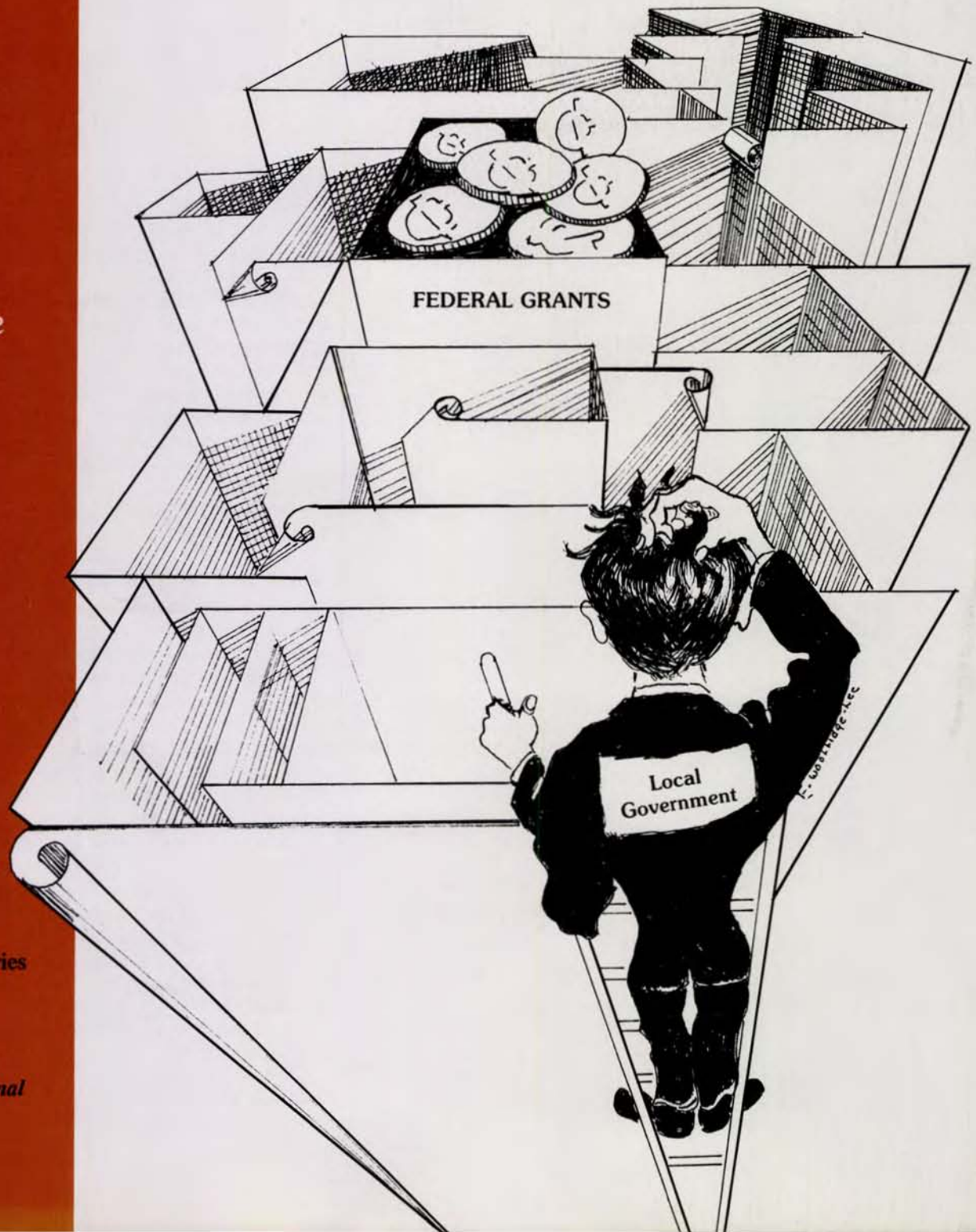
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RIPON FORUM

Editor: Arthur M. Hill II

Executive Editor: Steven D. Livengood

Art Director: Elizabeth Lee (The Graphic Tuna)

THE RIPON FORUM (ISSN 0035-5526) is published monthly (except for the March/April and July/August combined issues) by the Ripon Society, Inc.

In the publication, the Society hopes to provide a forum for fresh ideas, well researched proposals, and a spirit of creative criticism and innovation in the Republican Party. Manuscripts and photographs are solicited, but do not represent the views of the Society unless so stated.

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Second class postage and fees paid at Washington, D.C. and additional mailing offices.

Subscription rates: \$15 per year, \$7.50 for students, servicemen, Peace Corps, Vista and other volunteers. Overseas, add \$6. Please allow five weeks for address changes.

The Ripon Society, Inc., John C. Topping, Jr., President, is a Republican research and policy organization whose members are business, academic, and professional men and women. It is headquartered in Washington, D.C., with fifteen chapters, several affiliated subchapters, and National Associate members throughout the United States. The Society is supported by chapter dues, individual contributions, and revenues from its publications and contract work.

COMMENTARY

Energy Policy in the Wake of Three Mile Island

The crisis at the Three Mile Island nuclear power facility has both underscored and heightened the disarray in our national energy policy. At a minimum the events seem sure to strengthen already mounting public apprehensions about fission generated electric power. In the last couple of years the once rapid movement to nuclear power has been stalled amidst a welter of law suits, protracted licensing hearings and huge cost overruns on nuclear projects. Opponents of nuclear power have expressed concerns ranging from the metaphysical to more practical considerations such as safety of residents near the reactors, disposal of radioactive wastes, and the potential diversion of fission byproducts to terrorists capable of constructing a nuclear weapon.

Even in the wake of the Three Mile Island accident the most troubling aspect of fission power is not the possibility of a meltdown or other on-site calamity but the failure of the industry to develop a satisfactory means of disposing of radioactive wastes. This problem in and of itself is of sufficient magnitude to counsel caution in moving toward greater use of fission power. Moreover, regardless of the results of any impartial cost-benefit analysis, the emotions generated around the issue of nuclear power may well stalemate expansion of fission generating facilities.

The impasse in fission power coincides with a mounting crisis in non-nuclear energy supplies. Despite all the hoopla of recent years about energy self sufficiency U.S. dependence on foreign oil continues to grow. Although U.S. energy consumption has steadily increased, there has been no commensurate rise in U.S. production of fossil or non-fossil fuels. The political upheaval in Iran and the Carter administration's maladroit handling of relations with Mexico have placed American consumers even more at the mercy of the OPEC cartel.

Meanwhile the Alice and Wonderland system of energy price controls and producer subsidies has given us the worst of

two worlds—incentives toward consumption and disincentives toward domestic energy production. The Administration's recent endorsement of oil price decontrol should produce some marginal improvement in our national energy situation.

It seems doubtful, however, that we can rely heavily on either dramatically increased domestic oil production or quantum jumps in output of such alternative forms of energy as solar, geothermal, hydroelectric or wind power. Although alternative energy technologies may be price competitive in areas with the appropriate climate or geography, they are still likely to play a subsidiary role in our national energy production.

Only three forms of energy offer a chance of reestablishing U.S. energy self sufficiency, a desirable goal in view of OPEC's ability to mandate price increases and the continued vulnerability of the U.S. to an oil embargo. These are coal, oil shale and fusion power.

The oil reserves of Saudi Arabia are modest in energy equivalence when compared with the enormous coal reserves of the United States. Coal, however, is far more troubling than oil to extract and to process. Dramatically increased coal production may generate a host of unwelcome side-effects—damage to the landscape, disruption in traffic in small western communities through which coal trains will pass, diversion of water from many already arid areas, and more pollutants in the atmosphere.

Other than much increased reliance on the mercy of OPEC or dramatic reductions in consumption and life style, there seems no near term alternative to far greater U.S. coal production. The problem is largely how to accomplish this with a minimum of social costs. This transformation to a significantly coal based economy will require the institution of new processing techniques and the development of environmental policies geared to population density. Thus, much more flexible standards might be applied for coal burning facilities in relatively uninhabited areas than for coal burning plants in populous areas.

A greater near and medium term reliance on coal should meanwhile be accompanied by a concerted effort to develop our nation's enormous oil shale potential. Oil shale like coal has innumerable drawbacks including the possibility of diversion of scarce western water supplies. The very enormity of U.S. oil shale reserves could prove decisive in establishing effective U.S. energy self sufficiency once acceptable extraction and conversion techniques have been developed.

While attempting to fulfill our shortfall in energy supplies through environmentally and economically sound uses of our coal and oil shale reserves, U.S. long range energy planning cannot ignore the possibility of commercially feasible fusion energy. A long term massive reliance on coal for electric power generation may produce some harmful environmental changes such as the so called "greenhousing effect". To minimize the possibility of such disruptions to our climate coal, oil shale, and fusion generation strategies might be meshed.

In view of the enormous environmental, economic, and security benefits to be realized from commercial fusion

energy, significant governmental investments in such research seem justified. The development of commercial fusion offers the prospect of unlimited and incredibly cheap fuel sources without the waste problems associated with fission. Fusion thus could supplant coal as a prime source of electricity. Meanwhile, economic methods for extracting petroleum from coal should be available. Thus by the end of the century coal and oil shale derived gasoline could substitute for potentially dwindling petroleum supplies. At the same time fusion power could assume an increasing portion of the electric power generation burden. The resulting change in coal use could minimize any environmental side-effects.

If commercially feasible fusion is to be realized within the next two decades, some dramatic changes in Federal funding of fusion research seem necessary. To date the fairly modest Federal research and development funding of fusion has been concentrated heavily in the tritium plasma and tritium laser approaches. By most projections these approaches, even if successful, would not yield commercially feasible energy until about the year 2025 and still in the first generation could have serious radioactive waste problems, although less than in fission techniques. Meanwhile, advanced fuel fusion which in the first generation would avoid any radioactive waste problem has received virtually no Federal funding. A recent Department of Energy report prepared by outside experts identifies advanced fuel fusion as "an area in which breakthrough may be expected that may change the entire picture".

Moreover, government laboratories and university laboratories, both with unimpressive track records in developing commercial applications, have tended to monopolize most Federal fusion funding.

If the United States is to develop a coherent national energy policy certain realities must be acknowledged. First, energy choices can not be judged in moral or ideological terms. Every energy technology involves some risks and some undesirable environmental side-effects. Massive use of solar energy, certainly one of the "cleaner" energy technologies, could entail blanketing thousands of square miles of terrain with solar panels. Second, our energy planning should minimize distortions caused by differential subsidies or tax incentives for various energy technologies. Congressman David Stockman of Michigan has wisely cautioned against the enormously costly potential effects of an energy policy in which Congress underwrites the cost of production techniques as well as research and development. Entire otherwise uneconomic industries may be sustained for generations because of preferential tax treatment. Third, research and development moneys will be frittered away if they continue to be viewed merely as a high technology form of pork barreling. Such investments must be insulated against efforts to spread the pie on geographic or other political lines. Investments must ultimately be related to the likely economic benefits of new energy production, extraction or distribution technologies.

If the events at Three Mile Island can shake us from our complacency to develop a long range and economically rational approach, perhaps the anxiety and disruptions of life for Harrisburg area residents will ultimately serve a useful purpose. ■

The Impact of Federal Grants on Local Government: A CASE STUDY

by Adrian Day

INTRODUCTION

Far from being the "free lunch" it is often perceived to be by government officials and local interest pressure groups, federal largesse to local government units is a Trojan Horse, delivering a host of problems along with the dollars. Among these problems are increased government on the local level, higher local spending, waste and inconsistencies, uncertainty, red-tape and crucial incursions into local decision making.

Federal grants to local governments, which have increased more than ten-fold since 1960, are now the largest single source of funding for many municipalities. Despite growing recognition of the problems, pressure towards continued expansion of the federal grant system, seems irresistible, with significant long-term implications for the federal system of government in the United States.

The trend towards greater centralization has been accomplished by drifts as much as sharp shifts. The last 20 years have seen the balance of power move towards Washington partly because of the federal grant system.

With the federal government's ability and propensity to increase its taxation and its deficit, both of which are more limited for states and local governments who can not print money, the shifts in power towards the center have been, and seem likely to, increase, especially as the much-heralded tax revolt has as its primary and easiest target the property tax, the major source of income for most local governments.

Part of the cause for this shift is the rapid growth in direct federal grants to local governments. These have grown from a humble \$2.3 billion in 1950 to more than \$85 billion in the current fiscal year. This amount is of a total federal budget (FY 1979) of about \$500 billion, including a \$61.4 bil-

lion deficit. Put another way, almost 20% of the money collected in Federal taxes is returned directly to states and localities. The 20% does not include such direct federal spending in localities as federal parks, food stamps expenditures, veterans' benefits, welfare and a host of other spending, nor does it include spending that is essentially of a "national character", such as for defense, even though much of this spending, of necessity, takes place in local government jurisdictions. Direct federal grants to state and local governments have risen at an even faster rate than the federal budget during the past 20 or more years, with only one short-lived decline in the Ford years.

The same period has seen an even more rapid growth in the amount of grants that flow directly to local governments. Up to the 1950s, almost all federal grant money went to states, which then divided up the pot as they saw fit. Now, more than 30% of all federal grant money goes directly to local government units, and for larger cities federal grants are a greater source of income than state grants. This direct aid to local governments has virtually doubled in percentage terms every five years for two decades, and recent years have not seen any slowing in this trend towards "direct federalism".

Looked at from the other end of the money pipeline, federal grants represent an increasing percentage of local government revenues. Through 491 grant programs, federal aid now represents more than a third of total state and local government revenue, up from 11% only 20 years ago.

The increase in aid that flows directly to local governments, bypassing the states, is even more dramatic, increasing from just one percent of local revenues in 1957 to a third in the present year. So significant is it now, that in many localities federal aid is the largest single source of income. All local government units combined in Minnesota, for example, re-

Adrian Day, a graduate of the London School of Economics, was a political reporter for The Albany (Georgia) Herald for two years. He is now a free-lance newsletter editor based in Washington, D.C. The research on this article was funded by the Sabre Foundation Journalism Fund.

ceived more money from the state and federal governments (the state simply serving as a conduit for much federal funds) than from any other single source.

The money is especially crucial to older, larger cities. The Advisory Commission on Intergovernmental Relations, established by Congress 18 years ago to study federalism, conducted a study last year of 15 large cities across the nation, tabulating federal aid over a 20 year period. For these cities, such aid increased from only 1.1% of general revenue in 1957, to 5.2% in 1967 to an estimated 47.5% in 1978. The cities studied did not include the special case of New York. Some cities, of course, are worse than this average. In Detroit, federal grants this year amount to about 70% of all revenues; in Cleveland 68% and in Buffalo 62%.

GRANT CHARACTERISTICS

The federal largesse is not only making local government financially dependent on the federal government it is having a significant impact on other areas of local government, including decision making. Typically, the federal grant is characterized by a relatively low local matching requirement (normally between 10% and 50%); by strictly limiting use guidelines; by wide-ranging rules and stipulations; by a requirement for ancillary activities; such as planning and citizen input groups; and by delay and uncertainty.

The effects of the federal government grant system can be easily seen by examining the typical grant characteristics.

The federal government offers a grant of \$100,000 to a community, which must put up a 20% match and must also prepare the necessary planning and reports to obtain the grant. The local government does not want to look a gift horse in the mouth, but must spend perhaps \$25,000 to get the grant, money it would not otherwise have spent, and which it must raise by taxation.

the philosophy of grantsmanship continue to prevail as local costs are ignored or hidden.

THE CASE OF ALBANY, GEORGIA

One community that has entered the grant game and is now fully committed to it is the city of Albany/Dougherty County in southwest Georgia. Albany, with a population of about 90,000—the unincorporated county having an additional 5,000—is the largest city in southwest Georgia, serving as a metropolis for the rural area, and attracting the population of outlying communities for recreation, shopping, employment and settlement. It has experienced a rapid growth in the last 30 years, slowed only once by the closure in 1972 of a Naval Air Station there. The major employer is the Marine Base Logistics Support Base, which not only has given jobs to thousands of local civilians, but has also drawn many thousands of soldiers and their families to the community, many of whom have retired there as well. In addition, there are several medium sized industries, including Firestone, and Proctor and Gamble. Plans have also been announced in the last year for the location of a GM-Delco Remy battery plant, and a Miller Brewery, boasted to be the largest brewery in the world. Albany and Dougherty County, then, look set to continue their long-term growth. There are problems, however, notably a low wage scale, and an inadequate sewer system, which has put a halt to construction in the growing and more affluent northwest section of the city.

With the city's rapid growth has come an even more rapid growth in the local government budget, and in the flow of federal funds. Fifteen years ago, when its annual budget was \$2.9 million, the city of Albany received no federal funds at all. In fiscal year 1979, almost \$4 million of a budget of \$22.2 million is in direct federal aid. Back in January 1963, in fact, the incoming City Commission made their first action a resolution to rescind the previous commission's acceptance of a relatively small federal grant. It was the Federal Highway Act of 1962, which gave notice that no funds

“The irony is that local governments are not unwilling victims in this process. The ‘something for nothing’ mentality and the philosophy of grantsmanship continue to prevail as local costs are ignored or hidden.”

In order to obtain community development grants, a local Citizens Advisory Committee must be established; this requirement uses tax money and local government time preparing recommendations of limited interest.

To enable local citizens to purchase low-cost federal flood insurance, another layer of bureaucracy, through which the developer or property owner must pass, is established, with the effect of hindering development and adding to construction costs.

The irony is that local governments are not unwilling victims in this process. The “something for nothing” mentality and

would be spent after July 1965 within a jurisdiction unless it had a planning process, including land use studies, that set Albany on its present course. Having tried to slip around the law, the city and county agreed jointly to get into planning in 1969.

Later, at the urging of the federal people, the local governments formed the Albany Metropolitan Planning Commission, a separate governmental unit, including representation from Lee County, a rural county to the north, part of which acts as a bedroom area for Albany. Since that time, the growth in the federal dollar flow to the community has been dramatic, especially in the last five years, and shows no sign of letting up, at least, not if local officials have anything to do with it. The \$4 million received by the city in its \$22

million budget are not the only federal funds received by local government. Federal funds are also received directly by Dougherty County, the Albany Metropolitan Planning Commission, the County School Board, the Municipal Airport and for various projects, such as a sewer study, outside of the city budget. Thus, such grants to government units in Dougherty County total \$17.2 million out of a total revenue of \$58.6 million or about 29%.

In addition, there are grants to quasi-government units, such as the municipally-run hospital, or to "private" organizations like the Council of Aging, or the Urban League, which receives all or the vast majority of their funds from government sources and perform functions similar in many cases to those performed by the government units. The Urban League, for example, earlier this year took over responsibility for the operation of a Department of Housing and Urban Development weatherization program, administering grants for the upgrading of low-income housing, and received a fat check from HUD for their trouble. The program had previously been operated by the city.

"In thousands of cities smaller than New York the drug is having its effect, though in less dramatic form. Its effect is two-fold; both to increase the size and dimension of government at the local level, and to remove control from the local level."

Not only that, but the \$17.2 million represents only grants known at the beginning of the fiscal year. In addition, throughout the year, innumerable other grants, some large, some small, are received by government units. Examples include two grants one for \$42,652 from the Heritage Conservation and Recreation Service for the city to build a park, and the other for \$655,500 to Albany State College, a unit of the university system of Georgia, from the Department of Health, Education and Welfare, "to strengthen and develop the school's total educational offering".

Both the school board's accountant and the airport manager said it would be impossible to figure precisely how much of their total income was from federal funds. In the case of the airport, although no federal funds are included in its annual budget, grants are received throughout the year. The school board also receives such grants during the year, receiving most of its funds from the federal government via the state. Both said no totals are available for the amount of federal grants received during the year.

CITIES AS JUNKIES

Thus no city of any significance can apparently prosper without accepting federal funds. Perhaps more significant, federal funds, once accepted, tend to become an increasingly integrated part of a community with ever-increasing cravings for more. "They were the pushers and we were the junkies", former New York Mayor Abe Beame has said.

Often such aid does not assist the city to do what is most needed. Cities especially suffer from the emphasis of federal grant programs on construction, to the virtual exclusion of repair and maintenance work. Local governments put their money into matching funds to obtain the maximum federal dollar, leaving less to spend on maintenance of existing facilities. These cities are decaying around new construction because of the lack of attention to repair and maintenance work. The emphasis on new construction is common to many programs. Until the Highway Act of 1976, federal funds were not available for maintenance work on roads or bridges. Even under the present act amounts available are small compared with what is available for new construction. Likewise, the Environmental Protection Agency discourages applications for mending or upgrading existing water and sewer facilities. As Albany has discovered, this can hinder sensible growth policies.

In thousands of cities smaller than New York the drug is having its effect, though in less dramatic form. Its effect is two-fold; both to increase the size and dimension of government at the local level, and to remove control from the local level. The cost and size of local government is increased by federal grant programs because of various characteristics of the programs—the required local match; requirements for ancillary activities the locality would not have undertaken but for the grant; the necessity to maintain and continue programs started with federal funds; and the tendency to enter marginally desired programs because "it's not our money".

Perhaps this effect is more noticeable in programs that bypass the elected city and county commissions. Examples abound of items locally elected officials, spending locally-raised tax money, would not have approved. One recent example in Albany was \$10,000 for a five day conference to teach 12 local teachers about "street law", paid for by a grant from the Law Enforcement Assistance Administration. Apart from chasing marginally desired program funds, with local matches, local government expenditures can increase because of the tendency of many programs to fund only capital expenditures leaving the city to pick up the tab for operating expenses. Bureau of Outdoor Recreation funds, for example, until very recently a major proportion of funds to local governments, are mainly available for building only, with no funds available for operation.

Federal programs also often carry stipulations on ancillary activities which, apart from the important impact on local policy, also increase local expenditure. Many programs require a planning process, not just in regard to the particular program, but overall area planning. The city and county planning department here, as we have seen, was established only in response to federal demands.

For certain funds, comprehensive land use planning is required. Albany has produced three land use reports, at untold expense and energy, in the past four years only because of federal demands, and the first two are gathering dust on the planning department shelves. The third one, released at the beginning of 1978 has still not been acted on by the city and county, despite increasing impatience of federal officials. Though not binding, the adoption of a comprehensive land use plan, delineating specific areas for residential, commercial or business development will have far reaching effects on fu-

ture development in the county.

In addition to all this is the incalculable amount of time and expense spent fulfilling the regulations regarding grant applications themselves. At once expensive and nitpicking, as well as repetitious, these regulations have sometimes made the grant itself worthless. One school district recently turned down a grant for \$4,500 because it would cost \$6,000 to cover the paperwork. Such occurrences are becoming increasingly common.

The system also encourages waste of the federal money because "it's not our money". In 1975, the Federal Aviation Administration demanded the return of \$89,000 not used by the Albany airport from a \$898,000 grant for airport improvements, which the airport completed without using the full grant. Airport commissioners complained there was no incentive for them to get the work done efficiently and cheaply. Federal grants are now spent in full in Albany.

"Far from being the 'free lunch' it is often perceived to be by government officials and local interest pressure groups, federal largesse to local government units is a Trojan Horse, delivering a host of problems along with the dollars. Among these problems are increased government on the local level, higher local spending, waste and inconsistencies, uncertainty, red-tape and crucial incursions into local decision making."

Grant regulations have become increasingly burdensome as each requirement, seemingly reasonable in itself, is added to others. The ACIR commented on this in its winter 1978 journal, "Perspective":

"The attachment of various across the board requirements to grant programs—antidiscrimination, citizen participation, environmental quality, A-95 review, historic site preservation, freedom of information, merit principles (and so on)—also has complicated intergovernmental relationships. While taken individually, some of these requirements may be desirable, their cumulative effect often has been to delay the implementation of programs, raise administrative costs, or force jurisdictions out of the federal aid business. These procedural strings represent further centralization of decision-making at the national level."

A further important way in which federal programs increase local spending is when on-going programs are stopped in mid-stream, leaving the local government the politically-unpleasant option of dropping the program or picking up the tab. For obvious political reasons, states can't end aid to retarded children or meals on wheels programs for elderly people.

A classic case is the seduction of the CETA job program. Many cities have become increasingly dependent on CETA money as an integral part of their budget. Although, of course, the purpose of the program is to "create" jobs for otherwise unemployed people, federal officials acknowledge a lot of "substitution" or "displacement". Officially prohibited, displacement is causing increasing concern to fed-

eral officials. The jobs last only a year, but many cities are using CETA funds for the salaries of newly-employed regular workers during their first year on the job. Indicative of the importance of such funds is the fact that the office to administer CETA funds in Boston is now the biggest single department in that city's government.

An amendment to the Emergency Jobs Program Extension Act of 1976 offered by Sen. Henry Bellmon (R-Okla.) required a study on the net employment effects of the CETA program. The study, by Prof. Mike Wiseman of the Brookings Institution, released last year, noted that states and local government were cutting back on employment to save costs at the same time that the government was increasing counter-cyclical funding, causing "a potential conflict in goals between the national government and local jurisdictions". Substitution occurs, though, with all fiscal subventions, although it is often difficult to say to what extent federal funds are being used for such purposes.

Dougherty County rejected part of a \$437,000 emergency temporary employment allocation in January 1975 because of concern at the long range effect when the year was up. Typically, also, the grant allocation did not include any allowance for equipment of office space, placing an additional burden on the local communities.

UNCERTAINTY

Uncertainty in federal funding also makes it difficult to plan for city budgets. One budgetary problem is ensuring that sufficient funds are kept in reserve for matching funds required on any grants that become available during the year.

Not knowing the level of funding from one year to another, with most programs having an annual life, is another problem. Most of the major dollar programs have been in existence for several years, going back to the HUD 701 housing grants, the granddaddy of them all, started in 1954. It is the smaller grants that are more likely to be suddenly stopped, and when that happens the city tries to keep the programs going out of local funds. In many cases, cities know of no alternative but to seek further, different aid from the federal government, leading University of Chicago economist Doris Hollen to charge that many cities are "fiscal junkies of the federal government".

A similar problem of uncertainty is caused by the delays in the grants coming through after first application. The time to process applications varies with the program, but 120 days is pretty much a minimum. HUD has recently added a review procedure on all applications, adding another 45 days.

Preparing applications is yet another time-consuming problem. Dozens, sometimes hundreds, of pages long, applications often require supporting documents and maps, much of it oft-repeated and previously submitted information. Constant progress reports are required throughout the grant's life. So burdensome is the paperwork load, that many private concerns refuse to deal with federal grants. Albany contractors, for example, are virtually unanimous in refusing to apply for, or build, 'Section 8' HUD housing projects for the elderly, low-income or minorities because of the red-tape.

The Planning Director in Albany, Homer Cornell, admits that "much of what (his planning department) is doing" is preparing information to keep the city eligible for grants. Private concerns cannot afford the luxury. Nonetheless, Cornell said he does not agree with those who condemn the excessive paperwork (his job depends on it!). "My reaction is they've got to have guidelines, got to have enough checks and balances so they're pretty sure where the money is going".

Even Cornell, though, has had his run-ins with federal agencies. In April last year, for example, he had to prepare and issue a 25-page booklet outlining hiring, training and promotion practices for blacks in an effort to avert a cutoff of HUD funds. The document replaced a two-page memo, in force since 1975, saying essentially what was in the booklet and previously gladly accepted by HUD.

**"The system also encourages
waste of the federal money because
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Most federal grants do not permit the funds to be used for application so the costs of submitting and resubmitting, rarely improving the project planning, have to be borne by the local government, costs which, were it paying for the project, it would not undertake.

These examples are perhaps little more than minor irritants, though costly and wasteful on an annual basis. However, the application procedures do have other more significant problems. If there is any city its size in the U.S. which advocates of urban renewal programs would say was in need of such funds, it is Albany, Georgia. But the city lost out on an Urban Development Action Grant last year because it failed to meet one of the grant criteria. The average per capita income in Albany was just \$3 more than the specified maximum for such aid. Dougherty County was caught in a similar bind in 1976 when it was tottering on the edge of being eligible for Public Works Employment Act funds. At the time City Manager Roos said it would be to the community's overall advantage to maintain, or even increase, its unemployment rate in order to get preferential consideration for the funds.

Sometimes the stipulations on the grants are not known until after the money is received. In June 1977 the city received a grant from the Economic Development Administration, but was not told until after a list of projects had been prepared and the money had been received, that all the funds had to be spent within the city limits. (City and county governments here closely cooperate, and the projects had included some work outside the city limits which were the city's responsibility under a 'Delineation of Powers' agreement). In addition, guidelines are inflexible. The same guidelines apply for New York City, Albany and rural areas. These guidelines are built to "overrich standards" for smaller towns.

SIDNEY AND THE SNOWPLOUGH

A classic example of the "comedy of errors" resulting from federal rules and requirements came to light this summer. The small Nebraska town of Sidney, population 6,300, wanted a new snowplough for its airport. The old 1936 truck with a front-end scraper which the town had been using had "seen the last of its days", city manager Merle Strouse said. Sidney didn't want anything fancy for its airport, which only gets enough snow to warrant use of a snowplough about half a dozen times a year. Just a truck with a blade would do.

The city approached the Federal Aviation Administration, which collects a ticket tax on airlines and redistributes the money to airports based on emplanements, and asked that part of its \$154,000 allowance be put towards a new snowplough. Initially, the FAA said the town did not get enough snow for a snowplough. Three months later, the FAA had changed its mind, and told the town to go ahead with plans for the plough. But not the little plough which Sidney figured could be bought for about \$25,000. The FAA said Sidney needed an \$83,000 snowplough.

And more. It needed an airport layout plan, costing about \$25,000, before it would be eligible for the funds (collected, remember, from passengers using the Sidney airport). And not only that, it would need a building to house the new snowplough, at an estimated cost of \$106,000. The city balked at putting up the required 10%—almost as much as the estimated cost of the plough Sidney wanted—but then the state Aeronautics Department stepped in and offered to put up the 10%. On one condition. That the city tie a construction project into its layout plan. "If you don't take both, you don't get either," Strouse said he was told.

At this, the city prepared its own proposal and compromised. It was prepared to spend \$45,000 for the plough, \$22,000 for a layout plan and \$66,000 for a building, and commit \$9,800 city funds towards the project. "But we don't want anymore of it."

Sidney prepared its plan and submitted it to the FAA where officials are still studying it—one year after the original request for the snowplough.

"It's a comedy of errors," Strouse said, "except that nobody is really laughing about it any more."

ORDERING PRIORITIES

Perhaps one of the most vital ways in which the federal grant system affects local communities is in ordering their priorities. Even if Albany has not established many programs "just because the money is there," the availability of federal money has determined which programs become operative. A community's priorities will change too as the federal funding patterns change. A few years ago, the emphasis of federal grants was on recreation and planning, and so too was that of local governments around the nation and of Albany in particular. Now that emphasis has switched to housing and urban aid, and so too has that of most local governments, including Albany.

The shifts in federal grant patterns can be significant. Nine years ago no aid was available for local mass transit systems (bus services, to translate from federalese), but such aid is now emphasized. Albany received \$24,000 last year as a result of the Urban Mass Transit Act. These funds represent 50% of the operating loss of the formerly private bus company that the city purchased in 1974. However, the remaining 50% of the operating loss which the city now pays is greater than the subsidy that the city used to give the private company.

In addition, if funds are not available from the federal government, all too often acknowledged priorities are not accomplished. A major problem in Albany is a series of railroad tracks which cut the center of town, potentially interfering with ambulances and other emergency vehicles. When a priority list of transportation projects prepared by the city planning department was sent to a city board for approval, a suggestion was raised to include construction work to ease the potential railroad hazard. However, the project was omitted from the list of 29 projects, according to the planning director, simply because no federal funds were available.

An even more insidious example is that of the sewer system. The problems with that system have led to a city imposed moratorium on all new building permits in the growing northwest section of the city. One respected developer, responsible for many of the larger subdivisions in town, has charged that the problem could be easily fixed by patching a three block stretch of pipe thus maintaining the system adequately for another five years. However, if the city made such repairs and solved its short term difficulties it would no longer be eligible for major long term sewer system aid from the federal government. This has happened before. In 1972 the city was expecting major federal sewer funds for treatment plant expansion. However, it lost its high priority rating for future expansion because it had repaired and upgraded its existing plant. In late 1978, federal officials notified the city that its priority ranking had improved as other top priority work has been completed, and that it should commence preliminary planning work. The city is anxious not to lose its ranking again this time.

INTERFERENCE

The federal grant system not only reorganizes a local government's priorities, but it also allows the federal government to

interfere in the community's policy making, even affecting minute details. The federal officials are able successfully to intervene in what could be considered purely local matters because of the leverage afforded by their grants. These may be only 10% or so of a department's operating budget, but by the threat of withdrawal, federal officials are able to dictate their will.

Sometimes, such interference is in controversial matters such as requiring busing and desegregation plans for school

"Local officials see no indications of a change in the system, and little willingness to seek that change.

'As long as the federal government is printing money,' Albany City Manager Roos said, going straight to the core, we're going after it.' "

systems or mandating construction of low income housing in high income areas of the city. Other times it relates directly to the long-term financial viability of a project. Sewer fees for industrial concerns were increased in Albany in the 1978 budget to assist the city in getting economic development monies.

However, often such interference does not relate to such weighty national or fiscal concerns. When FAA told the airport commission, which wanted to close a road adjoining the airport for expansion, there would be no more funds if the road were closed, it didn't get closed. Sometimes, though, the interference is too much. A few years ago, Albany lost a \$50,000 Department of Transportation grant because the Chief of Police refused to increase the officers assigned to traffic duty to satisfy the conditions for the grant. The police chief, 10% of whose budget comes from regular LEAA grants, told officials administering the grant, "I can run my own department without any help from you people." The grant was not awarded, while city officials first tried to cover up the row, and then mildly chastised the police chief.

Perhaps, the central question, is would Albany spend the money the same way if it were raised in local taxes, rather than being collected federally and then returned with strings attached.

"No", City Manager of Albany Steve Roos says, "In my judgment, no. I'd expect more talk about physical things," such as streets and sewers, things that are vital to a city's future development, but for which, all too often, federal money is not available.

FISCAL DRAIN

Such speculation leads to an interesting sidelight, whether the community actually receives more in federal aid than it pays in taxes. The answer to such a query, of course, does not judge the value of the services provided by the federal

government, or provided by funds supplied by the federal government. Nor does it judge whether the services would better be performed by local governments, or even by individuals.

So-called fiscal drain studies have been made on several states and large cities, and present severe difficulties, not the least of which is the subjective judgment of which federal spending should be characterized as "national spending". Defense and the operations of the federal government are two examples of costs that need be supported by all citizens. However, despite the problems the exercise can be instructive.

In Dougherty County, about \$90 million was collected in federal taxes of all types in fiscal year 1975, whereas \$121,380,000 was spent by the federal government in the county (data compiled from "Geographic Distribution of Federal Funds", by the Executive Office of the President). So, even without allowing for the county's share of "national spending", defense, government administration and so on, Dougherty County is receiving more than it puts into the pot.

Interestingly, this is reflected in the attitude most residents seem to have about federal funding. Rarely is the suggestion or assertion made, when a decision to seek out federal funds is made, that "it's only our tax money we're getting back". Rather, whenever a new project is broached, whether at an official city or county government meeting or at a citizen input meeting, it is rarely long before someone suggest seeking funds from the federal government, like a little girl and her rich uncle, or sugar daddy.

MORE OF THE SAME?

Local officials see no indications of a change in the system, and little willingness to seek that change. "As long as the federal government is printing money," Albany City Manager Roos said, going straight to the core, "we're going after it." And he sees, "extreme regulation of local government" in the future. And the same attitude stretches to the local cities and communities, again with local politicians scrambling to take the credit for each new federal expenditure in their locality. Lobbying efforts of cities and mayors lead one to doubt whether 'temporary' stimulus programs can be phased out.

Ironically, pressures for the expansion of the federal system also come from the cutting off of local funding sources under measures such as Proposition 13. Most locally raised funds for most local governments, though a declining proportion, come from property taxes, but that tax is the easiest target of angry taxpayers.

About 81% of locally-raised revenue comes from the property tax, and the most likely source of funds to compensate for any loss as a result of property tax revolution is the federal government. In the long run, then, ironically, local governments are likely to become more dependent on state and federal grants because of Proposition 13, and less able to control their own destinies.

RECOGNITION OF PROBLEMS

State and local officials have growing misgivings about federal grant programs. They recognize that federal intervention and the regulations arising from funding often prevent states and cities from solving their own problems; that the federal government uses its money to "tempt" states into starting new programs, and then dumps the full cost of them onto state or local treasurers. They also recognize the great deal of energy spent by local officials in trying to satisfy federal rules and regulations, trying to second guess which funds Washington is going to cut next, or trying to find state funds to pick up where federal funds have dropped out. Further, they resent the dictation of policy from Washington and the conviction that the federal government alone can solve all state and local problems with federal money. Alan Beds, Executive Director of the National League of Cities, has noted that the paperwork required by Washington for participation in federal programs costs cities \$5 billion a year or about as much as they receive in general revenue-sharing.

POSSIBLE REFORMS

A number of reforms have been suggested. One such proposal by California Governor Jerry Brown would impose the entire costs of programs mandated on states and localities upon the federal government, thus officially recognizing the logical end point of present trends and moving us closer to a united system. Another proposal adopted at the 1978 Governor's Conference would replace specific programs with pools of money available for more flexible spending at local government discretion. This extension of a revenue-sharing concept has not received support from the Carter Administration, despite some rhetoric to the contrary. HEW and HUD, the two largest granting agencies, and the Department of Labor all stripped their regional offices of authority on grant decisions. In addition, the Attorney General has moved to close local LEAA offices and the Secretary of the Interior to close its local offices.

The conversion of categorical grant programs to no strings attached allocations by formula would help to increase the breathing room for state and local governments but would raise different problems of its own. Efforts must be made to bolster local government revenues and to reduce federal funding and its intertwined interference. One such proposal is to have a five to ten year program for reducing federal grant programs and at the same time reducing federal taxes by an equal amount. Local governments would then have the authority and responsibility to increase, should they wish, their own local taxation to replace the lost federal money. By this means, a direct link would be reestablished between the pleasure of spending and the pain of taxing, leading perhaps to an improved allocation of resources as well as effecting a transfer of power from the center. Whatever the specifics of a program to restore balance to the American federal system intense resistance can be expected from federal bureaucrats and interest groups that have helped shape the Byzantine web of federal grant requirements. Ironically strong Presidential leadership will be required to bring about a redirection of the flow of power to Washington. ■



View From Hawkins Gore

The National Service Debate

by Hollis Colby

Town meeting time is always a time for the exchange of violent opinion, and this year warn't no exception. But after the folks here in the Gore voted 43-29 to buy a new scarifier for the road grader, instead of patchin up the old one again, we thought the excitement was mighty nigh over with. We didn't reckon on the likes of Mr. G. Hooper Barlowe.

Mr. Barlowe ain't been around the Gore much, which most of us tend to hold in his favor. He was president of some ritzy college down country—Uruguay, or Lesotho, or New Jersey, or some such outlandish place. Bought hisself a piece of land back up on Hardscrabble Mountain a few years ago. He only came up about once a year, and the only way you'd even know he was around was when he come stormin' into Blodgett's General Store wanting to buy fish eggs or some such fool thing.

Anyway, this Barlowe decided to come to Town Meeting this year. Didn't have nothin to say until we got to Article 19 on the Warning, to wit, to see if there was any further business

to be transacted by the freemen of the town. Then it was that he got up.

"Feller citizens," he began, taking considerable liberties of speech in the eyes of some, "America is in big trouble. We are flabby, dissolute, depraved. And it mainly comes down to our young people. They don't have no ideal to draw them onward and upward."

"Do you know," he continued, "that when an American youth reaches the age of 18, he or she can do just as he or she pleases? Why, the government of this great land has even failed to provide that every young person should spend a year or two devoting him or herself to the public benefit! Why, even our armed forces don't have the God-given right to draft young men into the defense of their country any more, thanks to all them Republicans who put an end to the draft." That latter mention pretty much told us where Mr. G. Hooper Barlowe was coming from politically, and quite a few of us made a note that he ought to start heading back there.

"Now ladies and gentlemen," our illustrious part time resident went on, "the Congress may never pass the much-needed law that would force our young people to give a year or two of their lives for the benefit of everybody else. But right here in Hawkins Gore, you people can set a splendid example for the nation. You can put in your own version of universal service! You can pass a town ordinance that requires all your young people either to join the Hawkins Gore Puckerbrush Rangers, or spend a year rebuilding the stone walls on the hill farms, or clearing a field of popple to make a polo grounds, or any number of worthwhile projects of that ilk. And, ladies and gentlemen, I so move!" It was clear that Barlowe thought the Puckerbrush Rangers—otherwise known as the Midnight Fence Cutters—the local militia, instead of the local snowmobile club. But in any case, his sudden motion jolted the members of the Hawkins Gore Historical, Literary, and Athletic Wagering Society out of the torpor into which they commonly fell at the end of an exhausting town meeting.

"Mr. Moderator,"

"Mr. Moderator," said Ebenezer Colby, "would it be all right if I addressed a question to my friend Mr. Elias Blodgett?" The Moderator said it was, and cousin Ebenezer continued. "'Lias, when you was a lad, don't you remember our grandpas talking about the great days of 18 and 65?"

"'Deed I do," replied the venerable storekeeper.

"Naow what was it that they thought was so great about 18 and 65?"

"Waal, Ebenezer, I 'spect the thing that Grandpa Colby and Grandpa Blodgett admired the most about 18 and 65 was how the true Republicans in the Congress of the United States passed an amendment to put an end to the abominable practice of slavery and involuntary servitude."

"That's the way I recalled it, 'Lias," said Ebenezer. "Naow don't it look to you like this business of making our young folks do what the gov'mint says, or else, smacks a bit of that involuntary servitude?"

"If it don't, Ebenezer, may I rupture myself pullin' on a jug of corn squeezins."

The constitutionality of Mr. Barlowe's proposal having thus been settled in the negative, Perley Farnham got up to offer an observation. "Naow while this high level constitutional discussion was under way," said Perley, "I was doin' some figurin on the back of the town report here. And according to my figgers, if we was to launch a program to put all these 18 year olds to work as this distinguished gentleman proposes, it would cost the taxpayers approximately \$47,550 per annum, or 59% of the budget of this here town. That includes paying the selectmen to make sure that all the young folks works, plus chain saw and bush hog rental, plus workmen's compensation insurance, plus an allowance for the victims to live on, plus paying the constable to seize fugitives and apply the beech seal as needed." For them what don't know, the beech seal is a technique invented by old Ethan Allen, in which a handful of beech switches is vigorously introduced against the backside of lawbreakers.

"Well," says I, "it would seem that the nub of this issue is whether the town is gonna vote \$47,550 in taxes to impose involuntary servitude upon our youngsters, in violation of the Constitution of the United States, don't it?"

"A-yuh" muttered Luther Leach and several others.

Barlowe sputtered on some about William James and the moral equivalent of war and something called "socialist equilibrium", but it didn't do no good. We voted the thing down

73-1. That got changed to 73-0 when somebody pointed out that G. Hooper Barlowe had neglected to get his name on the checklist.

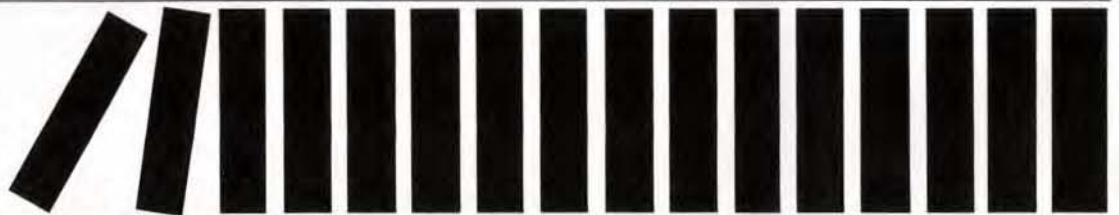
"Next year it'll be different," declared Barlowe, pretty put out about the unwillingness of us old farmers to embrace the Greater Good.

And we knew he was right. For all the while listening to the debate was 17 year old Pod Crummley, fast blossoming into one of the outstanding ne'er-do-wells of Northeastern Vermont and possibly the whole civilized world. And we was pretty sure that next summer, when Barlowe come up to his camp, he'd find a dead skunk had fallen down his chimney sometime in the late spring, shortly after the March meeting. ■

Addenda and Errata

The March-April 1979 *Ripon Forum* regrettably referred to a well known Tennessee Democrat as "lightly regarded Senator William Sasser". The article should have read instead "lightly regarded Senator James Sasser". Our apologies, Senator.

BOOK REVIEW



The Terrors of Justice, Maurice H. Stans
(Everest House, 478 pages, \$10.95)

by John Q. Publius

Viewed from a distance, Maurice Stans does not readily command much public sympathy. His seemingly emotionless exterior and close association with corporate giantism make him a natural heavy for a liberal's morality play. Add to this the fact that he was the most successful political fundraiser in American history and it may be possible to fathom how his name was transmuted by ardent Nixonophobes into an epithet as in the oath "Nixon-Agnew-Mitchell-Stans-Haldeman-Ehrlichman-Colson".

Yet this image of Stans as villain does not ring true to those who, like this writer, have known Stans firsthand. Perhaps uniquely among the top Nixon administration politicians Maurice Stans earned the deep affection of his co-workers.

Even today a casual check with Commerce careerists will reveal that Stans remains one of the most popular Secretaries ever to head that farflung department.

Oddly, nowhere is there more of a reservoir of goodwill for this conservative establishmentarian accountant than in the black and Hispanic communities. Here Stans is remembered more as the father of the Federal minority business effort than as a political fundraiser. When Stans began touring the country in 1969 to champion "black capitalism" and "minority enterprise", he faced enormous skepticism. His sessions with the minority press and leadership were often stormy. Stans' language, almost pure Horatio Alger, seemed at times anachronistic and even paternalistic. Yet what

A major contributor to Jaws of Victory, the classic study of the 1972 election, Mr. Publius also wrote "The Politics of Peanuts: The Boondoggle that Made Carter Wealthy" an article that appeared in the Ripon Forum in April 1978.

came through most about Stans was his determination whatever the flak to see that minorities could "share in the American dream". Approximately forty percent of his time as Secretary of Commerce was spent working to develop the minority enterprise program.

The Terrors of Justice presents a human side of Stans whose public persona seemed so self-controlled and almost austere. We learn that during the darkest days of his despair over the seemingly unending series of investigations, lawsuits and media barrages following the Watergate break-in, Stans' beloved wife Kathleen lay near death with a very rare blood disease. Identifying with Horatio Alger much of his life, Stans began during the post-Watergate trauma to feel like the Biblical Job.

One need be no Nixonphile to concede that Stans scores some telling points against the media—particularly *The Washington Post*, *Time* and *Newsweek*—the Watergate Committee staff and Federal prosecutors. He points out numerous instances where the national press circulated erroneous accusations and, even when confronted with their inaccuracy, failed to make any correction. Once sufficient mud had been splattered, certain principals such as Stans became fair game for all manner of charges. The normally modest concern which journalists would have about launching charges at public figures evaporated in stories about these presumably non-libelable "Watergate villains".

Perhaps more serious than the damage to personal reputations of which Stans complains, this shotgun reportage has left the public with some very distorted views of the events clustered around the catchall phrase Watergate. Among the myths that have persisted about Watergate are the beliefs that a massive money laundering operation was being run through Mexican banks and that Nixon's megabuck contributors were getting very tangible quid pro quos for their support. Stans is quite persuasive in discussing the motivation of most contributors of very large amounts. To many of these contributors, whether they are conservatives such as Clement Stone or Ray Kroc or McGovernite liberals such as Stewart Mott, Martin Peretz or Max Palevsky, political giving is more an act of philanthropy than of personal gain. Convincing as he is about the honorable motives of most of Nixon's huge contributors, Stans seems to have little appreciation of the almost certain adverse public reaction to such a massive reliance on large contributions. Besides two million dollars from Clem Stone, one million dollars from Richard Scaife and \$600,000 from John Mulcahy, Nixon secured in 1972 through Stans' efforts \$200,000 or more each from 20 other contributors, \$100,000 or more each from 71 other contributors, approximately \$50,000 each from another, 81 contributors and \$25,000 each from another 155 contributors. Even had there been no Watergate, the bloom on Nixon's victory would almost certainly have been marred by the big money aroma that surrounded it.

Stans, however, effectively points out the severe shortcomings of the current campaign finance law. The thousand dollar limit on individual contributions places candidates of modest means at a considerable handicap. The federal campaign law not only freezes out most minor parties, it also makes successful insurgent candidacies far less likely.

No longer able to depend on a few large contributions for the seed money to mount a broad-based fundraising effort, candidates of modest means such as Terry Sanford in 1976 have had to abort their campaigns on the launching pad. As pernicious as the present campaign finance law seems, it is a product not only of the excess zeal of the post-Watergate reformers but also of the unsurpassed success of Stans.

The staggering success of his 1972 fundraising lay behind the dogged pursuit of Stans by a legion of prosecutors, reporters, and Democratic politicians. Stans is generally philosophical about some vitriolic Democratic attacks made on him during the heat of a disastrous campaign. He is nettled, however, by the sanctimonious stance of Democrats on the Senate Watergate Committee and points out that Senators Inouye, Montoya and Talmadge were hardly innocents at financial legerdemain.

The Terrors of Justice presents a persuasive case that even handed justice was hardly the hallmark of many of the junior prosecutors hoping to notch another scalp of a Nixon bigwig. After being acquitted on some fairly flimsy charges in the so called Vesco case, a much financially diminished Stans found himself facing a relentless barrage from the Special Prosecutor's Office. Unable to substantiate any of the more lurid charges circulated in the press against Stans, the Federal prosecutors pressed forward with the practical equivalent of a bill of attainder against Nixon's chief fundraiser. Among the weighty charges they leveled against Stans were two counts of nonwillfully receiving illegal campaign contributions and three counts of late reporting. Personally exhausted and financially depleted, Stans entered a guilty plea to these virtually novel charges.

Far more serious indications of financial wrongdoing involving Hubert Humphrey and his campaign, Robert Strauss, and the Wilbur Mills presidential campaign committee resulted in no prosecution. Stans unkindly points out that Archibald Cox and eight of his top twelve aides had worked or campaigned with one of the Kennedy brothers and only one aide was a Republican. The same tilt prevailed among Cox's successors and most of their junior staff.

More significant than the partisan bias of which Stans complains were the prosecutorial tactics used against the various Nixon aides. Had these individuals been associated with anyone other than the arch-villain Nixon, civil libertarians would have raised the rafters. In his fascinating study *The Friends of Richard Nixon*, George V. Higgins pointed out:

... (N)o longer does the prosecutor decide whether to prosecute by asking "Can we prove he did it?"; he begins with the decision to prosecute at least half made, and reasons: "We know he did something, and as soon as we can prove it, we indict the bastard".

As Stans and Higgins suggest, the tactics of the Watergate prosecution were adapted from those used in combating organized crime. Whatever modicum of restraint might inhibit a prosecutor could rapidly dissipate in such a clear "good guy" vs. "bad guy" contest. When Stans and his attorney were first invited to New York to testify before the grand jury on the Vesco matter the Federal prosecutor offered

them the services of a car and driver who would know how to bring them to the lower level of the courthouse, thus avoiding public notice. As Stans later learned, the driver was a New York City detective who had been placed in charge of the investigations for the Vesco case. Somehow it seems hard to differentiate greatly between this placement of a spy in the middle of a lawyer-client conference and the Nixon Plumbers' intrusion into the office of Daniel Ellsberg's psychiatrist.

The silence of civil libertarians at the McCarthyite zeal of some prosecutors and Congressional investigators can be understood only in theological terms. Over a generation, through the Hiss investigation, the "Checkers speech", the McCarthy era, the Kennedy-Nixon debates, the Cambodian incursion and Watergate, Richard Nixon had assumed Satanic dimensions to much of the liberal-left.

The brunt of the exorcism that followed Watergate was borne not by Nixon but by aides such as Stans who were enthralled by Nixon's genius and oblivious to his penchant for a rabbit-punch. One of the most poignant aspects of Stans' book is his attempt to grapple with Richard Nixon's motivations. Unlike Dean or Haldeman, Stans does not try to burnish his image by savaging Nixon. Yet one senses that

Stans feels a real sense of betrayal. Particularly jarring to Stans is the February 28, 1973 tape of a conversation between Nixon and John Dean about the possibility of nominating Stans to an ambassadorship so that his confirmation hearings could detract from public focus on the Senate Watergate hearings. Somehow a man who sweated blood raising \$101 million for Richard Nixon in two Presidential campaigns should expect better treatment than to be thought of as an unknowing decoy.

It is much easier to empathize with the gentlemanly Stans than with other Nixon associates who shared the former Chief Executive's eagerness to kick his enemies in the groin. A trove of information on campaign finance techniques and history of the Eisenhower and Nixon administrations, Stans' book nevertheless poses a difficult question. Why is it that otherwise fair minded Americans who can zealously demand due process for an Angela Davis or a Bobby Seale not afford the same rights to Nixon's cohorts? The answer I suspect can be found in the strange hold that Richard Nixon continues to exercise over the psyches of his most fervent detractors. Ironically the principal casualties of Nixon's denouement may be the legions of Nixon haters who have lost their political *raison d'être* now that their nemesis has withdrawn to his San Clemente exile. ■



**Lee Huebner Becomes
Publisher of
International Herald
Tribune**



John Hay Whitney, Chairman of the *International Herald Tribune*, announced on May 22 the appointment of Lee W. Huebner as publisher of the internationally renowned newspaper. Huebner, who has been a vice president and director of Whitney Communications Corporation of New York City, will assume his duties on June 18, 1979.

The *International Herald Tribune* is owned by the Whitney Communications Corporation—of which Mr. Whitney is the Chairman, *The Washington Post*, and *The New York Times*. Mrs. Katharine Graham and Mr. Arthur Ochs Sulzberger are co-chairmen of the *International Herald Tribune*. Mort Rosenblum is the editor.

In his five years with Whitney Communications Corporation, Lee W. Huebner has worked closely with several of the Whitney magazines and newspapers, including the *International Herald Tribune*. He served for two years as publisher of *The Oil Daily*, after Whitney Communications acquired that daily newspaper in 1977.

A native of Sheboygan, Wisconsin, Huebner received his B.A. degree from Northwestern University and his M.A. and Ph.D. degrees in History from Harvard University. He was a founder and president of the Ripon Society. Among his numerous accomplishments in Ripon was the spearheading of the task force that prepared the general revenue sharing proposal. This paper, released in July 1965 jointly by the Ripon Society and the Republican Governors Association, provided the basis for the current program of revenue sharing. From 1969 to 1973, Huebner was part of the White House writing and research staff, serving there as Special Assistant to the President.

Huebner, 38, is married to the former Berna Gorenstein. They have one child, Charles, who was born on March 27 of this year.

The *International Herald Tribune* is published six days a week and circulates in some 120 countries around the world.

Total circulation is about 125,000. The paper was founded in Paris by James Gordon Bennett in 1887 and is still headquartered there with auxiliary printing sites in London and Zurich.

Petri Survives Labor Blitz to Hold Steiger Seat

After an impressive mid-February primary victory Republican State Senator Thomas (Tim) Petri began his general election campaign for the Wisconsin Sixth District Congressional seat as the early favorite. Petri was identified with the same moderate Republican political tradition as William Steiger. Moreover, turnout in the Republican primary for the vacancy created by Steiger's tragic death was three times the Democratic turnout.

The situation, however, was viewed as a real sleeper by organized labor. While the extraordinarily popular Steiger had carried the Sixth District by huge margins, President Ford barely carried the District in 1976 against Jimmy Carter. Although Petri had supported labor on about 70 percent of labor identified key issues in the Wisconsin Senate, a number of national unions targeted the race for intensive "nonpartisan" get out the vote drives. They wheeled their support behind Gary Goyke, a personable Democratic State Senator with a penchant for demagogic attacks on multinational corporations and other enemies of the Wisconsin working man.

At the height of the campaign more than sixty union staffers, many from out-of-state, were working full-time on Goyke's behalf. As a result of a loophole in the election law such activity is not reportable. Thus Petri found himself hammered repeatedly by Goyke for excess campaign spending. Yet Goyke's "nonpartisan" aid, conservatively estimated to have a value of about two hundred thousand dollars, gave the Oshkosh Democrat an effective edge in resources. Ironically Petri was having difficulty securing financing from many corporate PACs because his voting record was considered too pro-labor.

Clearly the more thoughtful candidate, Petri won the lion's share of newspaper endorsements. Goyke countered by identifying himself with popular Democratic Senator William Proxmire. On election day April 3 Wisconsin election analysts were stunned by the huge turnout. Over 141,000 voters came to the polls in this nip and tuck contest. This turnout was nearly twice that of the California Congressional election the same day.

On the strength of a big victory in his home county of Winnebago, Goyke led until well after midnight when returns began to pour in from the rural Republican western portion of the Sixth District. Petri's margin of about 1300 votes

seemed most attributable to a strong showing in normally Democratic Sheboygan County and to a landslide victory in rural Juneau County. The Sheboygan victory appeared the result of a heavy investment in the last days of the campaign in Milwaukee television. Petri's 2-1 victory in Juneau County on the other hand was largely credited to the valiant efforts of a Juneau County Republican, State Representative Tommy Thompson, the individual who finished next to Petri in the GOP primary.

Easily one of the brightest newcomers to the House in recent years, Petri is expected like his predecessor, Bill Steiger, to make a significant mark. To become a great legislator one must first be reelected and Petri seems to be building a strong constituency service staff similar to Bill Steiger's. Should he face a rerun in the 1980 with Goyke, Petri should benefit from this incumbency advantage as well as the fact that out-of-state unions will have 434 other Congressional races to worry about.



Royer Captures Formerly Democratic Seat

Many Congressional aides have cherished the notion of assuming their boss' seat. Somehow this scenario, even when the opportunity comes, rarely seems to work out. Veteran Congressional aides who have functioned as their boss' alter egos often find themselves at a real disadvantage when they must enter the rough and tumble of politics. Their experience with the inner workings of Washington and their closeness to the Congressman often seem less valuable than the greater name identification and personal track record of a local officeholder.

The California runoff between Democrat Joe Holsinger, a long-time aide to the assassinated Congressman Leo Ryan, and Republican William Royer seemed a familiar replay. A popular San Mateo County Supervisor and a former Redwood City Mayor, Royer and his attractive wife Shirley made a strong campaign team. Strongly aided by Republican Congressman Paul McCloskey who had before reapportionment represented much of Ryan's District, the moderate Republican Royer rapidly erased the slight lead Holsinger enjoyed in the March 6 initial election. Holsinger never succeeded in healing intraparty wounds in the primary campaign that resulted from his attacking a popular Democratic primary opponent for his Arab ancestry. On election night Bill and Shirley Royer and their enthusiastic supporters could celebrate a victory shortly after the polls had closed. Joe Holsinger could only rue the costs of the relative political obscurity of a Congressional aide.

left to right: Congressman Joel Pritchard, Congressman to be Tim Petri and Republican National Committeeman Ody Fish at Ripon 125th Anniversary Celebration. Professor Warren Wade, Anniversary Celebration Chairman.



Ripon Residents Overcome Elements to Have Successful 125th GOP Anniversary

For the last few generations the residents of the small Wisconsin City of Ripon have celebrated with flair the founding of the Republican Party there in late winter 1854. Two meetings that year, the first on February 28 in a Congregational Church, and the second on March 20 in the little white schoolhouse, are believed to be the first local gatherings in the spontaneous grass roots movement from which the Republican Party was born. The March 20 meeting of 53 individuals including three women is generally regarded as the date of birth. Here the participants, some of whom had met at an earlier meeting convened by a Ripon lawyer, Alvan Bovay, cut their ties to the existing political parties and agreed to use the name Republican.

Celebrations of the first Republican gathering have often been eventful. In 1929 as Republicans were in the midst of celebrating their 75th anniversary, a flock of Revenue agents landed on the scene to snatch cases of Demon Rum. The event generated headlines in the *Chicago Tribune* and underscored the fact that Midwestern Republicans weren't all dry.

This year as local residents prepared to celebrate the GOP's 125th anniversary they were forced to overcome another form of adversity, a late March blizzard. On Saturday, March 24 the date chosen for the celebration central Wisconsin was blanketed with a howling blizzard. Roads were made impassable by snow drifts and visibility became almost nonexistent. The Anniversary Celebration Chairman, Ripon College faculty member Warren Wade, valiantly struggled to keep the celebration going. One of the two principal speakers, Illinois Congressman John Anderson, was scheduled to fly in by a four passenger private plane. Celebration organizers advised Anderson not to attempt a hazardous flight. The blizzard caused the loss of not only the best known speaker, but also most out-of-town attendees and members of the media.

The folks of Ripon are, however, a resilient lot. A crowd of about 150 trudged through the snow to the Ripon College Dining Hall. During a cocktail reception (Republicans need

no longer worry about Revenue raids), attendees exchanged notes about their battles with snow drifts, skids and other effects of the blizzard. The high spirited people of Ripon (pronounced Rip-un) then settled down for a memorable dinner. The highlight of the dinner was a rousing speech by Congressman Joel Pritchard of Seattle, Washington. Pritchard, who chairs the House Wednesday Group, provided a strong boost to Tim Petri's Congressional campaign. Petri had earlier delivered a very well received speech stressing themes of government economy and the need to restrain inflation. (Petri carried Ripon handily in the April 3 special election). Besides giving a strong tribute to Petri and stressing the importance of this race to establish GOP momentum nationally, Pritchard movingly made the case for the Republican Party to pursue an urban policy geared to empowering individuals and neighborhood groups to improve their lot.

Ody Fish, Republican National Committeeman for Wisconsin, served as a superb master of ceremonies for the Anniversary Dinner. Doug Lyke, Publisher of the *Ripon Commonwealth Press* regaled the crowd with tales of the earlier Ripon gatherings including the Prohibition era raid. John Topping, Ripon Society President, stated that Ripon, Wisconsin was the site of one of the "great turning points in American history". He stated that the Republican Party in the seventy five years immediately following the Ripon meeting accomplished more than any political party in a free nation in human history.

The meeting concluded with a skit commemorating the early Ripon events. Leading the skit was Patricia Goodrich, State Representative for the district in which Ripon is located. Also participating were three residents of Ripon, E.F. Biedrou, Marie Sommerfeldt and Judy Neill.

Despite the blizzard that forced some curtailment of the event, the Ripon celebrants were buoyed by the outcome. The pleasure was increased a week and a half later when Tim Petri from the neighboring city of Ford du Lac won the Congressional seat vacated by Bill Steiger's death. ■